



Promoting Global Understanding, Peace and Stability through Education and Trade

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IEIBA'S QUARTERLY NEWSLETTER

# THE GLOBAL

## India: Now an Opportunistic Destination

By Gagan Aggarwal Be, MBA

India is not only one of the largest countries in the world but it is also the world's largest movie producer, largest producer of milk and also has the largest police force in the world. The world's second largest daily newspaper circulation comes from India. A small fragment of Indian population living outside India has contributed a lot towards the society and business. Today, one of the richest persons in the world comes from India. Indians have created value of over \$250 billion in Silicon Valley. India is often remembered as a huge country with different kingdoms and royal traditions. Over the years the kingdoms have taken a new shape of individual states run by a local government elected by the people of the state thus making it the biggest democratic country in the world with over 650 million registered voters. Many Indians have excelled in their fields of expertise and are prominent global figures today. There has been a considerable progress in India over the last 4 decades noticeably after liberalization in 1990s.

Post liberalization India has seen a paradigm shift in its different industry especially the services industry. New players have emerged from the Indian subcontinent and some of them have grown faster than

*Continued on page 3*

### IN THIS ISSUE:

- India - Hot New Trading Opportunities, Part 1; P. 1&3
- Inland Empire Movers & Shakers: Hard Hat Bid; P.1-2
- Article: Freight Forwarding - Time is Money; P.4
- Franklin's Travel Safety Tips for Executives; P.5
- Seminar Series Report; P.5
- Calendar of Events; P.6
- Announcements; P.6
- How Can We Serve You?; P.6

## Inland Empire Movers & Shakers: Hard Hat Bid

By David Martinez

The recent state of affairs in developing countries ravaged by war and poverty has prompted an outpouring of humanitarian and financial relief from various organizations and governments worldwide. However, there has been a call from donor nations that disadvantaged governments provide greater accountability for the aid they receive. During the 2004 G8 Summit, leaders of the largest world economies passed the 'Gleneague Communique' demanding that recipients closely monitor use of funds.

Further, in 2004 President Bush established the Millennium Challenge Corporation (MCC) as the primary distribution conduit for billions of dollars of U.S. development funding. The MCC also demands greater responsibility from recipient governments to implement accountability and transparency programs to insure that funding is used for its intended purpose.

A local company fast becoming the Gold-Standard for providing government accountability systems is Hard Hat Bid (HHB) of Riverside. I had the opportunity to chat

*Continued next page*

## Inland Empire Company Profile: Hard Hat Bid

with John Parks, Chief Executive Officer and Bill Seiber, Chief Operating Officer about the driving force behind the Hard Hat Bid operation.

Messrs. Parks and Seiber were raised in the Riverside area and served in the U.S. Army. John, who previously operated a tobacco lounge in Downtown Riverside, founded the company in 2000 with Mr. Seiber joining the company shortly after. HHB is headquartered in Riverside, maintains an office located in Tyler, Texas and plans to expand its operation to Washington, DC.

Since its inception, HHB developed, beta-tested and began marketing its patent pending software program, the *Double Blind Electronic Bidding System™* (“DBS”) Solution, to governments in West Africa, Ghana, Egypt, and Morocco. Because the opportunities to implement *DBS* in developing countries was greater, HHB elected to focus its initial product rollout abroad. However, the program is well suited for all types of government agencies, foreign and domestic, that are required to observe financial compliance and oversight regulations (e.g., Sarbanes-Oxley). Future plans to market the *DBS Solution* domestically are definitely anticipated.

The *DBS Solution* is an integrated Project and Purchasing Compliance software for inter-governmental and quasi-governmental entities to develop and manage fund accounting, project bidding and procurement programs, oversight duties and an economic development platform for the support of democracy and the reduction of poverty. This program enables governmental entities to bring standardization, opportunity and uniformity to bidding and procurement processes. Those directly benefiting from the *DBS Solution* are donor nations and agencies, host governments, and small & local contractors.

The *DBS Solution* includes four key pillars: 1. The aforementioned *DBS Solution Software* program, 2. *HHB Consulting Resource Group*, which includes highly qualified individuals focused on addressing the needs of governments facing various economic development and modernization issues, 3. *HHB Community Development Centers (CDC)*, fully staffed, physical locations embedded within developing countries aimed at providing efficient e-solution access and training for government staff and end-users to smooth the transition from various

forms of manual record keeping systems. Each *CDC* houses a plans viewing room, reprographic center, Internet stations, hiring center and training location and, 4. *HHB Comprehensive Customer Support*, which includes

a 24/7 phone, web support and supplemental material from teams on location. Mr.

Seiber credits HHB’s success largely to the nature of their busi-

ness, which is to reverse the condition in developing countries, the *DBS Solution*, a solid, strategic business plan and taking the time to familiarize themselves with the culture of their client countries. John and Bill’s military background helped them to overcome this learning curve.

He also attributes their success to resources provided by the U.S. Department of Commerce Export Assistance Center. The USEAC was instrumental in successfully locating international buyers and helped HHB to establish relationships with various heads of state in developing countries and officials in Washington, DC.

Regarding the recent growth of the Inland Empire, Mr. Seiber mentioned this as a positive for the region because of its strategic location. Logistically, he is concerned about the increased congestion of area freeways as travel has become more difficult. He also wished that the local airports would provide more international flights to HHB’s client countries.

It should be noted that John was recently nominated for the California Inland Empire District Export Council (CIEDEC) Board of Directors. His vision for HHB includes continuing to be the Gold-Standard in governmental accountability compliance and future expansion of the *DBS Solution* into Central America. John’s vision is Hard Hat Bid’s “solution to the puzzle.”



Pictured (l-r) are Bill Seiber, Chief Operating Officer and John Parks, Chief Executive Officer with HHB’s trademark rhinoceros in the background.



## India: Now an Opportunistic Destination

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expected. A few of the Indian players today have become the new generation Trans national corporations of India. Pre-liberalization India had 2 big domestic groups namely TATA & Birla. Post liberalization there are more who have not only joined the elite billion dollar group but also chosen to list them at FTSE and NASDAQ.

In 2005, India has outperformed all the IMF predictions about it. In September 2004, IMF had estimated growth rate of India to be around 6.4 percent whereas the actual figure stood at 6.7 percent. Currently IMF considers Indian economy to remain robust in spite of uneven monsoons and increase in oil prices to be offset by buoyant industrial activity and strong investment flowing in. Strong policies and successful term completion by previous governments has increased the country's foreign reserves to \$137 billion.

The foreign direct investment (FDI) coming into India is also at its highest and continues to increase. The foreign investors have found great interest in the Indian market and they have taken the Indian sensex to high levels.

Today the investors are looking at long term returns from India rather than short term returns.

A major population of India in under 30 year and hence youth power is strong. Today Indian youth is traveling around the world on excursion as well as taking up International degrees. An estimated 1.8 million Indian students have traveled abroad this past year to pursue their higher education. This number has been steadily growing by 10-15% over the past few years. India is the country which sends maximum no. of students to the US.

Currently, Indians spend approximately 1.6 billion dollars annually at universities in the US alone. India is a huge source of international students for UK, Australia, Canada, New Zealand, Singapore etc. Seeing the opportunity countries from all across the globe are now days promoting their education in India aggressively. As per the recent statistics from the world India only has about three to five percent of their graduates living broad. This simply means that India is attracting its global graduates back into the country to fuel its growth.

*(Part 2 in next issue)*

### **About Gagan Aggarwal Be, MBA**

Gagan is partner at InSpring Consulting Delhi with a specialization in management consultancy for infrastructure, finance and technology companies. He holds a Masters in Business Administration (International Business) from London. After completing his MBA, his early years were spent in strategy roles involving IT Business Solutions.

His expertise affords conscientious and professional channel relationships for companies entering new markets be they in Europe or India. He currently works closely with British and European Union high tech players seeking to conduct business in India. He is equally actively involved in consulting roles for major Indian pharmaceutical, biotechnology and emerging IT healthcare organizations and companies looking towards business in the West.

InSpring Consulting provides Business and Technology Development services including business and marketing plans; opportunity analysis and product positioning; due diligence involving mergers, joint ventures, acquisitions and strategic partnering; contract research and development; and management support. His experience covers diverse areas of high technology including manufacturing, trade, research & development and infrastructure operations. Gagan adds particular value to start-ups and growing companies by offering project management and quality assurance schemes while working them in launching services in India and obtaining partnering agreements with local Indian firms.



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## Freight Forwarding: Time is Money

By Katharine Hutton, IEIBA staff

Freight Forward companies handle the movement of your merchandise from the initial pick up at your place of business through to delivery of the cargo to your customer's door. Typically, their duties include: booking cargo, providing export documentation advice, storage, in freight consolidation, customs brokerage, warehousing, distribution, and knowledge of networking, and logistics to ensure the quick and efficient delivery of commodities around the globe. One advantage to using a freight forwarder is that many experienced agents have established strategic alliances with overseas contacts which they utilize to speed the shipment of your cargo to your customer.

Small and Medium Exporters (SME's) shipping departments should consider the following factors when deciding to hire a Freight Forwarder:

### 1. Who can handle my shipment properly?

There are essentially three different sizes of freight forwarding companies. Large forwarding companies include UPS, Fed Ex and DHL. These massive companies have access which will allow them to process shipments through large-scale networking. Smaller forwarding companies usually work closer with SME's and many times are able to provide that "personal touch" which the larger forwarding companies lack due to their large customer base. For example, many work after hours and are able to "baby" new firms entering the global market. You can find them in your local phone book.

While the large and small size forwarding companies have found their niche, mid-sized forwarders are quickly losing ground in the business. This is due to their difficulty competing with larger forwarding company's manpower and the smaller forwarder's personal attention. However, they also provide an important service and should not be overlooked.

### 2. What are the costs?

Freight Forwarders offer their customers more options in the shipping process and provide better rates than courier companies. Couriers generally focus on the delivery of documents and small parcels.



Using a forwarder is often cheaper than shipping goods independently because of their experience and established contacts. They handle most, if not all of the shipping documentation required. Also, many overseas traders will only deal with your company via freight forwarding agents. In general, freight forwarding costs will vary depending on the destination of your shipment and because many agents specialize in specific regions. Generally, it will be more cost effective for you to locate an agent that has experience handling shipments to your customer's country.

### 3. Shipping via Ocean or Air?

Most freight forwarding companies will help you decide which mode of transportation is best for your shipment. Slow moving, general commodity goods, such as household items and other non-perishables, usually are transported via ocean container on a cargo ship. A typical cargo journey across the Pacific Ocean can take from 12 to 14 days to reach its final destination. This mode of transport is the most cost efficient; however, complying to the regulations set by the Federal Maritime Commission can cause some confusion. A good forwarding agent will guide you through the documentation process.

Airfreight is essential for perishable goods and other merchandise needed immediately. However, shipping via airfreight can be 10 times more expensive than shipping by ocean container. A word of caution: pre-booking is enforced on all air cargo departures and unless a forwarder has a track record working directly with your company, it is against the law for you to send cargo via passenger airplane on your own.

To conclude, SME's have several options available to get their merchandise from the warehouse onto their customer's shelves. Unless your company already has a freight forwarding system in place and a shipping department with an extensive background in handling international cargo, it would be wise to use an experienced freight forwarding company. Good Freight Forwarders cost money, but your savings and efficiency which they can get your shipment from point "A" to point "B" far outweigh the headaches that you will experience trying to handle overseas customer transactions on your own.



## Security Tips for Overseas Business Travelers

By Tim Franklin

During January's seminar, I shared some useful security travel tips for executives to keep in mind when traveling outside of the U.S. If you follow them, they will help you avoid becoming a target for predators or winding up in an unpleasant situation. They definitely will save your life!

1. Carry an international cell phone with you. (Don't forget to carry an extra charged battery and/or cell charger!).
2. While traveling, make an arrangement to contact your family at a specific time schedule. Instruct them that if you happen to miss a scheduled call to start calling around for you (i.e. your hotel, others traveling in your group).
3. Pre-register your travel itinerary with the U.S. Embassy via their website. Visit [www.state.gov](http://www.state.gov).
4. Familiarize yourself with the local customs prior to departure so you know the differences with interpersonal and business relationships.
5. Attempt to pre-arrange for a host at distant destinations who speaks the local language fluently and that is knowledgeable of the local customs.
6. The more people you travel with, the less likely you are to be a target of a kidnapping. Always travel in groups of 3 or more.
7. Stay close to areas where people of like wealth and appearance are around.
8. Avoid attracting too much attention. Also, do not drive in "hot shot" convoys of expensive vehicles.
9. Always stay clear of public demonstrations or large public gatherings of any type.
10. Be flexible with your schedule and have the freedom to change plans.
11. Be aware of your immediate surroundings. Have an evacuation plan in the back of your head at **all** times. (Especially for medical emergencies. Medical care does not always match U.S. standards.)

*Mr. Franklin, Vice-President and Security Director for IEIBA, is also President of Rauch International's Security Division which handles counter terrorism and international protection issues. A former Special Agent with the U.S. Secret Service, he has an extensive background in counter-terrorism, intelligence and high-level corporate and personal protection. In addition to this seminar, Mr. Franklin teaches a separate course for women executives who travel. For more information, contact IEIBA.*

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### IEIBA Seminar Series

The Inland Empire International Business Association continued our Trade Education Seminar Series bringing multiple professionals to the Inland Empire to share their knowledge and experience on international trade issues. The following events were held at the Double Tree Hotel in Ontario, California.

On December 6, 2005 IEIBA welcomed Glen Balzer, CEO of New Era Consulting. Mr. Balzer outlined some key points to "Creating a Sales Presence in a Foreign Market". Mr. Blazer emphasized defining your purpose for entering into a foreign market, utilizing available resources such as the U.S. Department of Commerce, Commercial Service, understanding foreign market norms (for example, 30, 90 or 180 day bill payment terms), identifying a lead customer, evaluating distributors and dealers, and being aware of the potential frauds and scandals that could take place in the foreign marketplace. He emphasized the importance of planning ahead, continuously building a foreign sales network, correcting sales problems quickly and using your fellow American competitors as allies abroad.

On Tuesday, January 31, 2006 at the Double Tree Hotel in Ontario, IEIBA was honored to have Tim Franklin, Vice-President of Security for Rauch International and a former U.S. Secret Service agent share his expertise in counter-terrorism and international corporate protection as they relate to business travel overseas. He provided some smart travel tips which are outlined in the article above.

IEIBA's Seminar Series will continue to bring International Business Experts to the Inland Empire for your educational purposes. Keep your eye on our calendar for upcoming events!





## CALENDAR OF EVENTS



### April 2006

**April 18:** Freight Logistics Seminar; Export Shipping & Documentation Certificate Program presented by the U. S. Department of Commerce, Ontario Export Assistance Center. Call (909) 466-4134 for more info.

**International Networking Event:** Check our website for a networking “mixer” event this month. Date and location TBA.

### May 2006 - World Trade Month

**May 9:** Tariffs and Taxes Seminar: Export Shipping & Documentation Certificate Program presented by the U.S. Department of Commerce, Ontario Export Assistance Center. Call (909) 466-4134 for more info.

**May 25-International Networking Event:** 11 am –1 pm @ Ontario Convention Center; 2000 Convention Center Way. Gen. Admission \$25; IEIBA Members \$20; Students \$10. Come join us for an afternoon of networking as we celebrate World Trade Week.

### June 2006

**International Networking Event:** Check our website for a networking “mixer” event this month. Date and location TBA.

### Save the Date!

**Global California - Summer Edition, 2006  
July 21, 2006 - Riverside, CA**

Global California - Summer Edition 2006 will be held at the beautiful Mission Inn, Riverside. This event will provide a forum to glean input on major issues challenging California's global trade community and the opportunity to learn from proven, experienced business executives on a variety of topics including specialty logistics, trade documentation, and new opportunities in exciting overseas markets such as India, Vietnam, China, Australia, and the Middle East. This is your opportunity to be recognized as a key player and partner in the global trade arena and network with potential clients and customers.



Mission Inn, Riverside

Sponsorships available. For more information call (866) 560-3991 or email: [tlivoti@mbita.org](mailto:tlivoti@mbita.org)

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THE GLOBAL is produced by IEIBA to update our membership on current trade issues and events.

Have an event for the calendar?  
Call (866) 560-3991.

Visit us on the web [www.ieiba.com](http://www.ieiba.com).

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### Welcome New IEIBA Member!

Please welcome our newest member **Three Ring Productions** of Redlands. Three Ring Productions specializes in professional video production of all types. Contact Mr. Richard Langstaff, V.P. at (909) 363-5077 for more info.

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### We're Here to Help!

**Challenge:** *your company's product or service is ready to hit the international marketplace, or you want to expand to another country, but you're unsure where to start or need help locating potential trade partners.*

### How can IEIBA help my international trading program?

**Answer:** IEIBA helps Inland Empire member companies to expand internationally by offering a “one stop” service including **trade assessment & development, international contacts, market research, locate real trade leads & trade events, and networking opportunities.** We also maintain strategic partnerships to assist in securing valuable trade information for members interested in doing business in a particular country, as well as set up introductions with potential trading partners in most foreign marketplaces throughout the world!

**Call us TODAY toll-free at (866) 560-3991 for more information .**

