

Michael 1999 Woody CAS International Person of the Year

Austin Powers may be the man when it comes to international mystery, but he's got nothing on Michael Woody when it comes to maneuvering through the complexities of international business.

Woody has been with The Quill Co. Inc. for nearly 20 years, starting at the age of 24 as the company's marketing manager and rising through the ranks to his current position as the executive vice president of sales and marketing. As Quill's point person for international business, Woody had an integral role in the formation of the company's highly successful strategic partnership with Swedish Match, a deal often looked to as a model of what international business can be in this industry when it's done right.

As PPAI's current chairman of the board, Woody uses his visible position on the pulpit to spread the word on the inevitability of internationalism and what it will mean for the promotional products industry. This is a topic that makes some people nervous, and Woody agrees. They should be nervous. Change, he says, has a way of doing that to people.

"There are people who are afraid of internationalism and want to stop it," says Woody. "The analogy I use is that if you're on a beach and the tide is coming in, you have two options: You can stand at the edge of the water, put your hands up and try to keep the tide from coming in. Or, you can grab a surfboard, get out on the water and use the energy of the tide to do more business. Too many people are standing there with their hands up, and nobody can keep the tide from coming in. You can try to stop it, but you'll end up drowning."

Testing the Waters Overseas

The reason, Woody believes, that many industry practitioners have shied away from internationalism is because it can be a difficult course to plot, and a turbulent sea to navigate. "It's the kind of thing each company has to explore on its own because there are some very specific things that a company needs to look at before they can make the determination whether or not they're ready to do it," he says. Commitment and a hands-on approach are crucial, Woody continues, adding that he is away approximately 40 percent of each year attending to business overseas.

According to Woody, there are four keys to international marketing: product, price, promotion and place. "I think you need to break the world up into trading regions: Europe, the Middle East, Asia and then North and South America," he says. "You pick one of those areas to target, look at your product and think about how effective it will be as a promotional product in that area. And you do that by going to [international trade] shows, networking, looking at the products being sold there and doing some basic market research."

Woody says it's important to determine if your product can be landed at a competitive price, and then decide the best way to promote it. "Is your product a branded product or a commodity-

by Michele Bell



Woody addressed an audience at the 1997 FIPO Show in Cannes, France, on the topic of international business and its effects on the promotional products industry.

type product? If you have a branded product, you'll probably want to concentrate on building brand awareness ... advertising in trade magazines, business magazines and possibly newspapers," he suggests. "If you have a more commodity-oriented product, you're going to concentrate more on the aspects of service, imprint capabilities, quality and delivery – always keeping in mind that distribution networks vary in every country."

Doing the Prer Work

Attempting to enter the international promotional products marketplace is a massive undertaking for even the largest of companies with the resources to support their efforts. For a small or mid-sized U.S. firm, the gamble is greater and the stakes are considerably higher.

It's precisely because there are so many variables that Woody believes a company should have an advisor who knows the country, its culture and business practices. "If you're going to try it on your own, you might want to start in the U.K. because of the lack of a language barrier," he says. "Or Norway, where there's a highly structured, very loyal distribution network. Once you establish a good relationship, then you have a solid distribution network that can start your business more quickly if you service your customers well."

While some countries like Russia and Poland may be attractive markets because of their significant potential for future business, Woody cautions against an initial commitment to those countries. Instead, he recommends focusing on more

established, stable markets – certainly not one with a volatile political climate or precarious economic situation.

Woody stresses that any business considering the international market must first determine if they're ready internally to do what's necessary to be successful overseas. "We must understand that overseas firms who are doing business with American companies are taking a real chance on us," he says. "They're placing their future and their customers' future in our hands. It's very easy for us to fall into the trap of wondering why these companies are reluctant to do business with us. They're reluctant because they don't know us. When you say you're going to do something, it's critical to follow through because a lot of American companies have gone into an overseas market and not really given it their full effort. That then creates a negative mindset that other American companies have to overcome. If you stumble coming out of the gate, it's going to make it real tough for you – and others – down the road."

Internationalism and The Internet

If you think your business isn't involved in a global market, Woody would like you to know that, thanks to the explosion of Internet use worldwide, it's only a matter of time before you're competing with overseas firms and they're competing with you.

"I think the Internet is going to hasten the creation of a global transactional village ... where anyone in the world can buy most anything over the Internet," he says. "It's going to have big consequences for this industry, and I think that if distributors and suppliers aren't looking at the ramifications of globalization, they're going to have trouble down the road. It's like an ostrich putting its head in the sand. I don't think we can afford – as an industry or as individual companies – to presume that our distribution network will continue to function precisely as it has in the past."

The example Woody offers is that in the near future he sees suppliers starting to do more worldwide direct marketing on the Internet. "Not direct selling, but direct marketing – there's a big difference," he says. "Direct marketing is simply making the buyer aware of my product and creating demand."



Woody and members of The Quill Co. Inc.'s European partner, Swedish Match, upon the signing of their contract in 1995.

He recalls talking with a supplier who said he gets competition from Asian companies who are doing business directly in the States over the Internet. "Now there's the influence of global marketing and technology. So how do we compete with that?" he asks. "I don't like the attitude – and there's a tendency in this industry – of some companies who sit back and wring their hands, complaining about overseas companies coming in here and taking market share in the States. U.S. firms can complain all they want, but the fact is it's going to happen. We've got to compete with overseas companies in their markets and try to get some of that business. We can't sit back in a defensive posture and expect to be successful."

Although the U.S. is still ahead of many overseas countries when it comes to technology, Woody sees them catching up quickly and understands why many U.S. businesses are getting nervous. "If it's not making you nervous, there's something wrong with you," he says candidly. "You should be nervous, but don't be nervous and sit back and moan about it. You have to do something about it. You need to go on the offensive."

The Upside of Internationalism

Despite the extensive resources and support needed – and the myriad of potential problems that can occur when entering the international business arena – Woody maintains the upside will be when the inevitable recession hits the U.S. "One of the key benefits of international business is that it helps to smooth out the business

cycle ... instead of being dependent on one market with its ups and downs," he notes.

In addition, Woody says, many international markets respect and are trying to emulate our technology advancements, especially in regards to art transfer, while Europeans, in general, excel at graphic design. "If these two areas of expertise could be put together – what a combination."

Woody has also seen a lot more interest from European companies in the U.S. market due mainly, he says, to the strength of the American dollar and the sheer size, strength and stability of the U.S. economy.

The emphasis on relationship-selling in international markets can be another advantage for American companies. While it's a concept that is much-talked about here in the States, Woody says that relationships are an even more crucial element of doing business abroad. "The depths of the relationships there are emphasized more than they are here. Overseas, people will not do business with someone just because they're offering a lower price – they often value relationship over price."

Then there's the inherent advantage of using promotional products over other forms of advertising in a variety of international markets. "There are horror stories about print ads that don't translate well from country to country," Woody says. "But with a promotional product, it's mainly just a logo on a useful product, which does translate well and makes promotional products a universal advertising language."



Michael Woody (center, in pink shirt) participated in a 1997 trade mission to Southeast Asia, which was initiated by Rhode Island Governor Lincoln Almond (to the left of Woody) in the interest of promoting economic development and international business.

Crossing the Border

Because no association or organization has ever collected data on the size of the international promotional products markets broken down by country, product, etc., Woody says it can be extremely difficult and frustrating to figure out if your product will work in a specific country. This is yet another reason he stresses the value of partnering with someone overseas who knows the markets – and of doing your own homework.

Woody suggests that there are two ways for distributors to gain access to international markets: through the growth of multinational corporations, and the proliferation of international mergers and acquisitions. "If you're selling to a division of a multinational corporation, there's the potential for a lot of business there," he says. "I'd say if you were a distributor doing business with a multinational company, the first step would be to ask, 'How do your overseas divisions buy their promotional products?' Your contact may not know, but he might give you the name of someone who does. That's a start."

He also advises anyone interested in cracking international markets to attend an overseas tradeshow, such as the PSI show, and walk the floor to see if your product and price fit buyer needs.

"Trade missions are another interesting way to explore overseas markets," Woody adds. "Individual states often sponsor trade missions to overseas regions, and

the U.S. Commercial Service or the U.S. Embassy can line up meetings for you with potential customers. It's a great way to get a start and take a look at whether or not you could be successful."

Are Foreign Markets For You?

Woody believes that while everyone should be *thinking* about internationalism, not everyone should be *going* there. "That is a decision you can only make after you've done your homework," he says. "You have to ask yourself: 'Can I take advantage of this? Is there something I can do to get on that surfboard and ride it?' But whether or not to take that next step to go for it is another thing. An individual company has to make that decision based on their market research, their product, price, promotion and distribution strategy. Do they have the internal support to make this happen?"

So despite the possibility for a business wipeout, does the International Person of the Year still endorse this industry's exploration and pursuit of international business? "Yes," Woody says. "It's worth it because of the growth potential, and because of the way it smooths out your business cycles. Remember, you're still doing what you do best as a supplier or distributor – you're simply doing it from farther away. But it's coping with the 'farther away' that's the key. If you can learn to do that, then you can certainly be successful." ■

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