



# Annual Report

## 2007-2008 Fiscal Year

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## Background

One of the strongest growth areas of the US economy in the last 24 months has been US exports of foodstuffs, manufactured goods, and services.

The International Trade Council of Greater Kansas City (ITC) is a not-for-profit organization founded in 1944 by JC Nichols that promotes international trade through education and networking programs. It is a membership organization with a part-time office administrator. This means that the ITC focuses its programs on membership needs and member volunteers plan, coordinate, and conduct all programs. The ITC's greatest challenge is harnessing the talents and efforts of its volunteers in a coordinated manner so that its programs are timely, relevant, and highly informative.

## Mission Statement

The mission of the International Trade Council of Greater Kansas City, Inc. is to promote international business through focused commercial education and networking to support individuals and businesses in the Greater Kansas City Area.

## Vision Statement

The ITC will continue to be a not-for-profit, membership organization promoting international trade by sponsoring training and education, networking, and special events. Our programs will be timely, helpful, and informative. Our success is measured by annual growth in membership, event participation, quality programs, and increased international trade by our membership. We support other international related community organizations and, when appropriate, trade initiatives.

## Core Values

- **Member satisfaction:** The ITC is strictly a membership organization. It is lead, operated, and managed by volunteer members. In order to fulfill its mission, those members that lead and coordinate activities must and do focus on the needs and satisfaction of the general membership.
- **Financial stewardship:** The board of directors works to ensure that ITC funds are used wisely and timely to provide programs and that all income and expenditures are accounted for diligently.
- **Supportive programs:** The ITC's programs must support the educational and training needs of the members and support member networking.
- **Continuous learning:** As stated in the mission, the ITC focuses on international trade education. We are adult trainers and learners helping other adult learners succeed through education and training.
- **Professional excellence:** The ITC has a long history of professional businessmen and women contributing their time and efforts to manage the ITC and to conduct the programs.
- **International networking:** The second part of the ITC's mission focuses our efforts to create forums where people come together and share experiences and ideas. The ITC fosters business people helping other business people.

## Community and Membership Value

The ITC's primary value to its membership and to the business community is developing and conducting trade education programs. The ITC provides modular, self-contained seminars and workshops that address narrowly focused topics. The ITC must be the community leader of this type of seminar and continue to refine its annual offering of seminars so that they are current, relevant, and informative. The ITC must continually look to replace its own programs with improved and updated offerings that take full advantage of an ever-changing pool of membership expertise all the while responding to market demand.

## Performance Overview

### **Educational Programming.**

During the 2007-2008 fiscal year, the International Trade Council delivered a series of powerful presentations ranging from Incoterms to Doing Business In Mexico to Intellectual Property. Increased attendance over the previous year resulted in 17.7% growth in event revenues. Total program revenues were \$28,500, while direct program expenses were \$14,584.



*One of many ITC educational presentations*

### **Membership Base.**

While holding membership dues structure constant for over a decade, corporate memberships increased by 12.6%; individual memberships by 49.4%, and education memberships doubled. The growth in membership reflects the value of ITC programs to its members. Overall membership dues rose by 28.4%. Total membership dues were \$15,685.



*ITC Annual Dinner, 2007*

### **Community Involvement.**

The ITC has partnered with several universities, the US Department of Commerce, the Greater Kansas City Chamber of Commerce's World Trade Center, the Missouri and Kansas Departments of Economic Development, the Air Cargo Association, Kansas City SmartPort, and other organizations in jointly-marketed or co-hosted educational programs to promote best practices in international trade. These alliances ensure that our community receives trade education programs more efficiently and economically.

### **Prudent Fiscal Management.**

As a not-for-profit operated by a volunteer board, the International Trade Council balances the economic delivery of educational programming with a need to cover operating and event expenses and maintaining a sufficient cash reserve. Overall revenues grew 10.6% over the previous year. Overall expenses remained virtually the same as in the prior year. This resulted in a growth of cash in the bank of 14%, or 3 months' average expenses.

### **Scholarship.**

The International Trade Council's **Seven Pillars Consulting Scholarship** was awarded from a large pool of excellent candidates after review by the Scholarship Committee, which uses a numeric grading system to determine the candidate most deserving of the scholarship. The scholarship is granted on the basis of academic excellence, course work in international business, outside work experience, and interest in languages and cultures.

### **Reduced Grants, Contributions, and Event Sponsorships.**

Due to belt-tightening throughout the economy, grants and contributions have shrunk, and the ITC's grants and contributions went from \$4,285 to \$1,000. The \$1,000 contribution was from Seven Pillars Consulting for the ITC's Annual Scholarship, which was disbursed within the fiscal year. It is noteworthy that, in spite of the loss of grant and sponsorship revenues, the overall fiscal results of the ITC showed improvement: ITC earns its own keep.

### **Refined Programming Process.**

The primary activity of the International Trade Council is to deliver relevant and practical educational programs for best practices in international trade. During the 2007-2008 year, the board approved the introduction of a **12-month program calendar** for that year, and, near the end of the term, introduced a comprehensive international trade education program in a **24-month format**. The extended calendar will permit individuals and employers to map out professional development for international trade education. Additionally, the ITC's team-based international trade simulation, **TradeWins**, has found a growing interest at universities as a means of introducing the perils of an international transaction that has not been properly constructed.



### **Introduction of the Global Research Initiative.**

In 2008, ITC inaugurated the **Global Research Initiative**, a student/business international market analysis and development project. An ITC company and a local college have agreed to move forward on the two-phase project. Phase I is a global market analysis, customized to the profile of the company's customers, to result in a ranking by country of that company's best markets. Phase II is the detailed planning of that company's entry or expansion within specific countries. When run before, the GRI project has resulted in significant international sales growth for the company, as well as very valuable career-development for the students, many of whom are hired by the 'client' company. GRI is being run in the 2008-2009 term as the training prototype for use through ITC by multiple companies and institutions of higher learning, with a representative of an university on the ITC/GRI advisory committee.

### **Staffing.**

As of the beginning of the 2007-2008 fiscal year, the ITC employed a part-time student intern to staff the office. This resulted in turnover. In May, 2008, ITC hired a part-time professional not-for-profit office administrator who is also working part-time for another international community organization: while many aspects of the functional needs of the job are similar, ITC and the other organization's needs, membership base, and mission are very different than that of the ITC. The transition from student interns to a professional went seamlessly, as the ITC was blessed to have enjoyed the dedicated and productive service of very talented interns.

### **Board Involvement.**

The ITC has been able to accomplish significant growth and internal operating efficiencies through the collaborative efforts of an active, dedicated, and diverse volunteer board. Board members reflect the constituency of the International Trade Council, with all specialist aspects of international trade represented: logistics/shipping, banking, law, insurance, finance, export manufacturing, consulting, and compliance specialists. The success of the ITC hinges upon the effective deployment of its many volunteers. Should the valuable hours and expertise contributed by volunteers be counted, the operating budget would be dwarfed in comparison.



*The ITC's Executive Committee in action. From right to left: Norm Burkart, Dan Ward, Angela Ventimiglia, Larin Payne, and Keith Hustings*





## ITC OFFICERS & DIRECTORS

YEAR 2007 / 2008

### President

Norman Burkart  
Assignment International, LLC

### First Vice President

Larin Payne  
Kansas City SmartPort

### Second Vice President

Dan Ward  
Western Forms, Inc.

### Treasurer

Angela Ventimiglia  
Fike Corp.

### Corporate Secretary

Keith Hustings  
Hellmann Worldwide Logistics

### Immediate Past President

Jose Somoza  
City of Kansas City, Missouri  
International Affairs & Trade Office

### ITC Office

Irina Kobzeva, Administrator  
International Trade Council

### Directors – term ending 2010

Melissa Birch  
KU CIBER  
University of Kansas

Stephan Bras  
International Affairs & Trade Office  
City of Kansas City, Missouri

Dixie Henderson  
SHABOBBA International, LLC

Mary Pyle  
Greater Kansas City World Trade Center

Chris Supica  
FedEx Services

### Directors – Term ending 2009

Susan Ballew  
Assignment International, LLC

Kara Tan Bhala  
Seven Pillars Consulting, LLC

Steve Chace  
Husch Blackwell Sanders

Leon Robertson  
Center for International Business  
UMKC

Tina Roth  
Hallmark Cards, Inc.

Fang Shen  
Husch Blackwell Sanders

### Directors – Term ending 2008

John Dignam  
J & J Converting Machinery

Kelly Moore  
Moore International

Tom McKenna  
Aviation Dept.  
City of Kansas City, Missouri  
601 Brasilia Avenue

Bart Redford  
KU CIBER  
University of Kansas

John Schwietz  
First National Bank of Kansas

### Chair – Advisory Board

Ki-June Park  
K J Consulting



## ITC OFFICERS & DIRECTORS YEAR 2008 / 2009

### President

**Larin Payne**  
Kansas City SmartPort

### First Vice President

**Dan Ward**  
Western Forms, Inc.

### Second Vice President

**Tina Roth**  
Hallmark Cards, Inc.

### Treasurer

**Angela Ventimiglia**  
Fike Corp.

### Corporate Secretary

**Keith Hustings**  
Hellmann Worldwide Logistics

### Immediate Past President

**Norman Burkart**  
Assignment International, LLC

### ITC Office

**Irina Kobzeva,**  
Administrator  
International Trade Council

### Directors – term ending 2011

**Mary Bianchi**  
Gear for Sports, Inc.

**Olga Ganzen**  
Park University

**Matt Motsick**  
Catapult International, Inc.

**John Schwietz**  
First National Bank of Omaha

### Directors – term ending 2010

**Gary Bartek**  
Kansas City Aviation Department

**Melissa Birch**  
KU CIBER  
University of Kansas

**Stephan Bras**  
International Affairs & Trade Office  
City of Kansas City, Missouri

**Dixie Henderson**  
SHABOBBA International, LLC

**Mary Pyle**  
Greater Kansas City World Trade Center  
2600 Commerce Tower

**Chris Supica**  
FedEx Services

### Directors – term ending 2009

**Susan Ballew**  
Assignment International, LLC

**Kara Tan Bhala**  
Seven Pillars Consulting, LLC

**Steve Chace**  
Husch Blackwell Sanders

**Jon Ohlde**  
Transworld Products

**Leon Robertson**  
Center for International Business  
University of Missouri, Kansas City

**Fang Shen**  
Husch Blackwell Sanders

### Chair – Advisory Board

**Ki-June Park**  
K J Consulting

### Ex-Officio Directors

**Regina Heise**  
Director - U.S. Commercial Service  
U.S. Department of Commerce

**Kwang-Sun Kim, Ph. D**  
Professor/School of Mechatronics  
Engineering  
Director/ Semiconductor Equipment  
Technology Education Center  
Chairman/Korea Society of  
Semiconductor and Display equipment  
technology

**Mark Wine**  
Missouri Department of Economic  
Development

**John Watson**  
Trade Development Division Director  
Kansas Dept. of Commerce & Housing



## **President's Letter**

Dear ITC Members,

Kansas City is such an exciting place to live and work! Our location in the center of the U.S. has been a hub for trade for many years with our highways, railroads and river infrastructure. We have never seen a time in history, as now, where global commerce is so easy - with tracking systems, transportation and logistics efficiencies, the internet and worldwide travel and transport. It seems to me that the ITC is in the middle of a hub for international business in a time when possibilities are limitless.

The ITC has had many presidents throughout the past 64 years that have each had their own leadership style, focuses and plans to better the ITC each year. As we end a term that has been led with an emphasis on organizational and operational excellence, we can reflect on the many achievements that the last year has brought. Achievements from this past year include increasing revenues, developing a 24-month calendar, creating an operating manual, executing programs and seminars of interest to the business community and emphasizing accountability and transparency within our organization. The foundation that my term has started on is very stable due to hard work from all of the members throughout the past year.

For the upcoming year, I feel a focus on marketing would be advantageous to the organization. Since I am involved in marketing activities within my daily job, I hope to offer insight into how we can take the ITC to the next level in terms of the services and programs that we can offer to the local business community. The ITC has many benefits for members and for the Kansas City business community and we hope to tell that story more often to those currently unfamiliar with these benefits. We will focus on outreach to area businesses, enhancing our marketing materials, and updating our website with the latest information. I hope to establish working relationships with area journals, publications and newspapers to enable the ITC to tell our story and the story of many other businesses in international. Networking is a vital part of business that sometimes gets overshadowed by busy schedules; therefore, I hope to incorporate several events of this nature into this year's agenda.

I look forward to a year of progress, growth and opportunity. I am honored to get the opportunity to work with individuals involved in the ITC that offer expertise, leadership and friendship.

In the words of my Spanish friends, "buen camino" – may it (this year) be a "good journey"!

September 2008

Larin Payne, President



## Secretary's Letter

Dear Members,

Things appear to be heading in a very positive direction. It is always very hard to balance a volunteer activity with the needs of the workplace, but there are a number of very talented and knowledgeable people actively involved in the ITC these days who have found a way to maintain a balance and serve the international business community with dedication and verve. It often amazes me to think that we have accomplished all that we have with only a part-time administrator and a volunteer board of directors. Just think of what we could achieve with additional resources!

Our programming remains highly effective and comprehensive and the 24 month calendar of events starting this Fall is impressive. ITC efforts to benefit area companies actively or potentially involved in global trade remain strong and naturally our main focus. I am particularly proud, however, of the strengthening relationships with area educational institutions and the growing acceptance of tools such as our TradeWins simulation exercise. It is my personal hope that the practical knowledge and experience of ITC members and presenters will play an increasingly significant role in developing a far greater international business awareness in this area.

My sincere thanks to fellow officers and directors for your tireless efforts for the organization and to our members and partners for your continuing support and the wealth of valuable experience you share with us so freely.

September 2008

Keith Hustings, Corporate Secretary





## Financial Reports

### **Profit & Loss Prev Year Comparison**

September 2007 through August 2008

	Sep '07 - Aug 08	Sep '06 - Aug 07	\$ Change	% Change
<b>Income</b>				
Advertising Inc	\$ 244	\$ 335	\$ (91)	-27.2%
Contributions	\$ 1,000	\$ 4,285	\$ (3,285)	-76.7%
<b>Dues</b>				
Total Dues	\$ 15,685	\$ 12,215	\$ 3,470	28.4%
Total Event Inc	\$ 28,500	\$ 24,200	\$ 4,300	17.8%
Total Other	\$ -	\$ 29	\$ (29)	-100.0%
<b>Total Income</b>	<b>\$ 45,429</b>	<b>\$ 41,065</b>	<b>\$ 4,364</b>	<b>10.6%</b>
<b>Expense</b>				
Payroll Taxes - Employer	\$ 952	\$ 1,037	\$ (85)	-8.2%
Payroll Expenses	\$ 14,579	\$ 13,840	\$ 739	5.3%
Total Administration	\$ 4,163	\$ 11,818	\$ (7,655)	-64.8%
Total Event	\$ 14,584	\$ 8,509	\$ 6,075	71.4%
Total Services	\$ 3,151	\$ 4,726	\$ (1,576)	-33.3%
Total Supplies	\$ 1,425	\$ 1,290	\$ 135	10.4%
Total Other Exp	\$ 2,655	\$ 425	\$ 2,230	524.7%
<b>Total Expense</b>	<b>\$ 41,509</b>	<b>\$ 41,646</b>	<b>\$ (137)</b>	<b>-0.3%</b>
<b>Net Income</b>	<b>\$ 3,921</b>	<b>\$ (581)</b>	<b>\$ 4,501</b>	<b>-775.1%</b>

#### **NOTES:**

Financial reports are preliminary, subject to finalizing the tax return for the ITC.

**Income - Contributions:** in 2007-2008, limited to the Seven Pillars Consulting Scholarship.

**Expense - Total Administration:** in 2007-2008, the ITC benefitted from substantially reduced rent by relocating the office.

**Expense - Total Other Exp:** in 2007-2008, this reflects \$1,000 for the 2006-2007 scholarship as well as \$1,200 for the 2007-2008 scholarship.

**Expense - Total Event:** The average percent of event direct expenses to event direct revenues in the 2007-2008 year rose to 51% (this does not include staff time and overhead expenses) from 31% the previous year.



**Balance Sheet Prev Year Comparison**  
As of August 31, 2008

	Aug 31, 08	Aug 31, 07	\$ Change	% Change
<b>ASSETS</b>				
Scholarship Funds	\$ 29	\$ 1,229	\$ (1,200)	-97.6%
Operating Account	\$ 10,843	\$ 8,307	\$ 2,536	30.5%
<b>Total Bank Account</b>	<b>\$ 10,872</b>	<b>\$ 9,536</b>	<b>\$ 1,336</b>	<b>14.0%</b>
Savings Account	\$ 25	\$ 25	\$ -	0.0%
<b>Total Checking/Savings</b>	<b>\$ 10,897</b>	<b>\$ 9,561</b>	<b>\$ 1,336</b>	<b>14.0%</b>
Total Accounts Receivable	\$ (35)	\$ (60)	\$ 25	-41.7%
Total Other Current Assets	\$ 925	\$ (1,630)	\$ 2,555	-156.8%
<b>Total Current Assets</b>	<b>\$ 11,787</b>	<b>\$ 7,871</b>	<b>\$ 3,916</b>	<b>49.8%</b>
<b>TOTAL ASSETS</b>	<b>\$ 11,787</b>	<b>\$ 7,871</b>	<b>\$ 3,916</b>	<b>49.8%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
Total Payroll Liabilities	\$ 646	\$ 383	\$ 263	68.7%
Employment Taxes Payable	\$ (119)	\$ 148	\$ (267)	-180.8%
<b>Total Current Liabilities</b>	<b>\$ 527</b>	<b>\$ 531</b>	<b>\$ (4)</b>	<b>-0.8%</b>
<b>Total Liabilities</b>	<b>\$ 527</b>	<b>\$ 531</b>	<b>\$ (4)</b>	<b>-0.8%</b>
<b>Equity</b>				
Membership Equity	\$ 2,074	\$ 2,074	\$ -	0.0%
Retained Earnings	\$ 5,266	\$ 5,847	\$ (581)	-9.9%
Net Income	\$ 3,921	\$ (581)	\$ 4,501	-775.1%
<b>Total Equity</b>	<b>\$ 11,260</b>	<b>\$ 7,340</b>	<b>\$ 3,921</b>	<b>53.4%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 11,787</b>	<b>\$ 7,871</b>	<b>\$ 3,916</b>	<b>49.8%</b>

**NOTES:**

Financial reports are preliminary, subject to finalizing the tax return for the ITC.

**Scholarship Funds:** This year, the scholarship was disbursed before the end of the fiscal year; last year the disbursement was after the fiscal year.