



10 Reasons for a City Based Strategy

*Why major metropolitan regions may
hold the key to global expansion for
trade and professional associations*

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Executive Summary

The Global Association

There are more than 200 countries and territories in the world today. There are also more than 7 billion people on the planet and that number is forecast to grow to over 9.5 billion by 2050!

The opportunity and the challenge for associations will be;

How do we reach and serve this extremely large potential global audience with the very limited and finite resources available?

In this brief report, we will look at why using a “city based strategy” might be the right answer for associations that are pursuing global growth.

Do major global cities hold the key?

Even the largest associations today do not necessarily have the staff or resources to proactively develop markets in dozens of countries at the same time. They need to prioritize and focus the limited resources they do have on the best opportunities available.

Some countries, like India and China, are so massive that it would be difficult, if not impossible, for most associations to adequately develop just one of these two massive countries, let alone to target multiple markets at the same time.

Therefore we recommend that associations with global ambitions consider developing an international growth strategy that includes a focus on major metropolitan areas as entry points and gateways to larger country and regional markets. In other words, a “City Based Strategy”.

NOTE: This does not preclude recruiting members, meeting attendees and customers from other parts of the target country or regions, rather, it is a strategy to help associations to determine where and how best to allocate valuable international development resources (human and financial) in the most efficient and effective way possible.

Today’s global cities are centers of diversity, innovation, commerce, research, higher education, a skilled workforce, political power, and are economic powerhouses.

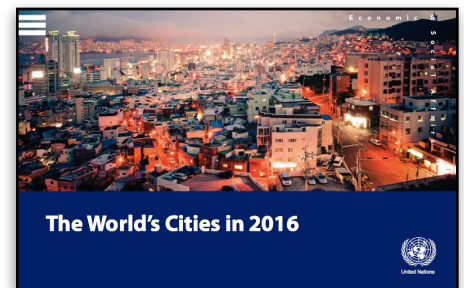
We feel they deserve special attention as you develop your global growth strategy and implementation plans.

1. Demographics and Population

More than 54% of the world's population now lives in cities and urban environments. That percentage is expected to increase to 66% by 2050 according to the United Nations Department of Economic and Social Affairs.

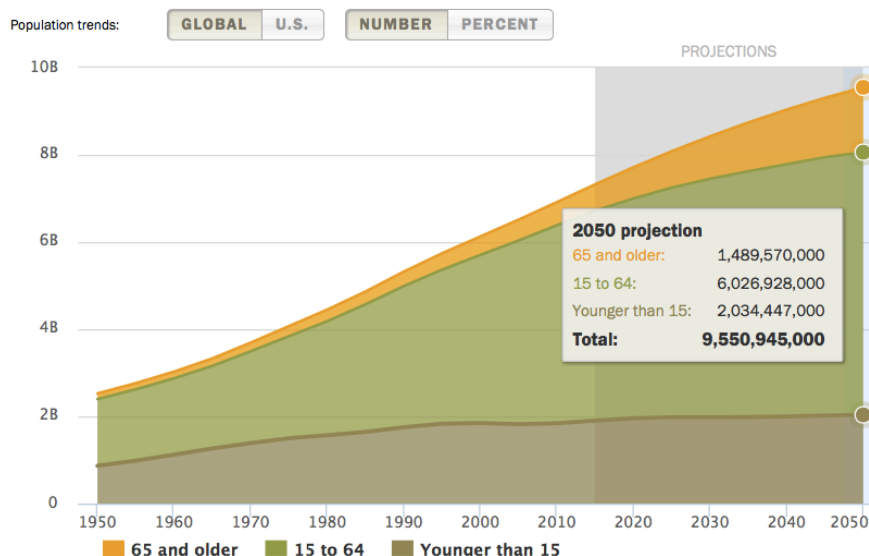
With the global population forecast to grow to over 9.5 billion people by 2050, that means there will be approximately 6.3 billion people living in urban and city environments. To put this into perspective, that is the equivalent of nearly 90% of every man, woman and child that is alive today.

There were 512 cities globally in 2016 with at least 1 million inhabitants, where 1.7 billion people called home. This represents 23 per cent of the world's population. By 2030, a projected 662 cities will have at least 1 million residents according to the United Nations 2016 World Cities report.



It further estimated that by 2030, a projected 730 million people will live in cities with at least 10 million inhabitants, representing 8.7 per cent of people globally.

This means that cities and urban environments will be the place to look when associations want to reach the majority of their target market (unless of course their focus is on rural environments).



Not only are more people living in metropolitan areas, people are also living much longer.

According to the U.N., the number of people 65 and older will start approaching the number of those under 15 years of age. Associations will need to increasingly serve an older cohort of members.

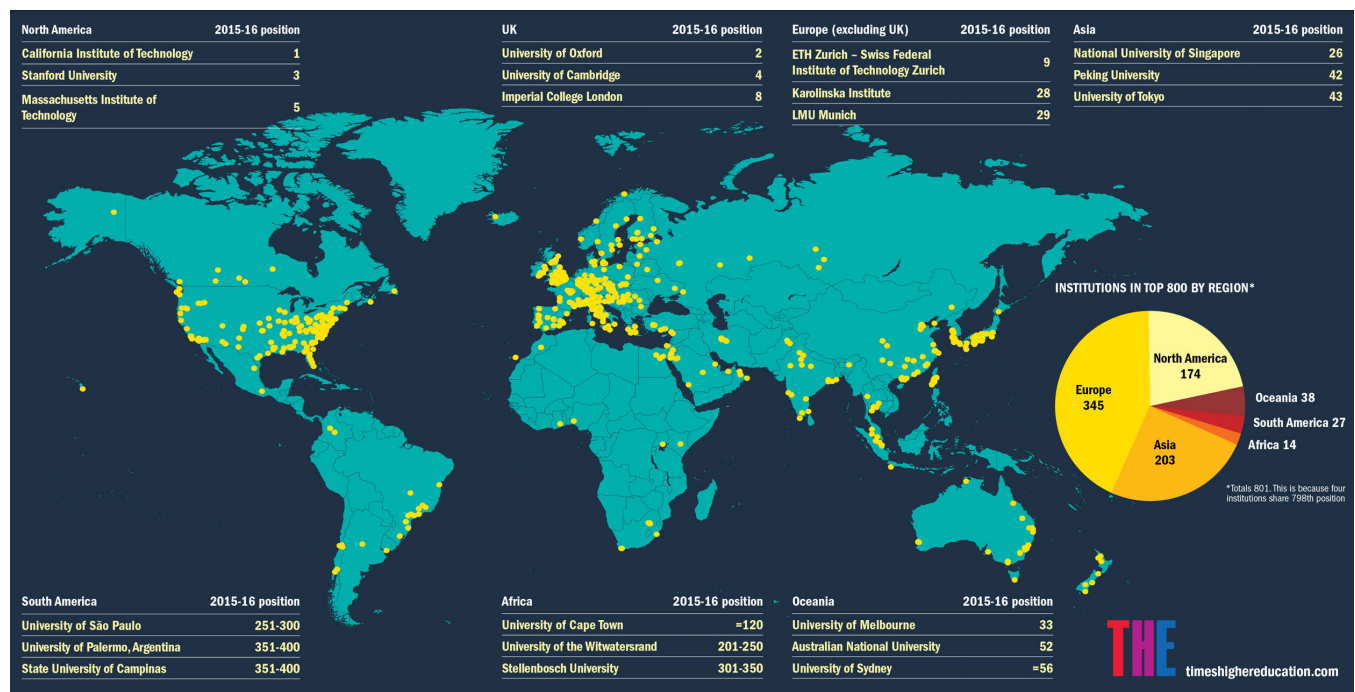
Source: United Nations, Department of Economic and Social Affairs, *World Population Prospects: 2012 Revision*, June 2013

2. Higher Education Centers

Nearly every single major university in the world, whether it is in the top 50 or number 500, is either in or next to a major metropolitan area. There are of course the top tier schools like MIT, Harvard, Stanford, Oxford or the Imperial College London, all of which are in or near major population centers.

But you also have schools like the University of Oslo, Erasmus University Rotterdam, National Taiwan University of Science and Technology or the University of Johannesburg in South Africa that are also located in or next to major cities around the world.

Anyone that has lived in a “University Town” can appreciate the energy and dynamism that universities bring to the cities they share. These institutes of higher learning are key potential sources of; subject matter experts, original research, volunteers, student members, speakers, partner organizations and many other opportunities for associations.



An association like the Council for Advancement and Support of Education (CASE) that serves the higher education market has long seen the wisdom of leveraging major cities and has staff in offices in London, Mexico City and Singapore.

3. Language, Culture and Diversity

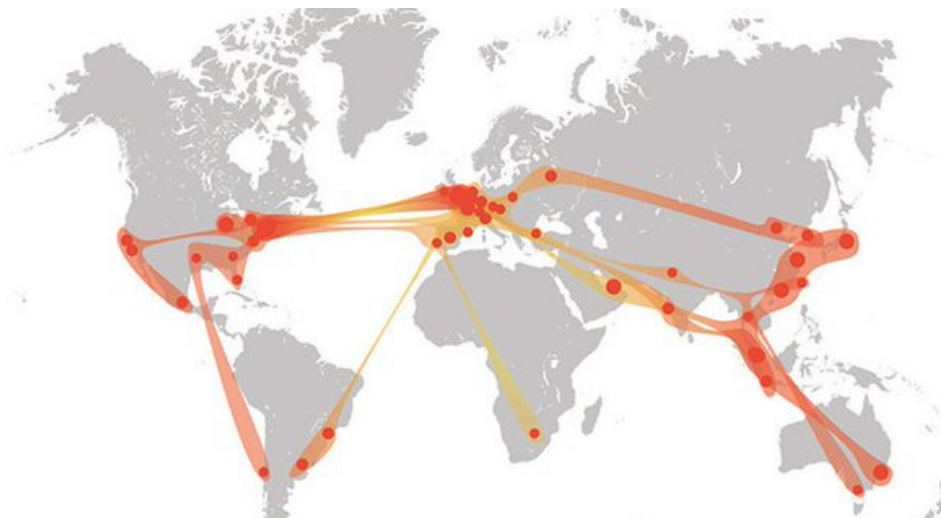
For associations that are seeking to grow in exciting international markets, major cities are a melting pot of cultures, nationalities and languages that can be viewed as a great resource that can be leveraged into the broader region.

For example, in a city like Brussels, Belgium where people of foreign origin make up nearly 70% of the population, it is relatively easy to find qualified staff that speak multiple languages, in fact, more than 100 different languages are spoken in the city!

Major cities are also home to large and influential “ExPat” or ex-patriot communities of senior managers and highly skilled experts that are posted to different parts of the world by their companies or organizations. Many of these expat community members make ideal volunteers and leaders because of their ability to navigate different cultures.

Although English is only the third most common language in the world (behind Chinese and Spanish), it is the de facto global language of business. More than 750 million people in the world today speak English as a second language.

The ability to tap into populations of highly skilled people that can communicate in multiple languages and that have an understanding of different cultures is one of the reasons that cities thrive in a globalized economy.



For associations looking for translation and localization support, organizations like the Globalization and Localization Association (GALA) can also be a good resource.

4. Commerce

Today, about 54% of the global population lives in cities but an amazing 80% of the total global Gross Domestic Product (GDP) is produced in cities! In other words, cities are where business happens.

Cities are also where you will find major industry “clusters” or groups of companies that are active in a particular sector, such as precision engineering, chemicals, aerospace and biomedical sciences in Singapore.

If you were an association that focused on aerospace, you would find “clusters” of companies, experts and thought leaders in places like Sao Paulo, Brazil, Seattle, Washington, Dubai, UAE and Toulouse, France.

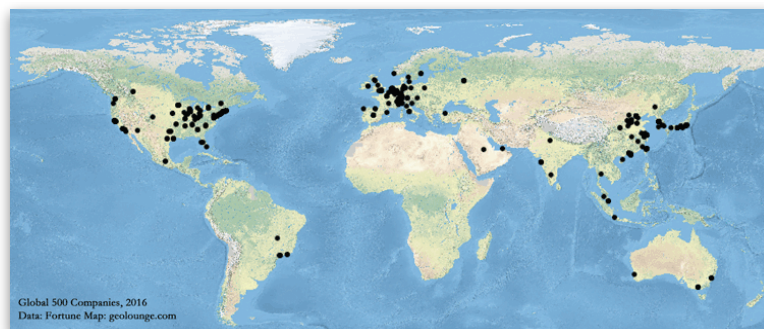
**80% of
Global GDP
is Produced
in Cities**

Your global development strategy would make sense to focus on these locations where the majority of your industry or professional sector are concentrated.

Corporate Headquarters

Even in today’s distributed work environment, company headquarter offices are where major decisions are made and where many important decision makers work. This is important for associations that look to major companies as partners, sponsors and exhibitors, as well as a source of volunteers, members and thought leaders.

For example, in the pharmaceutical and bio-engineering field, more than 70 life sciences companies alone had either their global or regional headquarters in Switzerland, most of which are clustered around the city of Basel.



The Institute of Management Accountants (IMA) serves the needs of companies around the world and maintains a global footprint with offices in Beijing, Shanghai, Shenzhen, Singapore, Dubai, Zurich and Amsterdam to be near their target audiences.

5. Research, Innovation and Standards

Associations must be leading organizations for their profession or sector. As such, they often depend on their members to help produce original content, such as peer reviewed scientific papers or to conduct important research that will unlock new advances.

Research

Major research initiatives, like those funded by the European Union (EU), provide substantial financial support to institutions (such as universities) and can also be leverage by professional and trade associations. Headquartered in Brussels, EU framework programs drive the science, innovation and research agendas of not only the academic community but major commercial sectors as well.

Clarivate Analytics recently created a ranking of the world's Top 25 Global Innovators from more than 600 academic and government organizations world-wide.

The Department of Health & Human Services (HHS) of the U.S. federal government and headquartered in Washington D.C. was chosen for the top spot for its centers of scientific research, including the National Institutes of Health, the Centers for Disease Control and Prevention, and the Food and Drug Administration.

Standards

Another important activity for many associations and their members is the development of industry and professional standards. For example, the European Committee for Standardization (CEN) based in Brussels is one of three European Standardization Organizations that have been officially recognized by the European Union for developing and defining voluntary standards.

The Geneva based International Organization for Standardization (ISO) counts more than 150 countries as members, each member representing the official standardization body for that particular country (and has recently opened a satellite office in Singapore).



Having access to national standards bodies can be a critical part of an association's globalization strategy.

6. Support Services

One of the most important factors in achieving success for organizations that conduct business internationally is the ability to find qualified and knowledgeable support services to help with issues like taxes, legal registration and banking.

In addition, finding qualified staff that understand the very special differences of working for a non-profit trade or professional association versus working in the for-profit sector is critical.

Legal and Tax Advice

There are very few lawyers around the world that specialize in non-profit or association law. In part because of the very high concentration of associations in cities like Washington D.C., and Chicago in the United States, that is where you can find expert legal advice that is tailored to the special needs of associations.

Likewise, Brussels, Belgium, with more than 2,000 international associations and federations registered in the city, has knowledgeable legal and tax advisors to help you navigate complex issues like incorporating as a non-profit or how to manage Value-Added-Tax (VAT) issues across multiple borders.

Support Services

Some cities have taken special steps to create support services specifically for associations. Dubai for example has created the Dubai Association Centre (DAC), a joint initiative of the Dubai Chamber of Commerce & Industry, Dubai Business Events and the Dubai World Trade Centre.

‘Visit Brussels’ has also created a dedicated service by creating the ‘Association Bureau’ a one-stop shop and point of contact.

Working in partnership with the Federation of International Associations based in Belgium (FAIB), the Union of International Associations (UIA), the Maison des Associations Internationales (MAI) and the European Society of Association Executives (ESAE), this service is designed to guide associations to resources, training and contacts that will help them reach their objectives.



7. Meeting Infrastructure

For many associations, live events (conferences, trade shows, seminars, training, etc.) are not only one of the highlights of what the association offers, they are also often one of its most lucrative activities.

World-class meetings and conferences deserve world-class infrastructure that includes modern and inspiring venues, a broad range of support services (audio-visual, design, print, logistics, etc.), restaurant and catering services, transportation, security and much more.

Entertainment, top quality speakers, creative services, experienced on-site meeting staff all go into making a successful and memorable event.

In addition, an ample supply of housing options, from budget accommodations to 5 star luxury properties, is vital to make sure you can attract participants for your important events.

Inside and Outside the Meeting

Part of the attraction of major metropolitan areas for associations is that they can be magnets for attendees for conferences and live events in their own right. Delegates are fascinated not just with what they can learn inside the session halls, but they also want to experience a new and exciting city.

Cultural attractions, the arts, museums, concert halls and live entertainment can not only serve to entertain your attendees but some of these venues also serve as locations for parties and social events as well.

Simply put, major cities have more of the varied infrastructure needed to support major in-person events.



The International Congress and Convention Association (ICCA) serves the global market of meeting venues and professionals through staff that are based in offices on six different continents, and is a great resource for meeting venues and support services.

8. Transportation Hubs

One of the most important factors in connecting people today remains access to a robust transport infrastructure. Many have speculated for years that virtual meetings and social networks would reduce the desire and need for in-person meetings.

In fact, the opposite has been the case. The better connected and more networked people are by virtual means, the more likely they are to want to extend that connection to an in-person, face to face meeting.

Reliable transportation connections are vital if you are going to be able to attract international delegates to your live events and to be able to adequately service important international markets, whether by road, rail or air.

Time is of the Essence

One of the major factors and obstacles to gathering people together for international meetings is the amount of time needed to participate.

Especially for international meetings, a substantial portion of the time needed is simply used in getting to and from the destination.

Choosing destinations that have ample and frequent direct connections can make the difference when potential delegates are trying to determine how much time they will need to allocate to your event.

Major metropolitan centers are much more likely to have the mix of transportation options you need. They can also provide a substantial local and regional audience for your live events.

UITP, the International Association of Public Transport, maintains more than 15 regional and liaison offices around the world to meet the needs of regional markets.



9. Government Relations

For many associations, advocacy and government relations are a critical service they provide on behalf of their members and key stakeholders. For those organizations that do not have dedicated government relations initiatives, understanding how legislative decisions might affect their membership is still very important.

Wherever you find capital cities, you will find a healthy population of associations.

Proximity to decision makers and legislators is important to gain access, provide information and to advocate on behalf of your organization, members and stakeholders.

Associations are important sources of information, not only for lawmakers, but also for regulatory agencies and other bodies that either have a hand in the formation of laws and regulations, or are important actors in their implementation.

Governments, Non-Profits and the Private Sector

The line between the governmental sector, the role of non-profits and the actions of the private sector is quite clear in some countries and less clear in others.

In countries like China, there are rather strict regulations governing if and how a non-profit is able to operate within the country. After the passage of a recent “NGO Law” it is now mandatory that trade and professional associations have a formal Chinese partner drawn from a list of government approved organizations.

If your association is directly impacted in a significant way by regulatory agencies or if a key part of your mission is to influence the regulatory environment, focusing on major capital cities is likely a good place to focus.



10. Regional Gateways

Just as certain cities are hubs or “clusters” for specific industries, there are a handful of global cities that are natural hubs for associations.

In the United States, cities like Washington D.C. or Chicago are home to thousands of national and international associations.

In Europe, Brussels fills this role where more than 2,000 international associations and federations are registered. It is also the political seat of power in Europe as the home of the European Parliament.

In other parts of the world, there is less of a concentration of associations, however there are still cities that serve as gateways to broader regions.

In Asia with its vast geographic spread and representing nearly half of the world’s population, Singapore has long served as a home for multinational companies and international organizations.



In the Middle East, the United Arab Emirates (U.A.E.) and Dubai in particular serve as a natural hub for business as well as for regional and international associations. The U.A.E. has modified its laws specifically to attract and support the association community.

Regions like Latin America or Africa are also vast and without a clear “hub”, however you still have cities that make a smart choice for associations in these regions. Cities like Panama City, Panama (which is US Dollar denominated) or Johannesburg, South Africa.

As you develop a presence in a country or a region through a gateway city, it will become easier to expand and develop secondary markets once you have an established base and presence.

Conclusions

Associations will have tremendous opportunities over the next few decades for significant international growth. In most cases, the major limitation will be the amount of human and financial resources they are able to apply.

It is therefore critical that associations develop well thought out strategies that include identifying where to focus their limited resources for maximum effect. For all of the reasons stated above, global gateway cities offer tremendous advantages and opportunities for associations to grow and develop their presence in key regional markets.

And gateway cities understand the importance of associations.

For example, four major association gateways, Washington D.C., Brussels, Dubai and Singapore have come together to form the **Global Association Hub Partnership (GAHP)**. An alliance designed to support association development and expansion into major regions of the world by providing information and support services well beyond just meeting services.

The beauty of a “City Based Strategy” is that it provides a focus for your efforts. The world is a big place and you need to find entry points, partners and a strategy that will minimize risk and enhance your chances for success.

Major metropolitan markets offer large sustainable membership and customer bases from which you can build out into other regions. A “City Based Strategy” is just one approach that you might consider as part of a broader international growth strategy.

Feel free to use this paper in your organization as a reference document that stimulates meaningful discussion, guiding both staff and volunteer leaders.

Your comments and feedback are welcomed,



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About the Author & GLOBALSTRAT



**Terrance Barkan CAE,
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For more than 25 years, Terrance Barkan CAE has been building international trade and professional associations on a global basis. His international management career has taken him to more than 60 countries on 6 continents around the world on association strategy development projects serving as the Executive Director for a number of global and multinational organizations.

As a Certified Association Executive (CAE), Mr. Barkan has been a prolific author of articles, guidelines and white papers on international association growth strategies. He has served as the Chair of the International Section Council for the American Society for Association Executives' (ASAE) and is a former member of the Board of the European Society of Association Executives.

He was selected by the Center for International Private Enterprise (CIPE) as the sole author of their new guidebook, "Business Associations for the 21st Century". The book is used as a reference guide for CIPE employees that are working in post-conflict countries around the world to establish democratic business associations. CIPE is funded by the US Agency for International Development (USAID) and the US Chamber of Commerce.

Mr. Barkan has also developed important, original research on how associations are approaching globalization, which business models to use and how to overcome common obstacles in new, international markets.

In 2009, Mr. Barkan founded GLOBALSTRAT, a specialized consulting practice that uses a proven, process management approach to developing international strategic business plans for associations.

GLOBALSTRAT helps organizations to grow internationally by developing well thought-out strategic business plans. In addition to custom consulting projects, GLOBALSTRAT hosts global growth strategy workshops, webinars and publishes a newsletter in addition to conducting original research.

We apply our collective experience, knowledge, skill, judgment, creativity, intellect and collaborative approach to solve complex client problems. GLOBALSTRAT provides the kind of advice organizations need today to succeed and grow tomorrow.

Want to learn more? Contact us for more information.

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GLOBALSTRAT is the leading independent provider of professional advisory services for the not-for-profit community on the subjects of International Strategy Development and the application of Social Media. Terrance Barkan CAE is the Chief Strategist and Business Architect for **GLOBALSTRAT**, applying more than 25 years of business and international not-for-profit experience in crafting solutions to complex problems.

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