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The Importance of Practical Export Skills: Some Evidence from Canadian Agribusiness

ABSTRACT: This paper compares the practical export skills needed by Canadian Agribusiness for sales to the U.S. with those for Overseas markets. Seventy skills in global entrepreneurship, international marketing, international finance, and international trade logistics were ranked and used to gauge the influence of export market on practical international trade skills. The findings show that practical export skill requirements vary substantially by firm and export market. Generally, basic management, marketing, finance, and shipping skills are most important to successful agri-product exporting. Advanced skills in strategic management, export marketing, and export finance are not important to most exporters. Instead, most Canadian agribusiness exporters consider the ability to use international trade specialists to be a key export skill.

Successful exporting of agri-products requires specific, practical international trade skills. Just which skills are important, however, remains largely unknown. Is there a set of practical skills which prepares agribusiness exporters for all markets or do practical export skill requirements vary by firm, home country or target market differences? Knowing which practical export skills are important for

successful exporting of agri-products to a particular market could—through better preparation or alliances—lead to enhanced export performance.

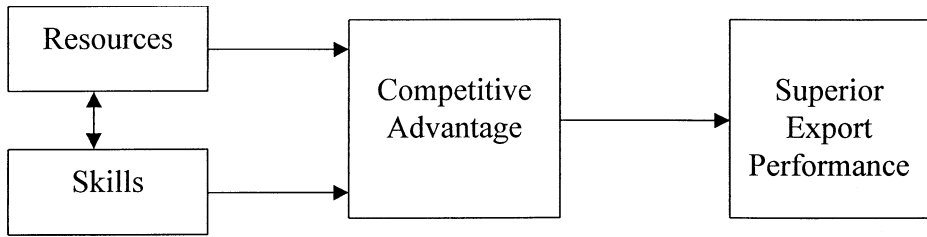
A substantial amount of work has been directed to enhancing export performance. Most of the work has focused on the export behavior of firms at a domestic level. Comparative work into export behavior is also emerging with multinational comparisons such as by Beamish, Craig and McLellan (1993) as well as regional comparisons such as that by Kaynak (1992). As noted by Beamish et al. (1993), these types of comparisons help identify differences and similarities in export behavior associated with regional, national and international influences.

This paper uses export market comparison to look at the practical export skill sets of Canadian agri-business exporters. A national survey was used to show how practical international trade skills are ranked for Canadian agribusiness exports to the U.S. and Overseas markets. A broader based assessment of just what skills are important to export success was gained by selecting skills from each of the global entrepreneurship, international marketing, international finance, and international trade logistics areas. These importance rankings can be used to design better export skill training programs for Canadian agribusinesses—an export industry of substantial and growing importance to Canada. We believe they will also serve as a basis for comparison for U.S. agribusiness exporters selling to Canada, as well as other national agribusiness exporters looking to serve the U.S. or Canadian markets.

THE LITERATURE AND RELATED WORK IN EXPORT SKILLS

The importance of measuring skill importance and training exporters in practical international trade skills is generally accepted. Beamish (1986), in his call for Canadian exporters to prepare for world business, advised that international business training is positively related to exporting performance. Their study of the high failure rate of initial exports lead Welch and Wiedersheim-Paul (1980) to suggest a more active pre-export preparation stage that will “generate information not only about Overseas markets but also about the logistics of exporting and potential complications.” They go on to suggest that this preparation will lead to a more positive attitude to the complications of export sales, possibly resulting in preparations to deal with them, and could be a factor in determining whether a firm continues as an exporter. A shift in international business education to incorporate more experiential and practical knowledge has also been called for by international business educators (Steier, 1990; Ball and McCulloch, 1993; Beamish and Calof, 1989).

These calls for more work into the practical dimensions of exporting are beginning to enjoy more theoretical support. Cavusgil and Zou (1994) link marketing strategy and export market performance by presenting a coalignment of



Source: Piercy, Kaleka and Katsikeas

marketing strategy and firm characteristics (including the firm's capability to implement its export marketing strategy) as essential determinants of export performance. They also present export marketing strategy as being influenced by firm, product, industry and export market characteristics—an approach that can be applied equally to work into practical export skill requirements. Piercy, Kaleka, and Katsikeas (1998) provide a more direct linkage between exporting skills and export performance. Their model of Sources of Superior Performance in Exporting is presented as Figure 1. The model shows competitive skills in exporting to be a main contributor, along with competitive resources in exporting, to the firm's competitive advantage. It is this competitive advantage which, in turn, produces superior export performance. Moreover, Piercy, Kaleka, and Katsikeas (1998) found in their study of UK exporters that large gaps exist between high and low export performers in the possession of these critical competitive skills in exporting.

The above calls for more work and the emerging theoretical support for export skill research have resulted in some effort to focus on the practical aspects of exporting. Kotabe and Czinkota (1992) looked at specific export skill competency (which they denoted as "export procedural expertise") in a gap analysis of the needs of U.S. manufacturing firms and the type of government export promotion assistance provided. They found that even for the more experienced exporters they surveyed "the absolute level of expertise seems inadequate." Kaynak (1992) reported a similar dearth of export skills among exporters in the Atlantic and Prairie regions of Canada. He also noted "a complete lack of export organization...(where)...in most cases this function is performed by the domestic marketing department of the company." Oddly, most of the firms surveyed by Kaynak had "sustained" export operations with ten or more years of experience in international marketing operations. Moreover, most firms did not actively develop their export market—a somewhat surprising finding given that the firms strongly considered that exporting was desirable and could make a major contribution to their firm's growth.

Although not specifically addressing the issue of practical export skill importance, Kaynak did report on exporter perceptions of important cost differences

between domestic and export markets as well as perceptions of major barriers to export marketing. Costs associated with selling, packing and handling, shipping, insurance, risk management, and managerial time required to locate customers, negotiate sales, and provide after-sales service were all ranked as being higher for exports than domestic sales. Likewise, credit limitations, price and quality limitations, delivery problems, freight costs, currency fluctuations, and limited local market knowledge were ranked as important barriers to export marketing. The higher costs and greater perceived barriers associated with these practical skill areas suggest that these firms would view these practical skills as important to their exporting success.

Some work has directly attempted to identify the particular skill set required to implement export strategies. Kedia and Chhokar surveyed 96 small and medium-sized firms—both exporters and non-exporters drawn from a broad cross section of unrelated industries—and asked them to rank 20 export related skills. Each skill was scored in terms of perceived importance and perceived difficulty in overcoming. As they defined their export skills in broad terms such as “complying with government regulations,” “knowing how to market overseas,” and “minimizing foreign exchange risk,” the question of just what specific skills were being measured arises. However, their results indicated significant differences in the perceived importance and abilities between exporters and non-exporters—a finding consistent with the Kotabe and Czinkota (1992) view that export training needs vary among exporters in different stages of export development.

The position that skill requirements vary among exporters in different stages of export development is complemented by the Batten, Mellor and Wan (1993) finding that firm size had the most important effect on the foreign exchange risk management practices of larger Australian firms. Surmising that size was positively related to the sophistication of foreign exchange risk management, they found that size has a very significant impact on the use of forward contracts, options, currency swaps, and futures. On the other hand, Calof (1994) found relatively weak relationships between firm size and export behavior and so advocated direct measurement of export skills, resources and commitment of exporting firms when studying export behavior.

The above review suggests that practical skill requirements may vary by stage of export development. It is also likely practical export skill requirements will vary by target export market. Cultural awareness and adaptability have long been recognized as important aspects of international marketing. Czinkota and Ronkainen (1996) submit that “cultural competence must be recognized as a key management skill. Adjustments will have to be made to accommodate the extraordinary variety of customer preferences and work practices by cultivating the ability to detect similarities and allow for differences.” The notion that practical skill requirements may also vary by export market is further supported by the Beamish et al. (1993) finding that “key success factors in exporting” are not

the same for Canadian and UK firms due to differences, *inter alia*, in market diversification and international business practices.

CANADA'S TRADE POSITION AND INTERNATIONAL TRADE TRAINING PROGRAM

Canada is a relatively trade dependent nation with about one-third of GDP being derived from international trade. In 1997, total Canadian exports amounted to Can \$278.87 billion. Canadian agri-food exports totaled Can \$21.27 billion in 1997, up 60% from 1993. The U.S. is Canada's largest export market, accounting for about four-fifths of total Canadian exports, and is very familiar in business practices and culture to most Canadian exporters. Canada's remaining trade is with Overseas markets—evenly split among Asia, Western Europe, and all-other markets. These Overseas markets are generally viewed as being much more susceptible to international business risks by Canadian exporters.

To support the export performance of Canadian firms, the Forum for International Trade Training (FITT) was established in 1992 with public funding and trade, labor and industry association sponsorship to provide practical export skills training. The first FITT program to be offered widely was the FITTskills Certificate Program, which offers 45 hours of practical skills training in each of global entrepreneurship, international marketing, international finance, and international trade logistics. Course content was developed using practitioner focus groups to identify key skills, authors to incorporate these skills into the FITTskills texts, and practitioner and instructor referees to ensure content comprehensiveness. The FITTskills Certificate Program covers the following areas:

- Global Entrepreneurship: awareness of the international business environment including the role of GATT/WTO and other multilateral institutions, trade rules, bilateral trading relationships, tariff treatments and international business planning.
- International Marketing: export marketing principles, market research, market entry strategies, promotional strategies and pricing.
- International Finance: risk analysis, export costing, processing international payments, financing trade, exchange rate management and cash flow planning.
- International Trade Logistics: trade documentation, transportation, health and environmental issues, and customs procedures.

RESEARCH QUESTIONS & METHODS

The above literature suggests that practical export skill importance varies by firm and export market but does not identify which skills are most important or provide

substantial evidence linking skill importance to export market. Accordingly, this paper will focus on both export skill importance rankings and export skill importance by export market grouping. To guide the paper, the following research questions are used to investigate practical export skill importance:

RQ1 Which practical export skills are important to successful exporting?

Discussion of export skill importance will be further specified by a) Most important skills and export skills importance in each of b) Global Entrepreneurship, c) International Marketing, d) International Finance, and e) International Trade Logistics.

and,

RQ2 Do practical export skill requirements vary by market?

Discussion of export market skill variance will be by U.S. Market & Overseas Market groups. This approach provides the most meaningful comparison for testing the effects of export market influence on practical export skill importance for Canadian agribusiness as the U.S. market is overwhelmingly differentiated from all other export markets for these exporters. This is so as the U.S. market can be viewed as very 'close' to Canada in all of "key characteristics of the export market that can affect marketing strategy" (and in parallel fashion, we believe, practical export skills importance) cited by Cavusgil and Zou (1994). According to Cavusgil and Zou, these characteristics "include demand potential, cultural similarity to home market, familiarity with the product, brand familiarity of export customers, and similarity of legal and regulatory frameworks". Unfortunately, this approach also tends to approximate skill sets. For instance, likely differences in exporting to Europe versus Asia will be masked as will more in-depth differences such as those existing between Japan and China, or indeed, California and New York.

To address the above questions, a total of 70 export skills were derived from the four FITTskill courses. Five point scales, anchored by 1 = Not Important to 5 = Very Important, were used to measure export skills importance. In interpreting relative skill importance, those skills ranking in the top third (top 23 skills) were considered "high importance," those ranking in the middle third (middle 23 skills) were considered "moderate importance," and those ranking in the bottom third (lowest 24 skills) were considered "low importance". In addition to the relative rankings, a paired t-test was applied to each skill's importance score for each of the market groupings. Statistical significance levels (noted at the .05 and .01 levels) were calculated to indicate which export skills were significantly more important for the U.S. market than the Overseas market, and vice versa.

The standard deviation of each skill's importance score was also calculated to gauge whether each skill was uniformly important (or unimportant) to all firms or whether its importance tended to vary by firm. For instance, a high standard deviation attached to 'know how to process letters of credit' would indicate that this skill is more important for some firms than others. Likewise, the correlation

in each firm's scores for the two market groups was used to indicate the influence of firm-specific variance on skill importance scores. For instance, a high intra-firm correlation in importance scores for each of the U.S. and Overseas market groups for 'understand health and safety regulations for exports' would indicate that this skill would be relatively important (or unimportant) for both U.S. and Overseas markets for some firms. That is, some firms' products may need to clear health and safety regulations for all export markets while other firms' products may not be subject to health and safety regulations for any export market.

The survey was sent to 820 agribusiness exporters on the Canadian government's Business Opportunities Sourcing System (BOSS) list. The BOSS list is an online listing of Canadian firms exporting, or interested in exporting, which is updated yearly.¹ The 820 firms surveyed were active exporters of some type of agri-product. Subsidiaries of MNEs were not included as it was considered that these firms would be engaging in substantial intra-firm trade where the export risks would be substantially diminished. The surveys were directed to the firm's Export Manager as identified on the BOSS list. The initial mailing was followed 10 days later by a postcard reminder. A second questionnaire was mailed five weeks later to those firms, which had not yet replied. Of the 820 questionnaires mailed, 92 were returned because the firm was no longer exporting, had moved or had gone out of business. Of the 728 remaining questionnaires, 286 (39.3%) were returned answered.

As shown in Table 1, the respondents varied considerably in terms of total sales, percentage exports to the U.S., percentage exports to Overseas markets, and years exporting experience for both the company and the person completing the survey. In many cases, the firms had little or no experience in exporting generally, or in exporting to the U.S. or Overseas markets specifically. These firms would be unable to provide a valid, experience-based response about which practical export skills are important for exports to the U.S. and Overseas markets, or to provide a comparison in skill importance between the two market groups. To secure an 'expert' opinion about export skill importance for U.S. and Overseas markets, a subset of 94 respondents meeting more stringent requirements was selected. These respondents met or exceeded the following criteria: five percent of total sales in each of the U.S. and Overseas markets, and both the company and the person completing the survey having three years export experience. Skill importance rankings were determined using the subset of expert agribusiness exporters.

FINDINGS AND DISCUSSION

The paired *t*-tests provided some interesting findings both generally and in each of the specific areas of Most Important Export Skills, Global Entrepreneurship, International Marketing, International Trade Finance, and International Trade

Table 1 Respondent Profiles

	<i>All Respondents %</i>	<i>Experts %</i>
Sales		
\$0-99,999	10.9	6.4
\$100,000 - 249,000	8.1	8.5
\$250,000 - 999,999	11.2	10.6
\$1.0M - 4.9M	21.8	20.2
\$5.0M - 24.9M	24.9	27.7
\$25M plus	23.2	26.6
Percentage Sales	%	%
USA - mean	19.53	23.95
USA - standard deviation	24.97	21.02
USA range	0-100	5-90
Overseas - mean	18.04	32.8
Overseas - standard deviation	28.48	28.57
Overseas range	0-100	5-95
Years Experience in Exporting		
Firm - mean	15.22	23.21
Firm - standard deviation	16.68	21.24
Firm - range	0-102	3-102
Export Manager - mean	9.81	13.5
Export Manager - standard deviation	8.15	8.47
Export Manager - range	0-40	3-39
	(<i>n</i> = 285)	(<i>n</i> = 94)

Logistics. Most skills received the full range (1-5) of ratings from the respondents suggesting that the relative importance of the various skills is very much dependent upon the agribusiness exporter's unique needs. In addition, the paired market score correlations were all significant at $p = .01$ with an average r value among the four skill sets of about .73 (r -squared = .53). This indicates that about half of the skill importance rankings can be explained by factors unique to the respondent firm with the remaining half-likely due to market differences. Stated differently, it seems that each firm uses a particular set of export skills to manage its exports although—as the differences in skill importance for the U.S. and Overseas markets will show—it draws upon its skills in varying degrees according to the specific export market being served.

MOST IMPORTANT EXPORT SKILLS

The most important export skills for Canadian agribusiness exporters to the U.S. and Overseas markets are presented in Table 2. The top five skills are common for both the U.S. and Overseas markets and relate to the ability to label and pack the goods for export, prepare the export 'paperwork', and get the goods across the border—notably with the assistance of freight forwarders and customs brokers to facilitate clearing the goods for export. There are no significant differences in the importance weighting of these basic skills between U.S. and Overseas Market

Table 2 Most Important Export Skills

Skill	USA			OS			Paired Corr.	Paired Diff.	t-value (diff.)
	Rank	Score	S.D.	Rank	Score	S.D.			
Know how to use freight forwarders and customs brokers	1	4.51	0.79	2	4.49	0.85	0.71	0.01	0.17
Know how to pack goods for export	2	4.48	0.88	1	4.56	0.80	0.65	-0.08	1.04
Understand use of certificates of origin	3	4.39	1.01	4	4.41	0.93	0.68	-0.02	0.27
Know how to label goods for export	4	4.32	1.09	5	4.35	1.02	0.75	-0.03	0.42
Can produce commercial invoices for exports	5	4.30	1.11	3	4.43	0.98	0.73	-0.13	1.62
Know how to arrange export shipments by highway	6	4.27	1.17	50	3.36	1.60	0.29	0.90	5.01**
Can identify our competitive advantage in the export market	7	4.15	1.03	14	4.12	0.97	0.69	0.03	0.40
Can get information to profile potential export customers	8	4.15	0.92	6	4.27	0.94	0.69	-0.10	1.29
Can arrange shipping and warehousing for exports	9	4.08	1.21	12	4.19	1.13	0.66	-0.11	0.13
Can define my firm's international objectives	10	4.08	0.92	18	4.06	0.98	0.71	0.01	1.16
Know how to arrange shipping insurance for exports	16	3.95	1.31	7	4.26	1.09	0.75	-0.32	3.51**
Know how to process letters of credit	39	3.43	1.56	8	4.25	1.16	0.48	-0.82	5.51**
Know how to work effectively with foreign cultures	27	3.71	1.21	9	4.24	1.00	0.54	-0.53	4.72**
Can assess my product's suitability for export markets	11	4.07	1.04	10	4.21	0.95	0.63	-0.14	1.60
Average		4.27	1.01		4.35	0.97	0.64	-0.10	

**Paired market score differences significant at .01

(USA top 10)

(OS top 10)

sales. Further, the standard deviations of these skill scores are relatively small—especially for the top two scores of using freight forwarders and customs brokers and packing goods for export. This suggests that these basic skills are of primary importance for most of the exporters surveyed regardless of where the exports are destined.

For exports to the U.S., the next most important skill is to ‘know how to arrange export shipments by highway’. Not surprisingly, this skill is more important for sales to the U.S. (ranked 6th) which are usually trucked, than for Overseas sales (ranked 50th) which are usually shipped by sea or air. Skills ranked 7th to 10th for U.S. sales include a number of strategic planning and marketing skills, viz., identifying competitive advantages, profiling potential customers, and defining the firm’s international objectives, as well as the more basic logistical skill of arranging the shipping and warehousing of exports. These skills—although ranked lower for Overseas sales—are equally important (in skill weighting) for both U.S. and Overseas markets.

For Overseas exports, the other skills ranked in the top 10 include the market analysis skills of profiling export customers and assessing product suitability for export markets. However, the unique export skills of arranging shipping insur-

Table 3 Global Entrepreneurship Skills

<i>Skill</i>	<i>USA</i>			<i>OS</i>			<i>Paired Corr.</i>	<i>Paired Diff.</i>	<i>t-value</i>
	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>			
Can identify our competitive advantage in the export market [^]	7	4.15	1.03	14	4.12	0.97	0.92	0.03	0.18
Can define my firm's international objectives [^]	9	4.08	0.92	18	4.06	0.98	0.66	0.01	0.13
Know Canadian regulations affecting exporters [^]	24	3.79	1.12	35	3.79	1.21	0.75	0.00	0
Familiar with international business travel documentation	25	3.74	1.23	19	4.06	1.04	0.44	-0.32	2.55**
Know how to work effectively with foreign cultures [^]	27	3.71	1.21	9	4.24	1.00	0.54	-0.53	4.72**
Know effect of free trade areas and customs unions	34	3.55	1.08	40	3.62	1.08	0.73	-0.08	0.91
Know impact of multilateral institutions on my firm's exports	38	3.45	1.14	44	3.56	1.11	0.77	-0.11	1.37
Know how exports are classified in the Harmonized System	42	3.36	1.40	54	3.34	1.36	0.92	0.01	0.18
Know how to use foreign agents to enter export markets	43	3.26	1.29	24	3.99	1.05	0.47	-0.73	5.67**
Know impact of trade rules, e.g. countervail and anti-dumping	46	3.19	1.33	61	3.18	1.34	0.83	0.01	0.13
Know how to use strategic alliances to enter export markets [^]	47	3.19	1.35	48	3.60	1.28	0.73	-0.42	4.07**
Know impact of various tariff treatments on my firm's exports	48	3.18	1.35	55	3.34	1.29	0.76	-0.16	1.68
Can use a trading company to enter an export market [^]	50	3.05	1.31	39	3.63	1.15	0.56	-0.56	4.58**
Familiar with EDC insurance and financing programs	57	2.84	1.19	58	3.28	1.13	0.71	-0.42	4.17**
Know how to use licensing to enter export markets [^]	65	2.76	1.35	62	3.12	1.41	0.80	-0.38	4.13**
Know how to use countertrade to enter export markets [^]	70	2.46	1.41	68	2.86	1.41	0.76	-0.40	3.87**
Average		3.36	1.23		3.61	1.17	0.71	-0.25	

**Paired market score differences significant at .01

[^]Presented in the FITTskills International Marketing text

ance, processing letters of credit, and working effectively with foreign cultures are also ranked in the top 10. These skills are significantly more important for Overseas sales than for U.S. sales. This is probably due to Canadian exporters viewing Overseas markets as being more foreign (and riskier) than the U.S. market.

GLOBAL ENTREPRENEUR SKILLS

The relative ranking of global entrepreneur skills is given in Table 3. Among those skills deemed to be of high importance, the ability to identify their firm's competitive advantage and define its international objectives is considered to be

of equal importance for both USA and Overseas sales. 'Knowing how to work effectively with foreign cultures' and 'being familiar with international business travel documentation' are considered significantly more important for Overseas sales than for U.S. sales.

Of the skills deemed of moderate importance, 'knowing Canadian regulations affecting exporters' was considered to be equally important for both U.S. and Overseas sales. Other general exporting knowledge about free trade areas and customs unions, the impact of multilateral institutions such as GATT, how exports are classified, and trade rules such as countervail and anti-dumping was also viewed as being equally important. On the other hand, it is significantly more important to know how to use foreign agents and trading companies to enter Overseas markets than the U.S. market. Apparently, Canadian agribusiness is more willing to use international trade intermediaries for Overseas markets.

Knowing how to use strategic alliances, licensing, and countertrade to enter export markets as well as familiarity with Export Development Corporation (EDC)² export credit insurance and export financing programs were all significantly more important for Overseas sales. However, the very low mean rankings attached to the use of strategic alliances, EDC insurance and financing, licensing, and—especially—countertrade, along with relatively high standard deviations indicate that most agribusinesses surveyed are not involved in these types of activities. This finding is consistent with the Kaynak (1992) statement that most of the Canadian exporters he surveyed were only passive exporters and did not actively develop their export markets using advanced techniques and channels.

INTERNATIONAL MARKETING

Table 4 sets out the relative rankings of international marketing skills. The high importance skills of getting information to profile potential customers, prepare competitive profiles, preparing market penetration plans, determining target market regulations, and getting country profile information were viewed as being equally important for both the U.S. and Overseas markets. The ability to assess product suitability for export markets and know when product adaptation was necessary was also viewed as being equally important for both markets. The high scores accorded to the skills of gathering market intelligence and assessing product suitability for export markets can be viewed as evidence of the importance of knowing your market to export marketing success.

Of the moderately important skills, the ability to 'quantify additional costs related to export marketing' and knowledge of 'various export pricing options and approaches' were viewed as being significantly more important for Overseas sales than for U.S. sales. Getting information and planning marketing strategies were

Table 4 International Marketing Skills

<i>Skill</i>	<i>USA</i>			<i>OS</i>			<i>Paired Corr.</i>	<i>Paired Diff.</i>	<i>t-value (diff.)</i>
	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>			
Can get information to profile potential export customers	8	4.15	0.92	6	4.27	0.94	0.69	-0.10	1.29
Can assess my product's suitability for export markets	11	4.07	1.04	10	4.21	0.95	0.63	-0.14	1.60
Can get information to prepare competitive profile for exports	12	4.05	1.01	20	4.04	1.03	0.72	0.01	0.13
Know when product adaptation necessary for export markets	17	3.92	1.20	23	3.99	1.06	0.86	-0.07	1.03
Can get information to prepare market penetration plan	18	3.9	1.10	30	3.86	1.17	0.80	0.04	0.59
Can get information on target market regulations	22	3.83	1.26	31	3.86	1.15	0.73	-0.03	0.35
Can get country profile information for export target markets	23	3.82	1.11	27	3.97	1.08	0.63	-0.15	1.54
Can quantify additional costs related to export marketing	26	3.72	1.17	29	3.88	1.17	0.83	-0.16	2.29*
Can tailor promotional strategies to foreign market needs	29	3.56	1.28	43	3.56	1.31	0.83	0.00	0.00
Can develop a comprehensive export marketing plan	37	3.46	1.18	42	3.58	1.14	0.83	-0.12	1.69
Know various export pricing options and approaches^^	40	3.42	1.38	38	3.63	1.31	0.83	-0.21	2.50**
Can get and interpret secondary information on target markets	44	3.26	1.11	60	3.25	1.22	0.79	0.01	0.14
Can do primary market research in export target markets	45	3.25	1.26	52	3.35	1.29	0.85	-0.10	1.35
Can obtain promotional value from overseas trade fairs	49	3.15	1.50	46	3.54	1.32	0.79	-0.36	3.69**
Can obtain promotional value from government trade missions	53	2.9	1.51	53	3.35	1.41	0.79	-0.45	4.49**
Can access export opportunities with Canadian government	54	2.89	1.37	57	3.32	1.31	0.70	-0.43	3.91**
Know constraints on international pricing^^	56	2.86	1.45	64	3.00	1.45	0.82	-0.13	1.44
Can use media outlets in export markets to promote products	62	2.79	1.55	69	2.71	1.52	0.91	0.08	1.12
Average		3.5	1.24		3.63	1.21	0.78	-0.13	

*Paired market score differences significant at .05

**Paired market score differences significant at .01

^^Presented in the FITTskills International Finance text

viewed as being equally important for each market group. Interestingly, the importance placed on information gathering to assess market attractiveness does not extend to interpreting secondary information on export markets or to doing primary market research (using focus groups and surveys) which is rated of low importance. This—somewhat contradictory—finding could be consistent with Canadian agri-business exporters being willing to explore export opportunities but then relying on trading houses and agents to carry out local market development and promotion.

The use of the Canadian government support to promote export sales through participation in government-lead trade missions, participation in overseas trade fairs, and selling to the Canadian government³ is viewed as being of greater importance for Overseas sales than for U.S. sales. Here again, the relatively low scores together with the relatively high standard deviations suggest that only a few of the firms surveyed actually engage in these activities—most Canadian agribusinesses do not use this type of government assistance.

INTERNATIONAL FINANCE

The ranking of international finance skills is presented in Table 5. Of these skills, 'know(ing) how to process letters of credit' is viewed as the most important—especially for sales to Overseas markets where letter of credit terms are used more

Table 5 International Finance Skills

Skill	USA			OS			Paired Corr.	Paired Diff.	t-value (diff.)
	Rank	Score	S.D.	Rank	Score	S.D.			
Can gather and use credit information on foreign buyers	12	4.06	1.25	15	4.11	1.25	0.73	-0.04	0.46
Can prepare export costing (pricing) sheet	20	3.85	1.36	26	3.98	1.21	0.85	-0.13	1.75
Can prepare a cash budget for an export sale	28	3.68	1.43	36	3.74	1.33	0.87	-0.07	0.88
Can determine best payment terms for an export sale	30	3.65	1.45	17	4.08	1.20	0.66	-0.43	3.69**
Know methods to speed up international cash flow	31	3.62	1.37	28	3.91	1.28	0.71	-0.29	2.69**
Can determine foreign exchange risk for exports	32	3.58	1.42	34	3.81	1.26	0.75	-0.23	2.30*
Know how to process letters of credit	39	3.43	1.56	8	4.25	1.16	0.48	-0.82	5.51**
Know how to process bank collection orders	41	3.38	1.58	32	3.84	1.40	0.75	-0.47	4.12**
Can use forward contracts in foreign exchange management	51	3.04	1.56	56	3.32	1.44	0.83	-0.28	2.97**
Can manage blocked funds	52	3	1.60	48	3.39	1.61	0.76	-0.39	3.33**
Can use country risk reports	55	2.89	1.37	47	3.47	1.33	0.70	-0.58	5.23**
Know when and how to use export credit insurance	58	2.84	1.49	49	3.38	1.38	0.73	-0.55	4.91**
Can arrange performance bonds and guarantees	59	2.82	1.49	59	3.27	1.48	0.80	-0.44	4.44**
Can use foreign exchange futures	66	2.72	1.64	65	3.00	1.56	0.83	-0.26	2.61**
Can arrange bank export receivables discounting	67	2.67	1.51	63	3.08	1.46	0.75	-0.41	3.68**
Can manage FX risk using price adjustment clauses	68	2.61	1.53	66	2.91	1.47	0.85	-0.30	3.50**
Average		3.24	1.47		3.60	1.36	0.75	-0.36	

*Paired market score differences significant at .05

**Paired market score differences significant at .01

often. Interestingly, this skill had a very high standard deviation in its importance scoring for the U.S. market. This suggests that the use of letters of credit in the U.S. is much more selective—perhaps varying by buyer credit risk, order size and standard industry practice—than for Overseas markets where general country risk would tend to lead to letter of credit terms. Other important international finance skills include the ability to assess international credit risk, prepare export-costing sheets, and prepare cash budgets for export sales. These ‘mainstream’ financial skills are viewed as being equally important for both the U.S. and Overseas markets.

Interestingly, all other international finance skills are viewed as being of greater importance for Overseas than the U.S. market. Of these remaining skills, the more general skills of ‘determining the best payment terms for an export sale, knowing how to speed up international cashflow, being able to determine foreign exchange risk for exports, and knowing how to process bank collection orders,’ are viewed as being of moderate importance to exporting success. Apparently, Canadian agribusiness is more concerned with the financial management of exports to (riskier) Overseas markets than to the (safer) U.S. market.

Movement toward a higher level of financial expertise—such as knowing more elaborate foreign exchange risk management techniques, understanding specialized country risk reports, and repatriating blocked funds—was considered to be of very low importance. The low mean scores and high standard deviations assigned to these advanced skills by the predominately small and medium-sized Canadian agribusiness respondents are consistent with the Batten, Mellor and Wan (1993) findings that larger firms were more likely to use these techniques. Apparently, when sophisticated foreign exchange, country risk assessment, and funds remittance assistance is needed most, Canadian agribusiness exporters rely on their commercial banks for help.

INTERNATIONAL TRADE LOGISTICS

Table 6 shows the rankings of international trade logistics skills by Canadian agri-business. These skills dominated the Most Important Export Skills rankings presented in Table 2 with seven of the top ten U.S. market skills (including the top six) and six of the top ten Overseas market skills (including the top five) being international trade logistics skills. In addition to these most important skills discussed earlier, ‘know(ing) how to prepare freight rate calculations’, ‘know(ing) health and safety regulations for exports’, and ‘know(ing) how to follow-up on stranded shipments’ all rank as high importance skills. ‘Know(ing) INCO-TERMS’ is also viewed as being quite important especially for Overseas sales. This ranking differential probably reflects the move away from U.S. domestic

Table 6 International Trade Logistics Skills

<i>Skill</i>	<i>USA</i>			<i>OS</i>			<i>Paired</i>	<i>Paired</i>	<i>t-value</i>
	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>	<i>Rank</i>	<i>Score</i>	<i>S.D.</i>	<i>Corr.</i>	<i>Diff.</i>	
Can use freight forwarders and customs brokers	1	4.51	0.79	2	4.49	0.85	0.71	0.01	0.17
Know how to pack goods for export	2	4.48	0.88	1	4.56	0.80	0.65	-0.08	1.04
Understand use of certificates of origin	3	4.39	1.01	4	4.41	0.93	0.68	-0.02	0.27
Know how to label goods for export	4	4.32	1.09	5	4.35	1.02	0.75	-0.03	0.42
Can produce commercial invoices for exports	5	4.30	1.11	3	4.43	0.98	0.73	-0.13	1.62
Know how to arrange export shipments by highway	6	4.27	1.17	50	3.36	1.60	0.29	0.90	5.01**
Can arrange shipping and warehousing for exports	9	4.08	1.21	12	4.19	1.13	0.66	-0.11	0.13
Know how to prepare freight rate calculations	13	4.06	1.17	11	4.21	1.16	0.82	-0.16	2.10*
Know health and safety regulations for exports	15	4.00	1.24	16	4.08	1.17	0.89	-0.08	1.30
Know how to arrange shipping insurance for exports	16	3.95	1.31	7	4.26	1.09	0.75	-0.32	3.51**
Understand use of Export Declaration Form B13	19	3.89	1.45	25	3.98	1.36	0.86	-0.11	1.39
Know how to follow-up on stranded shipments	21	3.84	1.32	21	4.04	1.26	0.76	-0.20	2.10*
Know environmental regulations for exports	29	3.68	1.42	33	3.81	1.32	0.84	-0.12	1.49
Understand containerized freight requirements	35	3.54	1.46	13	4.18	1.19	0.38	-0.62	3.87**
Know INCOTERMS (e.g., CIF, FAS)	36	3.54	1.55	22	4.00	1.42	0.76	-0.44	4.10**
Know how to reserve space on a vessel	60	2.80	1.71	37	3.70	1.49	0.53	-0.85	5.04**
Know how to arrange rail freight for exports	61	2.80	1.62	67	2.86	1.66	0.72	-0.09	0.70
Know conference and non-conference shipping rates	63	2.79	1.69	45	3.56	1.52	0.58	-0.74	4.65**
Know costs of chartering ships and/or aircraft	64	2.78	1.65	50	3.36	1.52	0.71	-0.61	4.72**
Familiar with EDI facilities for exports	69	2.56	1.32	70	2.70	1.28	0.82	-0.14	1.65
Average		3.73	1.31		3.93	1.24	0.69	-0.20	

*Paired market score differences significant at .05

**Paired market score differences significant at .01

trade terms to international terms when Canadian agribusinesses sell to Overseas markets.

Familiarity with the various transport modes is also important to exporting. As mentioned earlier, 'knowing how to arrange export shipments by highway' is viewed as highly important to U.S. sales but of relatively low importance to Overseas sales. In contrast, 'know(ing) how to arrange rail freight for export shipments' is viewed as being equally important for both U.S. sales (all rail to the customer) and Overseas sales (rail to the ocean port). As may be expected, skills related to arranging ocean shipping are considered to be more important for

Overseas sales than for U.S. sales. Even so, the high standard deviations recorded for the ocean shipping skills indicate that these skills are particularly firm specific and while used more for Overseas sales are also used by some agribusinesses for exports to the U.S.

The other logistical skills measured tend to vary in importance. Understanding the Canadian government Export Declaration Form B13 is viewed as being of relatively high importance for both U.S. and Overseas exports while 'know(ing) environmental regulations for exports' is viewed as being moderately important for both markets. Being 'familiar with electronic data interchange (EDI) facilities for exports' ranks very low in importance for both markets— apparently, most agribusiness exporters do not view EDI as essential to successful exporting.

CONCLUSIONS

Practical export skill requirements of Canadian agribusiness exporters vary by both firm and market characteristics. Generally, firms develop practical export skill sets that suit their own unique characteristics and then select from these skill sets the individual skills necessary to export into different markets. Some practical export skills are equally important for all markets while other skills are clearly much more important for some markets than others.

For Canadian agribusinesses, successful exporting requires practical logistical skills above all. For both the U.S. and Overseas markets, Canadian agribusiness exporters must know how to pack and label goods as well as how to work with freight forwarders and customs brokers to prepare the export 'paperwork' and physically move the goods across the border. Key skills for the U.S. market also include the ability to identify the firm's competitive advantage and market opportunities. For Overseas sales, agribusiness exporters need to know how to handle ocean shipping, process letters of credit, and deal effectively in foreign cultures.

Canadian agribusinesses do view general knowledge of international management, marketing and finance skills as important to locate and routinely serve attractive export markets. However, they generally do not consider advanced knowledge of strategic management, export marketing techniques, and foreign exchange risk management techniques as important. This finding is consistent with small and medium-sized exporters generally focusing their effort on the actual production and supply of their products. Where special local market knowledge and advanced financial management techniques are required, these firms probably rely on international trade specialists such as local agents, trading houses and their commercial banks for assistance.

This identification of practical export skill importance allows us to view earlier related findings in a new context. The Kotabe and Czinkota (1992) observation

that for even the more experienced exporters “the absolute level of expertise seems inadequate” should be reconsidered in light of a new look at the particular skill requirements of the exporters being surveyed. In as much as the general measure of proficiency used by Kotabe and Czinkota failed to consider the unique requirements of the individual firms operating in differing industries, it is likely that we really do not know whether these more experienced exporters have adequate exporting expertise. Likewise, direct measurements of export skills, resources and commitment as advocated by Calof (1994) would probably best be undertaken against firm specific measures of what is required to successfully export.

Looking directly at the practical skills exporters say they need to succeed also allows us to reconsider the earlier calls for relevance in international business training by Steier (1990) and Beamish and Calof (1989). Clearly, the higher importance placed on international logistics skills and general management, marketing and finance skills argues for the development of generalist training in international business to meet the needs of the majority of exporters. As such, we may want to reconsider our current preoccupation with developing increasingly specialist courses in international strategy, international marketing and international financial management to the detriment of holistic courses in export management or managing international operations.

Of course, limitations in both scope and method require that this study’s findings also be interpreted cautiously. First, limiting the selection of practical export skills to those found in the FITTskills Certificate Program texts removes from the ranking process some skills—such as international legal skills—that may have scored highly as practical export skills. A more expansive list beyond the 70 skills tested would give more confidence in the skills importance listings. Second, limiting the study to Canadian agribusinesses restricts the generalizability of the skill importance rankings. Other agribusiness exporters having substantially different product characteristics or national support structures could have very different skill importance rankings. Third, the actual measure of market influence must be seen as approximate as the Overseas market groups included markets of substantially different natures. Finally, the use of surveys to secure self-recorded skill ratings raises issues of the differences between perceived export skill importance and true export skill importance rankings.

On the other hand, probably the best place to start when trying to determine export skills importance is to simply ask exporters what they think is most important. From this vantage point, one can then inquire as to validity, reliability and reasonableness of the findings. It is curious, for instance, as to the effects of the relatively low rankings given to more advanced marketing, global entrepreneurship and finance skills. Perhaps, if Canadian agribusiness exporters began to focus on these areas of international management they could more successfully

develop export markets, introduce new and more profitable product lines, and engage in financial practices, which enhance their wealth.

Relying on what agribusiness exporters tell us they need to know to successfully export can provide us with a benchmark against which to gauge relative export skill proficiency. This paper's basic premise that export skills requirements are at least industry specific and its findings that export skill requirements are both firm and market specific provide us with a new perspective for developing export skill training programs. Additional research, which helps explain the relatively large variances in skill importance ratings, would help better meet the training and development needs of exporters.

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NOTES

1. An expansive description of the BOSS list—including its strengths and limitations—is given in Calof (1994). In particular, the BOSS listing is a large, publicly-accessible database of Canadian companies, is updated annually, and indicates certain aspects of the firm's exporting activity such as countries exported to and total export sales. Among its limitations, the BOSS list includes only categorical data on firm size (sales and employees) and export sales. It is also proportionally under-represented by small and medium-sized firms—although these smaller companies make up the bulk of BOSS company listings.
2. EDC is the Government of Canada's official export credit agency. EDC offers export credit insurance against non-payment of export receivables by foreign buyers as well as supplier and buyer financing in support of Canadian exports of goods and services.
3. Sales to the Canadian Government include activities such as sales to the Canadian International Development Agency (CIDA) food aid program.

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