



Enhancing International Business Development Between the United States and Africa by Implementing the Vibrant International Trade Alliance Model (VITAL - M)

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ABSTRACT

International Business development requires a complex mix of market opportunities, political stability, confidence in the rule of law, a strong economic base, financial resources, and perhaps most important - an educated, knowledge embracing workforce that translates into global market expertise. Local, regional, national and international business development in Africa has traditionally lacked much of this mix and as it followed a tradition of natural resource exploitation, with little intellectual value added. This, for the most part has resulted in it "underdeveloped" status at worst or "developing" status at best when compared to much of the world. However, important examples exist where Africa in certain sectors is increasingly embracing knowledge resources. One area in particular, entrepreneurship, embedded in small and medium sized enterprises (SMEs) holds much promise for Africa's development. This is particularly true when innovative entrepreneurs are knowledgeable about global markets, especially those with growing urban consumers and international trade opportunities. Developing such entrepreneurs and connecting them with - 1) government agencies charged with enhancing international trade (AITs), 2) public institutions of higher education (PIHEs) charged with educating the next generation of globally competitive business leaders and 3) domestic small to medium sized enterprises (SMEs) seeking new growth opportunities in the world-wide business markets can result in African business development that is super-charged. This paper explores a proven model for such development, labeled VITAL - Model (Vibrant International Trade Alliances Model). To fully grasp the nature and possibilities of this model for Africa, this paper - 1) over-views the realities of globalization that have created unprecedented opportunities for SMEs around the world, 2) highlights the importance of entrepreneurship in moving SMEs to the next level of wealth creation, 3) presents the VITAL Model developed in a globally engaged U.S. state (Virginia) to foster entrepreneurial expansion into international markets, 4) explains how the model can be applied to African countries and to partnerships between public institutions of higher education (PIHEs) in Africa and their U.S.

counterparts, and 5) provides managerial, policy and future research implications related to this boundary spanning way of thinking.

Keywords: Global Entrepreneurship, Africa, Vibrant International Trade Alliance (VITAL), Public Institutions of Higher Education (PIHEs), Government Agencies for International Trade

GLOBALIZATION – WHAT IT IS AND WHAT IT MEANS?

To provide the context for the focus of this paper a brief look at “globalization,” including what it is and what it means is useful. Globalization has been described as a force that has ignited global connectivity among nations, societies, cultures and enhanced international trade at a level rarely seen in human history. For business, particularly private, for-profit business this force and its effects has been and is substantial (Friedman 1999; National Geographic December 2019). And despite the recent global recession (driven primarily by the Coronavirus pandemic), a growing consensus is that a recovery (albeit with altered economic opportunities and challenges) has commenced (<https://www.Medicalnewstoday.com>, April 16, 2020; Soergel 2020; <http://www.mckinsey.com>, June 16, 2021).

Between 1989 and late 2019 (right before the start of the pandemic), the world’s GDP (Gross Domestic Product), driven considerably by global trade, rose from approximately \$21 trillion to approximately \$92 trillion, with the emerging markets of China, India and Brazil, joining the developed markets of the USA, Japan, Germany, United Kingdom, France, Italy and Canada in the top 10 countries by GDP worldwide (International Monetary Fund: World Economic Outlook Database 2019). The small to medium-sized enterprises (SMEs) that participated in this growth benefited greatly (Wood 2018).

An historical perspective may future shed light on this phenomenon. In 1989 the Berlin Wall fell and two years later the Soviet Union imploded (1991-1992). During this period, the old super story of our time – communism versus capitalism (central planning vs. market-based resource allocation) was replaced by globalization (the current super-story of our time). In a noticeably short period, the barriers and walls that had divided the planet for approximately seventy-five years departed (Friedman 2005). Just over a decade later it was apparent that globalization was fostering a process by which nations, businesses and cultures were becoming more interconnected (economically, socially, and environmentally) across the globe (Ali 2000). Specific results included - 1) efficiencies in supply chains and transportation which cut costs dramatically for goods and services, 2) enhanced trade agreements that brought decrease tariffs and non-tariff impediments to global business, 3) wide-embrace of advanced technologies to communicate information, ideas, innovations, and market insights quickly and inexpensively around the world, 4) an expanding cadres of new exporter and importers searching for promising international business options, and 5) significant migration of rural populations to urban areas in search of better employment opportunities, richer lifestyles and more education for their children. In the big emerging markets, these results were subsumed under the moniker “the rise of the rest,” which entailed an immense growth of a new middle-class consumer in what was formerly known as the undeveloped world (Zakaria 2008, 2011).

Globalization means millions, if not billions of formerly disenfranchised people could now compete and are competing in world markets and achieving more prosperous and better lives.

To fully take advantage of globalization two perspectives are useful – 1) a broad sense of how the world as a whole is changing, and 2) a more subtle understanding of the changes happening in individual markets, particularly those emerging from economic isolation. Consider these realities. The percent of people living on one dollar a day or less has dropped from 40% in 1981 to 18% in 2004 and is predicted to be 10% or less by 2030. Over the last 25 years, China lifted 400 million people out of poverty. By 2050, it is projected that China will be the largest economy in the world by a significant margin, India may have edged past the U.S. into second place and Indonesia may be in fourth place, while the 27 states of the European Union's share of global GDP may drop below 10%. Given a retreat of the current Covid 19 pandemic and the embrace of sustainable energy sources, the world economy could more than double in size between now and 2050, far outstripping population growth (PWC 2017).

Global trade is spearheading growing prospects in countries housing 80% of the world population. Indeed, over the last 30 years, two to three billion people have entered the world of business and trade. While the debate on the benefits of globalization persist (see Reeves 2019, Hanson 2019), and others speak of an end to globalization give the contemporary realities of the Russia – Ukraine war (Khlebnikov 2022), many observers agree that over the last thirty years, the force of globalization has generated enormous wealth and has provided unprecedented opportunities for a better life to billions of people around the world (Collins 2015; Ghemawat and Altman 2019).

Globalization has become the “super-story” of our time. With this has come the willingness of organizations of all sorts (for profit, not-for-profit, MNCs, SMEs, NGOs, etc.) to venture into the far reaches of the planet seeking new markets, secure supply chain alternatives, and opportunities from those left at the broad “bottom of the population pyramid,” (i.e., those who would not have been considered viable markets in the past - see Pralahad 2004; *The Economist* 2010; Wood 2018). U.S based organizations, in particular small to medium sized enterprises (SMEs) began to expand overseas as never before, realizing that 96% of the people and approximately 65% of the world's productive resources lay outside the U.S. border (Wood and Harrison 2015).

ENTREPRENEURSHIP – SMES AND GLOBAL WEALTH CREATION

Today, technology allows pursuit of markets that are increasingly fragmented, even the smallest participants see opportunities. Indeed, global trade by small entrepreneurial firms has grown significantly. This shift by smaller more flexible enterprises started even before the modern age of globalization. Examining data on entrepreneurship activities during the 1970s and 1980s, Acs et. al. (1994) examined 23 OECD countries and found that 15 experienced increased entrepreneurship and international market pursuit during this period. This pace of entrepreneurial international business development accelerated during today's era of globalization due to what Friedman (1999) coined as the “democratization of information, technology and finance.” These three phenomenon allowed small to medium sized enterprises (SMEs) to compete more rigorously with larger enterprises in far-flung markets. Undeniably, the development of new technologies (computers, cell phones, cable systems, teleconferencing and Internet connectivity, social media marketing), new open sources of information (computer browsers, data bases, satellite images) and new sources of financing (junk bonds, commercial paper, securitization of home mortgages, crowd funding options), has allowed a multitude of smaller firms to be “born global” and compete with more effectively with

established firms be it for local, regional, national and international markets (Hagen and Zucchella 2014; Wood and Harrison 2015). Likewise, these new business opportunities have led to a shift in the focus of many government agencies from aiding predominantly large corporations to smaller, more nimble SMEs as such agencies sought new sources of business growth and tax revenues (Jorgenson 2001; Audretsch and Thurik 2001; Thurow 2003; Klonowski 2010; Pridham 2018; Borderbuster Monthly E-Newsletter 2019). Adding to this trend, smaller to medium-sized entrepreneurial enterprises (SMEs) increased their economic value by embracing creative innovation (again, technologies that enable global connectivity) and competing with and working with larger rivals (*Global Entrepreneurship Index*, 2018). In today's global marketplace, SMEs and entrepreneurial startups continue to play a key role in shaping economies throughout the world and many have come to realize they must be "born global" to survive and thrive in the larger globalized environment, where competition can come from all corners of the planet (Wong, et.al. 2005; Klonowski 2010, Coleman 2019).

To elaborate on this notion, it is widely accepted that economic development involves the birth, growth, maturity and decline of firms and whole industries. For example, the 1955 Fortune 500 company list, had only 60 of these firms still on the list in 2017. This, in large part, was due to new innovations, new technologies and the process of creative destruction that fuels economic prosperity (Solis 2013; Perry 2017). Successful SMEs contributed to this effect, helping restructure existing industries, and in turn becoming, in-and-of themselves, vital for sustained economic growth (Wood, Laric, Franzak and Pitta 2014, *Global Entrepreneurship Index*, 2018).

There are a number of significant factors that account for the importance of a healthy SME sector in any region. First, SMEs often bring a demand for new skills to maturing industries. Indeed, six out of every ten new jobs are typically created by the SME sector (Klonowski, 2010). McKracken 2018, citing U.S. Bureau of Labor Statistics, indicated that during the Great Recession (2008-2009), SMEs created 62% of all net new private- sector jobs. Second, SMEs aggressively use their nimbleness, idea sharing cultures and relatively small internal bureaucracy to seize opportunities that larger firms often ovoid. In particular, they have played an important role in shifting traditional industries to data-driven, analytics dependent, and technology determined fields (Audretsch 2001, Freel 2003, Dibrell et al. 2008; The Economist Intelligence Unit 2017).

Third, to succeed, SMEs are known to take risks and embrace innovative concepts to achieve competitive advantages over larger, more well-endowed rivals (Audretsch 2001, Low and Chapman 2007; Exposito and Sanchis-Llopis 2019). Finally, many SME's willingly span geographic boundaries in search of opportunities. As noted previously, some are "born-global." They tap into overseas opportunities upon startup with the Internet and other communication platforms (social media marketing platforms in particular) to leverage their limited resources into an array of international markets (especially markets where urban consumers dwell), that have Internet connectivity and who embrace such platforms (Lituchy and Rail 2000, Karagianni and Labriandis 2001, Acedo and Florin 2006, Salvato et al. 2007, Kocak and Abimbola, 2009, Fishman 2016). Despite their significant importance, SMEs are by nature vulnerable. They tend to be fledgling and small, and even with flexibility cultures and innovative drive, their resources are limited. Indeed, few survive more than five years (*Global Entrepreneurship Index*, 2018).

Forward thinking governments are aware of both the importance and the vulnerabilities of SMEs and entrepreneurs. They also realize that SMEs in the global trade arena are a significant part of any wholistic economic development strategy. SMEs appear to agree with this notion as eighty-two percent (82%) of small businesses, in a recent survey, indicated that global trade, aided by the Internet, drives their and their community's economic growth (Borderbuster Monthly E-Newsletter 2019). As a consequence, some government trade agencies are beginning to consider venture assistance programs to educate, motivate, and inspire SMEs and associated entrepreneurs to consider global trade prospects (Wood, Harrison and Myrich 2017). The motivation for government backed global trade programs are many. They include boosting the employment numbers in participating firms, enhancing state business tax revenues, educating a new cadre of savvy international business managers, and promoting the brand names of all participants (individual companies and the state as a whole) in the global business arena. In short, meaningful, and well thought out state programs can lead to "win-win" realities for all involved.

Grounded in these realities of globalization and the potential of SMEs, this paper examines a model for global growth that includes business communities, universities, and state government trade agencies that are gear to the potential win-win scenario noted above. While this paper focuses on Africa, the model is applicable to any region of the world where knowledge, ideas, high quality research and motivated participants are intertwined to fully exploit that which globalization portends (Wood, Franzak and Pitta 2019).

ENTREPRENEURSHIP, SMES AND AFRICA

Entrepreneurship has always been a part of life in Africa. In pre-colonial Africa, entrepreneurship was a broad vocation that brought both personal and communal benefits (Ochonu, 2018). In modern Africa, entrepreneurship is recognized as a strategy for alleviating poverty. African governments, the African Union, African Development Bank, World Bank, and other international agencies have all been spearheading efforts to center entrepreneurship as a strategic tool to boost economic development through the provision of services and employment of youths. Global initiatives such as the United Nations Secretary General's youth employment network (YEN) created over two decades ago continue to give credence to the importance of entrepreneurship in employment creation. Two major initiatives of the YEN have been the establishment of a high-level panel to prepare a set of policy recommendations on youth employment policy and the launch of a Youth Consultative Group. These initiatives focus on representing the concerns of young people on the functioning and strategic priorities of the YEN, while also supporting their participation in the development, implementation and review of youth employment policies at the country level (United Nations, 2022). Consequently, several African governments have developed entrepreneurial skills development programs in order to solve the youth unemployment problem and ensure economic growth (Nafukho, 1998).

As mentioned earlier, entrepreneurship development programs have been specific to individual countries. However, as of yet, there is no comprehensive report that shows the all-inclusive performance of these programs. Notwithstanding this limitation, today most government officials and academic scholars agree that entrepreneurship contributes significantly to the reduction of poverty through job creation and the embrace of innovation (Momani, 2017; Arzeni, 1997). In Africa, support of entrepreneurship has prioritized in order

to complete more effectively with countries around the world for venture capital aimed at supporting start-ups and the expansion of innovative enterprises. Currently, Africa as a region attracts limited venture capital in comparison to other world regions. However, this is changing. For example, in 2021, venture funding for Africa entrepreneurship activity reached \$5.2 billion which was largest amount of its type ever experienced for the continent. Many observers believe this trend will only continue given the promise of Africa in the global arena (Partech, 2021; CB Insights, 2021).

Though the prospects for entrepreneurship are positive and initiatives such as the Africa Continental Free Trade Agreement (AFCTA) promises much in the way of enhanced trade between African countries, a lot still remains to be done. Entrepreneurs in Africa face a myriad of challenges that include policy frameworks, crime and corruption, and under developed workforce skills to name but a few (African Development Bank, 2021). These challenges will not be solved using conventional approaches and as such, Africa must take innovative approaches to entrepreneurial development. Indeed, to be truly successful, Africa must look to become viable in the global business arena beyond its own boarder. Governmental policy makers, university leaders and private enterprise must embrace boundary spanning partnerships that result in enhanced growth, development and prosperity for all involved (African Development Bank, 2021).

To address this need, the following describes the Vibrant International Trade Alliance Model (VITAL - M) involving partnerships among public institutions of higher education (PIHE), small and medium sized enterprises (SMEs) and government agencies for international trade (AIT) specifically developed to cultivate ideas, share knowledge and subsequently build greater wealth in Africa.

VITAL-M: A Model for Leveraging Globalization and Entrepreneurship Through Government Supported Agencies, Public Universities and SMEs: Enhancing International Business Success

In today's global business environment, knowledge acquisition, idea dissemination and strategic action are major ingredients to economic development and business success. This is particularly true for SMEs that might not have the time, expertise and resources of larger firms which can undertake research pertinent to international trade in their products and services (Wood, Franzak and Pitta, 2009). SMEs spend most of their time and energy on day-to-day management issues and the requirements of their domestic market decision making at the micro level. This includes communicating with stakeholders, developing promotional materials, dealing with logistics issues, communicating with potential customers, and managing inevitable crises as they arise. The macro-level requirements for long-term global business evolution and success, including research and analysis of the trade opportunities with international markets tend not to receive the attention they deserve. Likewise, the political, legal, cultural, and economic trends in international markets that impact opportunities are not typically researched by domestically focused small to medium sized businesses. Similarly, consumer market details related to the preferences, desires, customs, mores, and motivations of the burgeoning middle-classes around the world often remain a mystery to most SMEs. Add to this challenging list of research requirements, knowledge concerning international markets' infrastructure realities, such as ports, railroads, highways, storage facilities, distribution and wholesale/retail structures, e-commerce/social media marketing possibilities and the level

and nature of competition in international markets. In short, information needs related to SMEs contemplating entering international markets can seem burdensome, expensive, and perhaps overwhelming. It is not surprising that international market research and analysis are not at the forefront of SMEs' expertise or top of their "to-do" lists (Wood and Robertson, 2000). Thus, a significant dilemma exists. Globalization offers tremendous opportunities for SMEs, yet to fully exploit such opportunities, SMEs often do not have the means or motivations to do so. The Vibrant International Trade Model (VITAL-M) represents a proven means to address this dilemma.

While government agencies, be they at the supra-national (e.g., the United Nations, the World Trade Organization, etc.), national, state, or local levels, do try to offer support in one form or another to business organizations wishing to explore and possibly enter international markets. However, if such support is not specifically mandated it is often not effective (Whipple and Frankel, 2001, Appiah *et al*, 2019). This is particularly true for emerging markets, representing countries in the early stages of global engagement, including those of most African countries. As noted previously, such countries may still be dominated by commodity – based exports where economic development is often tied to the whims of global demand for undifferentiated offerings, primarily raw resources such as unprocessed metals, ores, energy, forest products, and basic agriculture products (Robson and Katsikeas, 2005; Appiah *et al*. 2019).

Likewise, many state agencies in emerging country, charged with providing export support for local companies, are poorly funded, and may contain staff that do not have the backgrounds or the personal expertise to have an impact on local SME success in the international arena (Moen and Servais, 2002; Klonowski, 2010). However, most, if not all such countries, support public institutions of higher education where a wealth of knowledge and a thirst for opportunity to apply such knowledge exists.

Harnessing government agencies charged with enhancing international trade (AITs), (no matter their level of expertise), public institutions of higher education (PIHEs) charged with educating the next generation of globally competitive business leaders, and motivated SMEs seeking new growth opportunities in the world-wide business markets, represents a mechanism for overcoming some of the obstacles to untapped global market success. As noted previously, one mechanism or model to achieve such success is the Vibrant International Trade Alliance Model (VITAL- M). This model has been applied in one particular state in the United States (the state of Virginia, also known as the Commonwealth of Virginia), and has resulted in considerable global market of success for participating SMEs (see – "Governor Announces Creation of International Trade Alliance," 2014). Since its inception, participating Virginia public institutions of higher education (PIHEs) have collectively completed over 115 global market research projects for Virginia companies and 49% of those companies have gone on to engage in in international trade (Virginia Economic Development Partnership – International Trade Division, VEDP – IT - <https://www.exportvirginia.org/>).

VITAL - M represents a research and professional partnership created to bring Virginia' state supported export/trade agency (VEDP -IT) together with state supported public institutions of higher education (PIHEs) for purposes of enhancing Virginia's private business (particularly SMEs) growth into the globalized business world. If implemented properly, with the right partners, it has been shown to lead to the successful realization of all participating partners'

missions and goals. Again, the underlying premise of this paper is that this model (VITAL – M) represents a potential catalyst for fostering global entrepreneurship and business development in emerging markets such as those in Africa.

A Research and Professional Partnership

The VITAL Model, as its name implies (Vibrant International Trade Alliance) represents a private business, research and professional collaboration focusing on global trade enhancement from SMEs and other private companies. As shown in Figure 1 (VITAL in Africa), Figure 2 (VITAL Partnerships Between Africa and the United States) and Figure 3 (A Conceptual Model of VITAL – M), this collaboration can theoretically be implemented in any African country (Figure 1) with planned collaboration between African state government international trade agencies (AITIs), local public institutions of higher education (PIHEs) and targeted private enterprises (particularly SMEs). Likewise, it can be theoretically extended to larger a larger collaboration (Figure 2) between participating U.S. and African public institutions of higher education (PIHEs), participating U.S. and African governmental agencies charges with international trade enhancement (U.S. – Af. AITIs) and selected private African and U.S. private enterprises seeking entrance into respective African and U.S. markets. Trade, both exports and imports, could both be enhanced, jobs created, tax revenues grown, and the next generation of globally trained trade managers (current university students) developed. In the end, the opportunities brought on by globalization could be more fully exploited.

Figure 1 and 2 are provided to help African nations and their respective state agencies for international trade and investment (AITI) and state public institutions of higher education (PIHE) visualize that the VITAL model could be established both within their respective nations (Figure 1) and between U.S. state-based VITAL partnerships and their respective nations (Figure 2). The conceptual model shown in Figure 3 has universal applicability, and in Africa, a preliminary count of the number of potential participating PIHE in selected countries (see Graph 1) indicates that the needed players in such an alliance are significant in number. In the select African countries, there are 130 public institutions of higher education in Algeria and 11 in Angola.

As shown in Figure 3, VITAL in Africa, if it followed the path that led to success in the U.S., would begin with a series of antecedents including an “idea sharing” conference that would include relevant SMEs and interested entrepreneurs, along with state agencies for international trade (AITIs), and motivated public institutions of higher education (PIHEs). Again, as shown in Figure 1, in the U.S. (Virginia) this conference resulted in a “State Agency – Public University Memorandum of Understanding (VITAL - MOU)” signed in 2014 by representatives from participating AIT specialists and all PIHEs (again see - “Governor Announces Creation of International Trade Alliance” 2014). The MOU’s specific purpose was to enhance collaboration between state AITs and PIHEs by focusing on initiatives that could effectively bring global business opportunities to SMEs

Referring again to Figure 1 (Antecedents), the VITAL partnership established a network that required all involved to regularly communicate their ideas, opportunities, and experiences with potential and on-going joint research projects on a bi-monthly basis, either at “face to face” forums or conference calls. This “required communication” led to the creation of VITAL “global” teams made up of representatives from specific PIHEs (professors and students) and the state

AIT, who together were charged with undertaking globally focused SME international trade research projects.

The model (Figure 3) also indicates that these key “antecedents” (leading to VITAL’s ultimate success - “Outcomes” 1 and 2), are “mediated” by the degree of support of all participating “top” SME management, all participating state AIT directors and all participating PIHE leaders, namely presidents and deans. Likewise (as shown in Figure 3), the VITAL models realization of Outcomes 1 and 2, also depends (can be mediated) greatly based upon nature and degree of the full “buy-in” and support of the specific university champions who are typically professors that lead student research teams from PIHE focusing on analyzing promising international markets for a given SME client. Finally, specific levels of funding and time support from all participating partners (the state AIT, the participating PIHE, and SMEs) are necessary mediators if the alliance is to truly work (i.e., result in the realization of outcomes 1 and 2 are shown in Figure 3).

Outcomes From VITAL

Referring again to Figure 3, one can ask - what exactly are the outcomes sought from the creation of VITAL? The state agencies for international trade and investment (AITs) typical have as their general mission something of the nature – to enhance the quality of life and raise the standard of living for all citizens of the state, in collaboration with all state communities, through aggressive business recruitment, expansion assistance and trade development, thereby expanding the tax base and creating higher-income employment opportunities. In alignment with this mission, the state AITs core objective with respect to VITAL includes assisting private business (particularly SMEs) to expand their international trade opportunities. More specifically, the professional staffs that work at state AITs have as their goal increasing the number of state SMEs selling overseas and raising the volume of international business done by state companies in general, year after year. The state AITs thus work with both new and experienced SMEs to enter and expand into international markets.

The state’s PIHEs have a common mission and core objective of creating and disseminating knowledge. A primary sub-category of this mission is educating and training the next generation of organizational leaders who are equipped with the insights and tools necessary to be successful in the global business arena. This, in turn, will determine much of the state’s future growth and prosperity. As illuminated previously, the creation and transfer of ideas and knowledge are the “currency” of success in today globalized business environment.

A significant motivation behind the formation of any VITAL program is the realization that while state AITs may be assisting a significant number of SMEs to “go global” each year, there still may be significant numbers of SMEs within any given state that could potentially be brought into the global business arena, in one form or another, if they were made aware of trade opportunities and how to exploit them. Establishing and funding VITAL in the U.S. (Virginia) has significantly leverage the strengths of state agency for international trade (AIT) and state public institutions of higher education (PIHEs), benefiting the missions of both. This in turn has enhance the state’s global business footprint, illuminate global business opportunities in promising international markets and develop the next generation of global business leaders.

The conceptual model shown in Figure 3 (Outcome 2) has universal applicability, and in Africa it could lead to a global enhancement of the African continent's brand as a whole (as a global engaged marketplace and significant international business partner) and to the enhancement of individual countries' brands (as specific markets with the knowledge, insights and managerial talent for future wealth creation tied to international trade). As shown in Graph 1, a preliminary count of the number of potential participating PIHEs in selected countries indicates that a global VITAL network in Africa is possible (as shown from high to low, there are 130 public institutions of higher education in Algeria and 11 in Angola).

IMPLEMENTING THE VITAL MODEL

In a specific sense, any Vibrant International Trade Alliance (VITAL) must be focused on identifying and implementing the following:

- The best practices that state AITs and state PIHEs should jointly embrace to connect state businesses, students, and international trade experts for purposes of leveraging the states' position in the global business arena,
- The most impactful programs, classes, research projects and global business-related seminars such that the missions of state AITs and the state PIHEs would be more fully realized,
- Partnerships that leverage the strengths of both AITs and PIHEs such that real global business success is realized by state-based SMEs

In a more general sense, the established research and professional partnership behind any VITAL (be it in Africa or other places) lies in assisting AITs and PIHEs in meeting their respective missions at a higher level than could be achieved if they worked alone. Perhaps most importantly, any well established and supported VITAL can significantly aid state-based SMEs and entrepreneurs, who prior to a VITAL may not have been fully exposed to global trade possibilities. VITAL does this by -

- Partnering to nurture state businesses that are in the pre-international business stage,
- Identifying new international business opportunities for state SMEs in all stages of "readiness" for expanding into international markets,
- Funneling state SMEs who are most ready to "go-international" to more advanced state AIT programs,
- Developing relationships with "international" students from participating state PIHEs and soliciting from them, on an annual-basis, ideas related to international opportunities in their home countries or regions,
- Building the state AIT and state PIHE brands, and the overall business brand of the state, as an engaged, knowledge-based, and integrated place from which global partnerships and wealth-creating activities derive (again - Figure 3 – Outcome 2).

How Vibrant International Trade Alliances Are Created

The actual development and undertaking of meaningful alliances can be realized through a process involving a number of items as follows:

Memorandum of Understanding (MOUs) Between Government Agencies Responsible for International Trade (AITI) and Public Institutions Higher Education (PIHE)

Once a Vibrant International Trade Alliance (VITAL) is authorized by a sanctioned state authority, the next step is the creation of Memorandum of Understanding (MOUs) that formally

links government agencies charged with enhancing international trade and investments (AITI) and public institutions of higher education (PIHE) charged with educating the next generation of globally competitive business leaders. **Process Item # 1** depicts the MOU utilized by the state of Virginia (which now has many years of experience with its Vibrant International Trade Alliance) to do just that. With MOUs in hand, the next item to be addressed is - what procedures guide the actual approval and scope of research of a VITAL project?

Guidelines for Qualifying and Selecting Participating Private Enterprises to be the Focus of VITAL Research Projects

Process Item # 2 lists the requirements that private SMEs (known as ‘clients’) must meet in order to be considered for a VITAL project. Each one of these requirements must be met before a client is designated as a VITAL project focus.

VITAL Application” and a “Scope of Work” Documents

Once these requirements are established an “application” and a “scope of work” document must be submitted by the public institutions of higher education representative (typically a university professor) to the government agency (AIT) for approval. **Process Items # 3 and # 4** represent examples of a VITAL “application” and “scope of work” document utilized by Virginia (in the U.S.) to review and approved a given VITAL “client.”

Following a SME’s approval as a VITAL “client,” the actual global market research is undertaken. Again, this is typically guided by a PIHE professor overseeing a team of graduate business students. At this stage, the question becomes - what initial guidelines should be provided to such a team by their professor to ensure the research is properly focused?

Initial Guidelines for Researching Promising Global Market for a VITAL Approval “Client.”

Process Item # 5 depicts a general set of instructions provide to the student research team responsible for finding promising international markets for an approved “client.” Such instructions aid each student research team in fully understanding their “clients” focus and competitiveness and why they might be successful in specific international markets.

Arriving at Promising International Markets for VITAL “Clients”

Once an initial student team understanding of a client’s focus and competitiveness are grasped, the next issue to be addressed is – how does the research arrive at the most promising international markets and the recommendations for moving forward? The answer lies in world-class databases.

Process Item # 6 list a sample of world-class databases utilized by student researchers in Virginia (U.S.) focusing on international markets of promise for an approved VITAL “client.” Such data-based research typically leads to a final report and recommendations to the client company. What might the conclusions of such a report look like?

Final Result – Report, Presentation and Recommendations to VITAL Client

Process Item # 8 represents a typical parsimonious graphic summation of a student team’s report and recommendations to a VITAL client representing strategic options for dealing with

international market opportunities, and example of an ultimate graphic comparison of the relative value of researched international markets

Process Item # 9 lays out an example of how a final report to a VITAL client might look.

CONCLUSION - MANAGERIAL, POLICY AND RESEARCH IMPLICATIONS

The challenges of moving private business (particularly SMEs) toward global opportunities are significant as noted previously. Despite the demonstrated value of SME – AIT – PIHE partnerships, the necessity of trust and cooperation in such partnerships cannot be understated if real value is to be realized. A persistent question arising from implementation of the VITAL model in Virginia (U.S.) has been whether all partners in the model can continue to obtain the results they seek and thus continue to support its existence.

This paper and the VITAL model posit that individual organizations (public and private) acting for the benefit of all involved can be a most meaningful method for fostering global entrepreneurship and business development in both developed countries and emerging markets, such as the U.S. and African countries.

There are two levels of benefits. First, PIHEs by supplying a diverse pool of skills, knowledge and research resources can fully participate in aiding international business development and at the same time educate the next generation of global business savvy managers. Moreover, in cases in which several PIHEs, AITs and SMEs, from different countries, cooperating on a particular global business project, even more significant outcomes can be realized (more ideas, more opportunities, more wealth creation).

Second, in the case of nations, the African countries that develop, participate, and nurture a vibrant international trade alliance, as described here, can benefit significantly as their “nation brands” becomes known globally through their SME’s global business success. Likewise, cooperation across borders can boost productivity and allow regional development at all levels. In the larger arena, idea generation and knowledge sharing drawn from alliances such as that represented by the VITAL – Model promise to deliver enhanced benefits to local, regional, national, and international economies.

Using a VITAL alliance as a policy of economic development is up to individual states and nations. In cases in which there are fewer rather than larger numbers of PIHEs, countries may find it difficult to generate sufficient critical mass to aid SMEs within their borders. The lesson is clear and points to the need to expand beyond a country's borders to include other PIHEs in partnerships in other countries (again see Figure 2). More specifically, the possibility of African PIHEs collaborating with their U.S. counterparts in an expanded VITAL alliance offers great promise where none may have existed.

Key research issues to be explored in the future include: 1) does the model shown in Figure 3 fully contain the drivers of success for global entrepreneurship success, or should other antecedents, mediators and outcomes be added?, 2) what specific methods are currently being incorporated or should be incorporated to guide the research projects undertaken by participating universities and SMEs in the VITAL model?, and 3) what metrics should be used to measure the ultimate success of the VITAL model in terms of enhanced participation of entrepreneurs and SMEs in the global marketplace?

Overall, the VITAL model offers significant food for thought focusing on important benefits that may help SME's and their home economies succeed in an ever-growing global marketplace. The real challenge lies in getting all participating partners to see the benefit of an alliance and then to cooperate fully in its implementation. Meeting this challenge requires a champion, or champions, with enough motivation, will and resources to compel, coerce, convince, co-opt, and reward all participants into action. The benefits from such could be a whole new wave of entrepreneurship and business development opportunities, potentially moving our globalized societies to a nobler future for all.

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Figure 1: VITAL in Africa

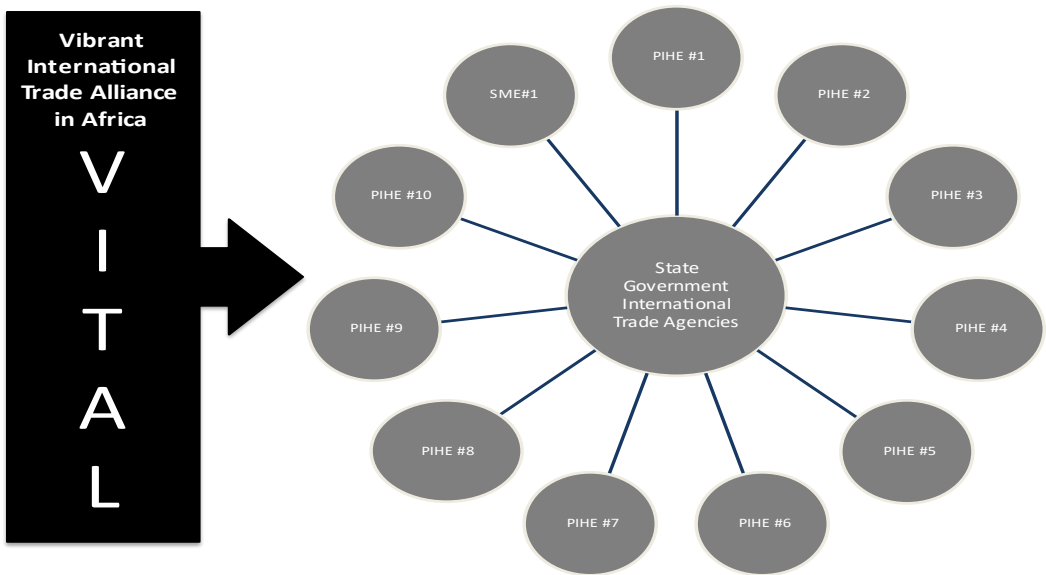


Figure 2: VITAL Partnerships Between Africa and the United States

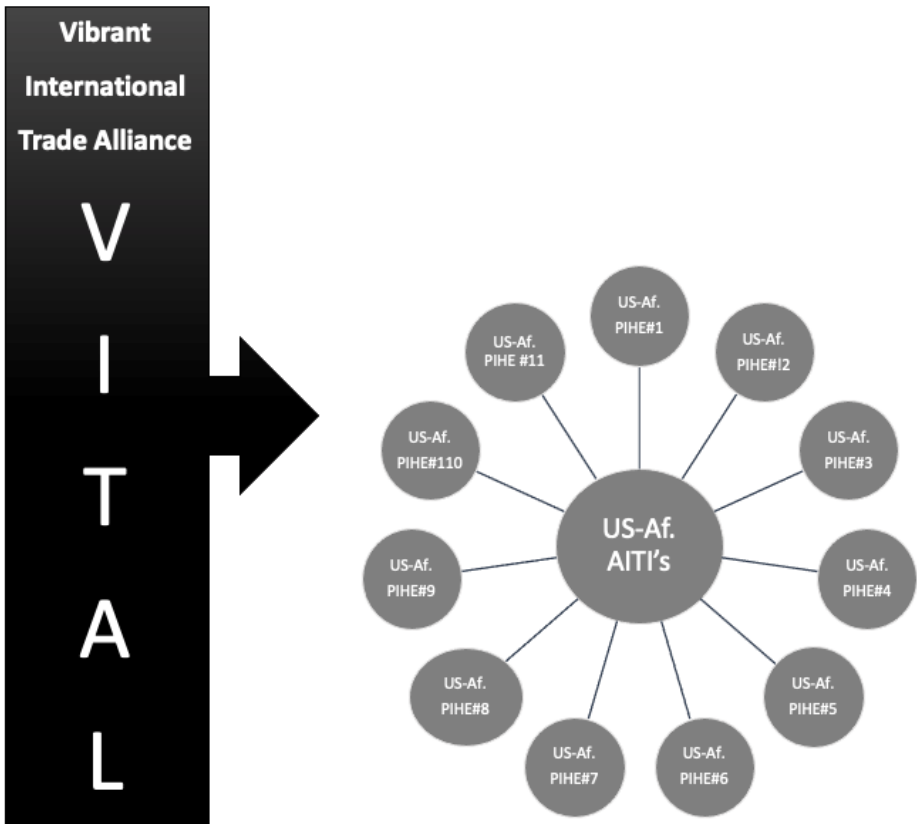
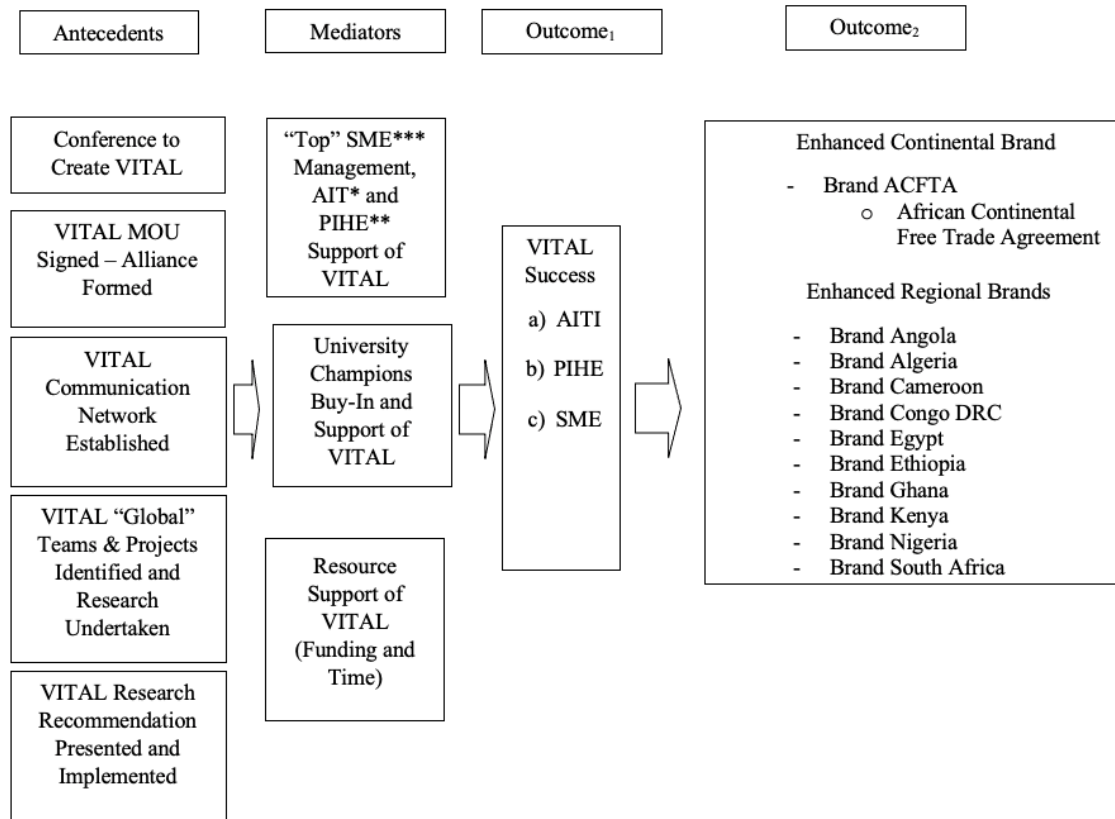


FIGURE 3: A Conceptual Model of VITAL - M (Vibrant International Trade Alliances Model) As Applied to Africa

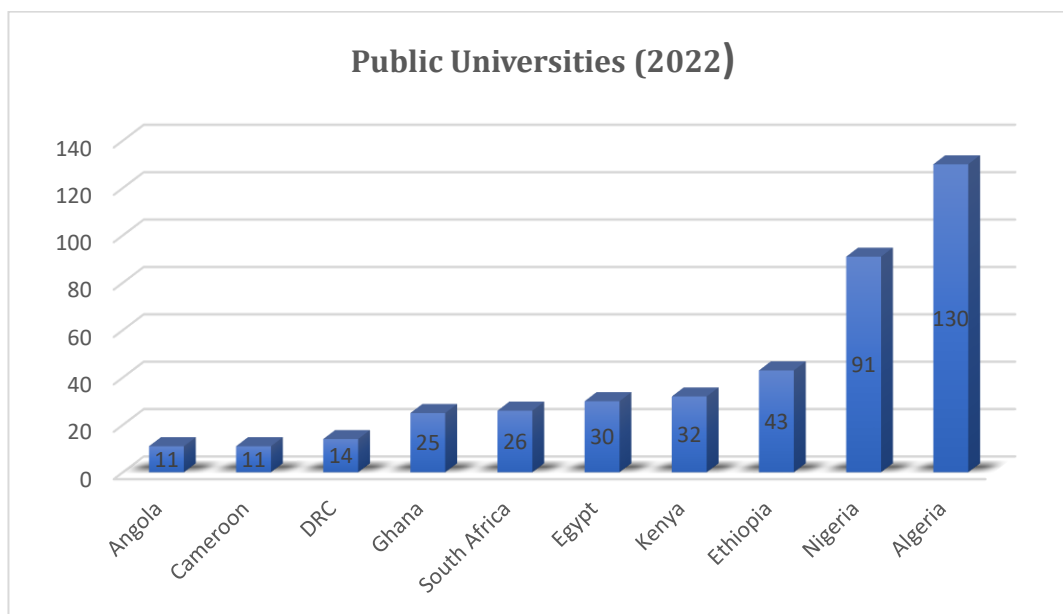
* Agency for International Trade (Governmental)

** Public Institutions of Higher Education (Universities)

*** Small to Medium Sized Enterprises (SMEs)



Graph 1: Sample distribution of public universities' in select Sub-Sahara African countries.



Process Item # 1- MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made as of July 1, 2020, by and between **VIRGINIA COMMONWEALTH UNIVERSITY**, hereinafter referred to as “VCU”, and the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY**, hereinafter referred to as “VEDP”. WHEREAS VEDP and VCU desire to increase Virginia exports, which will lead to increased job creation and economic diversification in Virginia.

NOW, THEREFORE, VEDP and VCU agree as follows:

1. VCU will identify and recruit companies to participate in the VITAL program. Target companies will be those that have international business as a key corporate strategy and can be prepared for future international sales.
2. To be accepted into the VITAL program, a company must complete a VITAL Application and the VITAL Application must be approved by VEDP.
3. VCU will provide companies with customized business plans and market research to improve their international trade readiness and/or performance.
4. VCU will submit a scope of work to VEDP for approval of each company project.
5. VCU will receive \$5,000 from VEDP for each of the companies that participate in the VITAL program.
6. This Memorandum of Understanding can only be amended or modified by a writing signed by both parties hereto.
7. This Memorandum of Understanding is effective through June 30, 2021.

WITNESS the following signatures and seals, all duly authorized, effective as of the date first above written:

VIRGINIA COMMONWEALTH UNIVERSITY

By: _____ Name/Title: _____

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP**AUTHORITY**

By: _____

Name/Title: _____

Process Item # 2 - VITAL Projects Requirements of Private SMEs

Four requirements are to be met by any private company under consideration as a VITAL “client.”

1. The “client” must be already exporting, or expressed interest in selling their products or services to international customers,
2. The “client” must have been in business for 18 months or longer (registered with state or local gov’t and have established websites),
3. The “client” must have annual sales of \$50,000 (U.S.) or more, and
4. The “client” must have five or more direct, full-time employees (or contract employees).

Process Item # 3 - VITAL Application Form

Company Information

Company Name

Address 1 City, State, Zip Code

Address 2 Website URL

Number of employees NAICS Code(s)

Number of employees in Virginia What % of sales are international?

Phone Number

Has your company done market research to determine if its products/services are exportable? ☐ Yes ☐ No

Do your products/services require export licensing? ☐ Unknown ☐ Yes ☐ No

Please briefly describe your company's products and/or services.

Please list the countries in which your company currently has/is pursuing international sales. Put N/A if none.

Primary Point of Contact

Name Title

Email Phone

Submitted **By**

Name/Date Title/Signature

Slide # 5 - Vital Scope of Research Form**University Information**

Virginia University	<input type="text"/>		
Primary Contact at University	<input type="text"/>	Title	<input type="text"/>
Email	<input type="text"/>	Phone Number	<input type="text"/>
Team Members (Students, professors, etc.)	<input type="text"/>		
Expected Completion Date	<input type="text"/>		

Process Item # 3 - VITAL Application Form continued:**Company Information**

Primary Contact at Company	<input type="text"/>	Title	<input type="text"/>
Email	<input type="text"/>	Phone Number	<input type="text"/>

Company Overview

Company background and description of product or service that is the focus of this research.

Sources

Identify resources to be used to conduct the research (e.g., databases, interviews, etc.).

Approved and accepted by:	Approved and accepted by:	Approved and accepted by:	and
Name <input type="text"/>	Name <input type="text"/>	Name <input type="text"/>	
Date <input type="text"/>	Date <input type="text"/>	Date <input type="text"/>	
On behalf of: <input type="text"/> (University)	On behalf of: <input type="text"/> (Company)	On behalf of: <input type="text"/> (VITAL)	

Process Item # 4- Vital Scope of Research Form

University Information

Virginia University

Primary Contact at University Title

Email Phone Number

Team Members (Students, professors, etc.)

Expected Completion Date

Company Information

Primary Contact at Company Title

Email Phone Number

Company Overview

Company background and description of product or service that is the focus of this research.

Sources

Identify resources to be used to conduct the research (e.g., databases, interviews, etc.).

Approved and accepted by:**Approved and accepted by:****Approved and accepted by:**

Name

Name

Name

Date

Date

Date

On behalf
of:*(University)*On behalf
of:*(Company)*On behalf
of:*(VITAL
)***Process Item # 5 - Initial Student Guidelines for VITAL Research Project**

Each student research team should fully answer the following questions before undertaking in-depth research for a VITAL "client."

- 1) What is the "value proposition" of your VITAL client (what needs is it focusing upon, and/or what problems do its product(s) and/or service(s) address)? And how might this value proposition be viewed in international markets?
- 2) What are the competitive strengths and weaknesses, opportunities and threats of each of your VITAL client (what are the client companies' attributes and what are the environmental realities that bode well and poorly for you client company in the international market arena?)
- 3) Why do you, as a team, believe the time is ripe for your client company to consider entering the international business arena (what global or regional trends bode well for the potential success of you client?)?

Process Item # 6 – Global Market Research Data-Bases

A major key to fully educating future global business managers is a full emersion of world class databases including the following:

Research Countries

- globalEDGE

A great place to "research nearly any international business question." From the International Business Center at Michigan State University (IBC), it covers history, economy and political conditions and more for over 200 countries.

- Business Source Complete

Search with the name of your country to find articles and country reports.

- EIU Country Reports

The EIU Country Reports examine and explain the important political and economic trends in a country. Each of our Country Reports contain in-depth and ongoing analysis and forecasts of political, policy and economic conditions in a country.

Research Global Markets

- Passport GMID

Provides statistics and analysis across industries, countries, and consumers.

- BCC Research

Global market research reports focusing on science and technology sectors including biotechnology, engineering, manufacturing, pharmaceuticals, safety and security, information technology and food and beverage.

Research Companies and Industries

- Uniworld Online

Information for multinational companies with headquarters in over 200 countries and 20,000 industries.

- IBISWorld

Reports for over 7000 U.S. industries. Also includes China and global industry reports.

- more...

Research Trade Statistics and Data

- International Trade Administration

Resources to help U.S. businesses compete in the global marketplace. Look under Data & Analysis for the statistics link.

- World Bank - Data

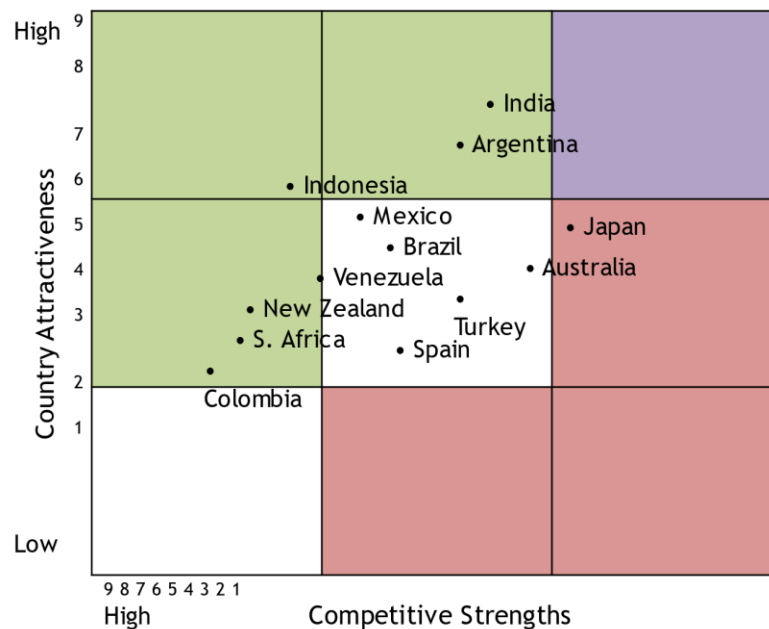
Search or browse World Bank data including trade and economic indicators.

Process Item # 7 Markets of Promise – A Graphic Depiction (Adopted from Harrell and Kiefer - 1981)

Matrix For Plotting Products

Country Attractiveness	High	Invest/Grow		Dominate/Divest Joint venture	
			Selective Strategies		
	Low			Harvest/Divest Combine/License	
		High	Competitive Strengths		Low

Key-Country Matrix



Process Item # 9 - Final VITAL Reports: Presentation and Recommendations

Typically, after a full semester of student team research a final presentation with recommendations is made to a client with state agency representations present. **Slide # 9** shows an abbreviated final product of such research - a Table of Contents.

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Conclusion

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Research References Utilized in the Research – both secondary (data bases, articles, etc.) and primary (personal interviews, focus groups, etc.)