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Wine Business Management – Dissertation

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Topic: **Improving the viability of a regional government funded trade promotion organisation: a case study.**

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Abstract

The objective of this dissertation is to understand the critical elements that are needed to ensure the viability of a government funded regional trade promotion organisation. This is done by using the Western Cape Trade and Investment Promotion Agency of the Western Cape (Wesgro) as a case study.

The mandate of Wesgro is (a) to attract and facilitate foreign and domestic direct investment into the Western Cape, (b) to grow exports of products and services of the Western Cape through development of export capability, demand and market access, (c) to market the Western Cape as a competitive business destination within the national and international arenas. The mandate aims to contribute to the strengthening of the province and promote equitable participation in the economy by sectors of the community and all regions of the province.

The current business environment is one of unpredictable stability; managers need to find creative ways of managing their businesses under these conditions of uncertainty. This uncertainty is a global business phenomenon and South Africa is no exception to it, in South Africa the situation is further aggravated by our reliance on exports.

“Businesses today are confronted with unique challenges caused by rapidly changing financial and market conditions” (Scherrer 2003, p.52). Many businesses are forced into international selling due to the competitive environment which makes the argument for exporting compelling. Through exports companies can benefit from the greater scale of international markets, and the opportunity to spread risk. Even though exporting seems like a lucrative business, there are barriers of entry that most exporters around the world experience. These can be summarised as lack of information, limited resources and capacity. Export markets are often tough to penetrate; this invariably means a sizeable investment of time and money are required to develop knowledge and experience of foreign market conditions.

In most countries the government is major role player in promoting trade especially export promotion. Due to limited capacity and at times resources, governments have established trade promotion organisation (TPO) to assist exporters deal with the challenges of international business. There are various structure of TPO's, in some countries TPO's are fully owned and funded by the government, in other they are private sector owned or a combination of both. The main role of trade promotion organisations is to implement approved policies designed to grow the economy, attract investment and develop sustainable social-economic infrastructure. This includes maximizing opportunities for skills transfer and job creation. In most countries each region or province has its own TPO which promotes the competitiveness of that area and only assist exporters in its area of jurisdiction. Depending on the structure and capabilities of the agency other services they offer is to provide support and capacity to the province and municipalities in branding and marketing the province as a global competitive region (Lederman, Olarreaga and Payton 2006).

In South African the Department of Trade and Industry (DTI) is responsible for trade policy, strategy and export promotion at the national level. Exporter development and promotion at a provincial level is carried out through regional trade promotion agencies. Eight of the nine

provinces in South Africa have an organisation that is responsible for exporter development of their region, the only province that does not have an agency is the Northern Cape. The initiatives of these organisations are usually in line with the national strategic framework of DTI.

The viability of trade promotion organisations is important for the development of economy as they are responsible for assisting exporters be more competitive. The logic is that the increase in exports will increase the gross domestic product and the income generated from exports will allow the country to reduce its foreign debt.

The concern that this paper addresses is the viability of trade promotion organisation. The trade promotion unit of Wesgro is used as case study to gain an understanding of the challenges and complexity of operating a government funded regional trade promotion organisation. The hypothesis is that the competition, impact of political interference, competition and availability of resources are threats to the viability of a trade promotion organisation. If the trade promotion unit of Wesgro delivers on what they are expected to do as well as to follow through on their mandate; their contribution towards the growth of exports will not only be meaningful to Western Cape but also be significant to the economy of South Africa. This will in turn make Wesgro as a major player towards the championing of regional development, thereby making it the better choice amongst local business support organisations to be allocated a substantial budget from government.

An important aspect of business is to understand the effect that internal and external business environments have on business stability, profitability and viability. The question that arises from concern is: **What are the critical success factors for viability of the Trade Promotion Unit?**

The three key concepts that emerged from meta-synthesis are that for a trade promotion unit to be viable it needs to understand the environment it operates in, offer a service which is demand driven (service that will improve that competitiveness of both potential and existing exporters) and have competent and knowledgeable staff.

A further analysis of the three key concepts was conducted to determine a crucial element that is required to drive the viability of the unit. The driving force for this further analysis was to determine which of the three elements is critical for improving viability, what should be changed or enhanced to improve viability. Based on the feedback from research participants it is clear that the service needs to be broadened to cater for the needs of various clients, by offering services which are demand driven the unit will be able to attract clients and this will improve the viability as it will be assisting in growing the number of exporters. Part of the service offering should be tailor made for the individual clients or companies to deal with their specific challenges. In order to be able to know what service is needed and how it should be carried out the trade unit needs to understand the environment in which it operates in. This includes understanding the market challenges that exporters face in Western Cape as well as in the global arena. By understanding the environment, the trade promotion unit will be in constant communication with the exporters and broader business community; these interactions will assist in improving the services. Both the extent of the service and understanding the operating environment are crucial for viability. Unlike organisations who offer tangible products to customers, the service or product offering of the trade promotion unit is intangible; the tangible physical aspect of the service that people come into contact

with is the staff. Quality competent staff emerged as the most vital element that is needed to improve the viability of the unit as staff is the conduit which the unit will deliver a service and come up with ways of improving the unit for long term benefit. It is people who analyse the market forces and put together a well positioned plan for strategy execution. They shape the strategy to meet the goals of the organisation. People are an integral part of leading a winning organisation. The staff should be well developed and equipped to be able to take the organisation to new heights.

The other components of ensuring viability are to understand the operating environment and offering services are which are deemed important by exporters. It is imperative for the unit to know and understand how it fits in and interacts with the surrounding environment on both an internal and external view. By researching and understanding the external environment, the trade promotion unit will be in a better position to develop a strategy for both short and long term operations. Part of the strategy objective will be to improve the unit's overall performance especially growing the number of exporters in the province and contribute towards the viability of the organisation.

Organisations fail because they don't understand their operating environment and don't have the correct staff. For the trade unit to be viable it needs to improve the operational function through competent staff, this will also improve the effectiveness of strategy development and the services that the unit offers. The staff is a key component of viability and they will provide a competitive sustainable advantage for the unit.

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Chapter 1- Purpose of Dissertation

1.1 Purpose and Objectives of Research

The objective of this dissertation is to understand the key elements that are needed to ensure the viability of a government funded regional trade promotion organisation. This is done by using the Western Cape Trade and Investment Promotion Agency of the Western Cape (Wesgro) as a case study.

At the time of commencing the research I had just been employed by Wesgro as the Trade Promotion Manager for Europe. My responsibilities included assisting companies gain a foothold into the European market, building export capacity, promoting Western Cape as the preferred place of business in South Africa thereby creating employment within the province. This seemed like a big task and in order for me to be able to do justice to my job and ensure that I'm contributing towards the enhancement of our province, I needed to understand how the organisation operates, what are the challenges facing it and what can be done to ensure that the trade promotion unit of Wesgro does not become another inefficient government agency.

1.2 Selecting the Research Approach

The enquiry of this paper is about developing an understanding of key components required to ensure the viability of trade promotion unit of Wesgro. Therefore I selected the qualitative research approach for this enquiry.

Qualitative research is used to gain insight into people's attitudes, behaviors, value systems, concerns and motivations. I believe that this approach is useful for my research as it has a strong focus on comprehending a research problem from the perspectives of the people it involves. "Qualitative research produces findings arrived from real-world settings where the phenomenon of interest unfold naturally" (Golafshani 2003, p600). The advantage of qualitative research is that the solution to the problem will be relevant and suitable to the context. As a member of the trade promotion team I would like to ensure that the research comes up with a solution that will improve the viability of this unit. Qualitative research method is also appropriate for this enquiry as it allows for much more detailed investigation of the issue - answering questions of meaning, who is affected by the issue, why and what factors are involved. This method of research is aimed at generating a hypothesis rather than proving it as the case in quantitative research.

"Qualitative research does not measure, it provides insight. This insight can be gained through a process consisting of analysis and meaningful integration of views expressed by respondents" (Ruyter and Scholl 1998, p.8) Ruyter and Scholl (1998) Golafshani (2003) support the use of qualitative research as they advocate for the findings to unfold naturally through the process of analysis and integration.

An important aspect of qualitative research is that sampling is purposeful and the emerging data gives direction as to the next area or source of further information. It also allows for participants (data source) to give richer answers, valuable insights which might have been missed when using quantitative based research. Qualitative research has different approaches of data collection such as grounded theory, storytelling, ethnography and shadowing. Qualitative research allows for better insight and better creation of solutions which can deal with the complexity of the problem.

1.2.1 A model for qualitative research design

I followed the systematic interactive research model design for qualitative research project whereby the goals of the research, the conceptual framework within which the research question is asked, the research methodologies and strategies ensure the trustworthiness of the enquiry.

The design includes clarifying the purpose of the study; creating a theoretical context for the research; formulating a research question; developing a relationship with the people that are relevant to the study and making decisions about research methods and techniques.

Qualitative research design is circular and not linear. It involves cycles of reflection and refinement. It is an ongoing process that involves going back and forth between the different components of the design, assessing the implications of goals, theories, research questions, methods, and validity threats for one another. This illustrates that the components of the design interact with one another; they are not isolated.

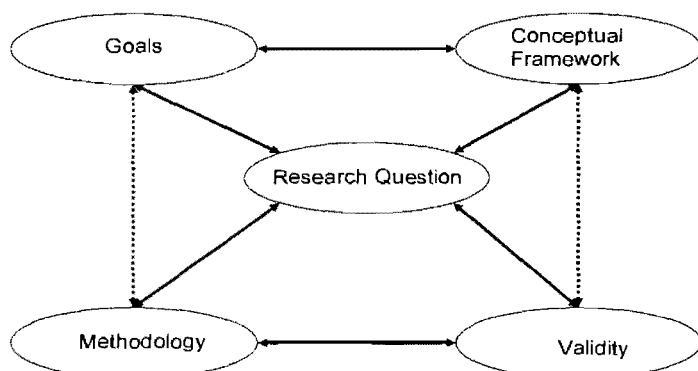
The goals of the study shape the research as they show why the study is worth doing. The goals also help to guide other design decisions to ensure that the study is worth doing by highlighting the value that it will bring. My goal is to gain insight on critical components that can ensure viability of a trade promotion organisation.

The aim of the conceptual framework is to understand what I think is going on with the issues, settings, or people I plan to study. The research question endeavors to ask a question that will actually achieve the goals.

The methodology takes into consideration approaches and techniques that will be used to collect and analyse your data. This also includes selecting the participants and other data sources such as documents.

Validity deals with how might the results and conclusions could be wrong. What are the plausible alternative interpretations and validity threats to these, and how I plan to deal with them, Figure 1 is a summary of this approach.

Figure 1: An interactive model of research design



Source: Joseph Maxwell Sage, 2005

All components of the research design are connected, these connections are not rigid. The environment, which includes resources, research skills, perceived problems, ethical standards, context, data gathered, and concluding results, influence and impact the design.

My approach for making sense of the situation, enquiring about the problem in the situation, defining the research problem and developing an answer for the research question are based on the assumption that multiple realities exist and one needs to try and understand these realities in order to devise robust solutions.

1.3 Dissertation Layout

The dissertation is divided into six chapters. Chapter one is introduction of the qualitative research approach. Chapter two lays the context of international trade and the motivation for regional trade promotion agencies, followed by a brief overview of Wesgro; the services it offers and the situation that the organization finds itself in. The practical problem that one of the units within the organization finds itself in, which gives rise to the research problem. The hypothesis of what I think is causing the problem which in turn motivates the research question. The rationale provides a logical basis for constructing an answer that deals with the research question and addresses the concern.

Chapter three is the review of literature; this is to ascertain the knowledge and ideas that have been established on the research topic. This is also to illustrate the importance of the topic. The aim of literature review is to critique, engage and synthesize existing research.

Chapter four explains the research framework that was followed, which incorporates various philosophies and research methods. Chapter five discusses the research results which answers the research question. Lastly, chapter six is the evaluation of overall research, this section also highlights gaps in the research as well as potential areas for future research.

Chapter 2- Introduction and Overview

2.1 Setting the context: International Trade

2.1.1 Economic development through international trade

International trade can be referred to, as the exchange of services as well as goods across international soil and international borders. It can be exemplified in terms of gross domestic product (GDP) of a country. Some of the major components that influence international trade include industrialisation, good transportation system, involvement of multinational companies and outsourcing. Countries have been active participants in international trade since time immemorial.

The importance of international trade cannot be ignored as it contributes to the development of a nation. For a majority of countries international trading has contributed significantly to the GDP as well as serving as a platform for globalisation. Most of the countries in the world participate in international trade to make up various deficiencies in their produce and to obtain resources necessary to produce additional goods and services desired by the citizens of the country. A country may export raw materials in exchange of processed foods and finished products of another country. Industrial based countries like Japan and Germany produce a large quantity of capital intensive products like heavy construction equipment, industrial machinery and cars. Whereas labor intensive countries such as China focus on producing commodities such as clothing and other consumer goods.

“In today's globalised world, trade is a powerful engine for economic growth. International trade activity in goods and services remains the cornerstone support of our financial system, facilitating economic expansion as well as international cooperation and development. For developing countries, trade is also essential for poverty reduction” (Sénéchal 2009).

Without international trade, nations would be limited to the goods and services produced within their own borders. Exporting is a major component of international trade, even though the macroeconomic risks and benefits of exporting are at times disputed. There are two differing perspectives concerning international trade, one recognises the benefits of international trade and the second concerns itself with the possibility that certain domestic industries could be harmed by international trade. Even with these differing perspectives, exporting is a lucrative for both the export and import country. The export country charges taxes on all products that leave and the import country charges a tax for most of the products entering the country.

Trade statistics reveal that during the year 2005, global growth in the economy declined as there was a decline in the economic activities of United States of America, Europe and other emerging markets, which include Brazil, Republic of Korea, and Chinese Taipei.

The figures in the table below provide the total US dollar amount of merchandise exports on a free on board (FOB) basis. These figures are calculated on an exchange rate basis.

Most of the developed countries with the exception of China have a strong export base and account for the bulk of world exports. In the comparison of over 190 countries, South Africa's exports are ranked at number 40. There are various factors which make South Africa not be one of the top exporting countries such as the exchange rate.

Table 1: Country Comparisons: Exports

Rank	Country	Exports	Date of information
1	Germany	\$ 1,530,000,000,000	2008 est.
2	People's Republic of China	\$ 1,465,000,000,000	2008 est.
3	United States	\$ 1,377,000,000,000	2008 est.
4	Japan	\$ 776,800,000,000	2008 est.
5	France	\$ 761,000,000,000	2008 est.
6	Italy	\$ 566,100,000,000	2008 est.
7	Netherlands	\$ 537,500,000,000	2008 est.
8	Russia	\$ 476,000,000,000	2008 est.
9	United Kingdom	\$ 468,700,000,000	2008 est.
10	Canada	\$ 461,800,000,000	2008 est.
40	South Africa	\$ 81,470,000,000	2008 est.

Source: World Fact Book 2009

South Africa's economy is still largely reliant on the export of primary and intermediate commodities to industrialized countries. However, manufactured goods account for the majority of exports to Africa. More than half of South Africans' exports go to developed countries. In Europe South Africa's main trading partners are the United Kingdom, United States of America, Germany, and the Netherlands. From 2002-2006 more than 50% of South African exports was to developed countries, during the same period about 14% of exports were destined to the African continent.

The centre-piece of South Africa's foreign economic policy is the SADC. Within the SADC, South Africa, Botswana, Lesotho, Namibia and Swaziland have organised themselves into the Southern African Customs Union (SACU). SACU shares a common tariff regime without any internal barriers. Trade with SADC countries increased significantly, from R16 billion to approximately R32 billion, between 1998 and 2002.

The table below shows South African exports has been growing on a year to year basis, thereby increasing its share of world market. Products that account for the bulk of the exports are metal, mineral fuel and agricultural products such as fresh and dried fruits. Even though exports are growing I think there is still work to be done in improving the competitiveness of other sectors.

Table 2: South African Exports: All Industries

	Exports in value (USD)	Exports as a share of world exports (%)	Growth of exports in value (% p.a.)	Share of top 3 exported products (%)	Number of export markets (which value > USD 100.000)	Share of top 3 export markets (%)
2002	23,064,373	0.3626		17.6	189	29.7
2003	31,635,839	0.4251	37	14.9	187	32.2
2004	40,263,523	0.444	32	17	186	32.3
2005	46,991,047	0.4588	27	15.7	191	32
2006	53,169,885	0.4436	23	15.3	193	32.2

Source: International Trade Centre 2009

Even if the international trade manifests favorable trends, there is the issue of competition to handle in international markets. Managing and implementing the various international trade policies, abiding by the norms governing international trade are some of the key factors to be considered when embarking on international trading. These might be cumbersome for a company that wants to grow their business through exporting.

2.1.2 Strategic imperative for exporting

The current business environment is one of unpredictable stability; managers need to find creative ways of managing their businesses under these conditions of uncertainty. This uncertainty is a global business phenomenon and South Africa is no exception to it, as in South Africa the situation is further aggravated by our reliance on exports.

“Businesses today are confronted with unique challenges caused by rapidly changing financial and market conditions” (Scherrer 2003, p.52). Many businesses are forced into international selling due to the competitive environment which makes the argument for exporting compelling. Through exports companies can benefit from the greater scale of international markets, and the opportunity to spread their risk. Exporting opens new markets and allows companies to spread their risk.

The benefits of exporting include the potential for increased sales, increased profit margins especially if a product can find a niche market. Diversified markets can reduce risk; by trading in a number of markets companies can reduce their exposure to economic downturns in any one market. Domestic competitiveness can also be enhanced as knowledge acquired

through exporting can help a company become more innovative and competitive in the local market.

Exporting also helps the wider community by creating jobs as it also creates additional work for suppliers of raw material, it puts money into local communities and businesses that support that community and bringing wealth into the country which in turn could potentially raise living standards and supporting publicly-funded services such as health care and education.

Even though exporting seems like a lucrative business, there are barriers of entry that most exporters around the world experience. These can be summarised as lack of information, limited resources and capacity. All companies require information so as to examine the viability of exporting. In most instances the need is acute for smaller to medium enterprises as they do not have the financial power to carry out their own research. Greater levels of cost and risk are endemic to export markets, and these must be factored into a firm's export decision. Knowledge is power in all-human activity but particularly so in international trade. Dissemination of information is therefore, critical to export growth, sustainability and job growth. Export markets are also often tough to penetrate especially those that are culturally dissimilar. This invariably means a sizeable investment of time and money are required to develop knowledge and experience of foreign market conditions. At times exporters are unsure as to how they can use Free Trade Agreements to their benefits.

The International Trade Centre an organisation that assist developing and transition countries achieve sustainable human development through exports, suggests that problems of penetrating international markets can be overcome through government support. It is within this context that most countries have government funded trade promotion organisations that provide, information, marketing tips and other services to help exporters overcome export barriers and in particular to expand exports of the country.

2.1.3 Structure of export promotion in South Africa

For the economy of the country to flourish it requires for the various levels of government to work together. The same rule applies for growing the exports of the country. Creating a strong and growing cadre of exporters requires that South Africa focuses on initiating new exporters, developing existing exports and eliminating barriers to export success. The implication of this is that the South African government has to target export-related programmes at distinct export stages if the programmes are to be effective. This means that national government should have structures in place to support the initiative of provincial and local government.

The Department of Trade and Industry (DTI) promotes exports at a national level. The DTI export publications provide information on foreign markets and a list of potential importers of South African products in various foreign markets. They also assist exporters in locating potential buyers through the trade representatives in various South African embassies, high commissions and consulates.

One of the key functions of the DTI is the administration of the incentives schemes to encourage the growth of exports. There are several programs under the Export Marketing and Investment Assistance (EMIA) scheme. The intention of this scheme is to partially compensate exporters for costs incurred when developing new export markets. EMIA has the following elements: primary export market research which provides assistance for researching

and developing new markets, outward selling mission which gives the exporters the opportunity to visit an export country to make contact with buyers, inward buying mission which assists with the traveling expense of a buyer visiting South Africa to source products and participation at trade fairs. Most of these initiatives are aimed at established exporters or companies in the growth and expansion phase, which leaves the cultivation of new exporters to the provincial entities.

Exporter development and promotion at a provincial level is carried out through regional trade promotion agencies. Eight of the nine provinces in South Africa have an organisation is responsible for exporter development of their region. The initiatives of these organisations are usually in line with the national strategic framework of DTI. The various trade promotion organisations in South Africa are:

Gauteng Economic Development Agency
Trade and Invest KZN
Trade and Investment Limpopo
Western Cape Trade and Investment Promotion Agency
Invest North West
Free State Development Corporation
Mpumalanga Economic Growth Agency
Eastern Cape Economic Development Corporation

Most of these agencies perform the following duties: gathering knowledge about the latest international trade happenings, imparting information to the clients in matters related to the betterment of trade with the client's trading partners and helping exporters grow by providing better networking facilities.

2.1.4 Government support of exports through Trade Promotion Organisations

Trade development and promotion organisations have been established to assist companies to deal with the challenges of exports which are highlighted above. The main role of trade promotion organisations is to implement approved policies designed to grow the economy, attract investment and develop sustainable social-economic infrastructure. This includes maximizing opportunities for skills transfer and job creation. In most countries each region or province has its own TPO which promotes the competitiveness of that area and only assist exporters in its area of jurisdiction. "Depending on the structure and capabilities of the agency other services they offer is to provide support and capacity to the province and municipalities in branding and marketing the province as a global competitive region" (Lederman, Olarreaga & Payton 2006).

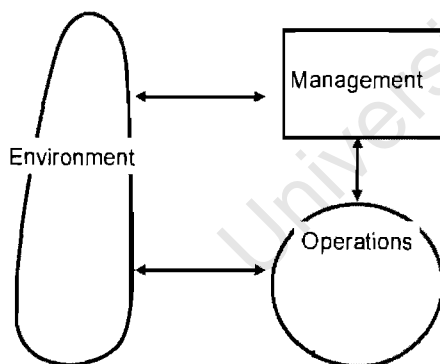
Treleavan (2006, p.3) suggests that "even though TPO are government funded they should have some form of fee structure in place as this is the best way to formalize the relationship and to strengthen TPO product quality". Charging for services represents a departure from the traditional approach of working within the context of specific sector and market priorities. It also makes the exporting companies appreciate and value the service that they are getting.

For TPO's to be able to deliver the required services and contribute towards the growth of exports they need to be viable in their own right. This requires the professionals of the trade promotion organisations to be well versed in the subject of international trade and to meet the demands of the changing conditions of the market economy.

According to the International Trade Centre the main role of a TPO is to expand the exports of the region, this concurs with the Lederman et al which places emphasis on the point that TPO should be instrumental in making the region to be globally competitive. Harwood (1994) and Treleavan (2006) state that highlight the importance of each region having a TPO and how such an organisation can contribute towards growing the economy.

Irrespective of the type of industry or structure of the organisation, the goal of every organisation is to survive and be viable in the ever changing in the environment. Simply put an organisation can be divided into two units: the operational units, these units deliver the service to the clients and the management unit which ensure that effective functioning of the operational units. Over and above the internal communication between these units they also gave to interact with the external environment which consists of clients, suppliers, government and other stakeholders. At times there are factors in the external environment which are beyond the control of the organisation. It therefore becomes important for these units to understand the external environment in order to be able devise robust strategies that will deal with the environmental occurrences. Organisational viability means the ability to survive in turbulent business environment; this translates to management and the operation being able to thrive within their environment. The above explanation is shown in Figure 2.

Figure 2: Organisational viability and the environment



For many organisations viability is ultimately linked to profit. Even if the business is not currently profitable, there is an expectation that it will be profitable at some future date thereby being viable. The economic notion of viability can also be extended to not-for-profit enterprises such as public sector organisations or enterprises that rely on government as their main source of income. Such organisations are viable if they are seen to deliver a service that is of value to justify adequate funding on an ongoing basis.

“To deal effectively with today’s complexities and dislocations, leaders cannot rely on old planning paradigms. Instead they must develop new decision-making approaches suitable for operating in a turbulent environment, in which linear thinking is replaced by willingness and a capacity to adapt as required to remain competitive and viable” (Golensky and Mulder 2006). In most cases viability problems have to do with the interactions between the organisation and its environment, the pressures that the environment exerts on the operations of the organisation.

Making a difference to export growth can be a challenging task for TPOs especially in some developing countries. TPOs are increasingly required to quantify their outcomes and to be held accountable for their results. If they are to achieve expansion of trade and reach new clients and satisfy their governments (or donors) that they are doing their job they need to be visible and well connected to the private sector.

A critical aspect in the success of a TPO is positive engagement between the business community, industry and exporter associations and groupings. Dialogue should be continuing, future-oriented and collaborative. Key performance indicators should be adopted to encourage greater effectiveness, and should percolate down into individual performance agreements so there is congruency and alignment of corporate strategies and individual actions. Targets should be quantified and stretching, but must be believable and not seen as empty posturing or wishful thinking.

Clarity of mandate is key to success and viability of trade promotion organisations as this will ensure that the organisation does not increase the scale and range of activities which it does not have the capacity to deliver. Viability is also dependant on the organisation focusing on export promotion of high growth sectors in their regions and allocating resources accordingly. Accurately assessing the market-readiness of exporters is also vital if resources are to be used effectively. For example, some TPOs provide self-paced assessments online, which are useful because they take participants through key issues that might not have even occurred to them.

Viable and effective organisations agencies undertake regular reviews to see if the service is still relevant and make the necessary changes if there is a need. Constantly innovating to develop new products and services that meet the needs and demands of clients is critical to the ongoing success of TPOs

Part of effective service delivery entails revising the communication strategy and intensifying the communication with all stakeholders as stakeholders change. Being dependant on government funding could hinder effective service delivery at times the delaying in receiving funds could make it loose a competitive advantage or opportunity to a private funded organisation.

Understanding that only a handful of the region’s sectors could competitively place products in global markets, focusing on few markets and carefully selecting exporters to work with and charging for some of the service are some of the good practice factors that enhance viability and service delivery. Targeting specific foreign markets is a less controversial aspect than the task of selecting which exporters or potential exporters will receive help and which will be turned away.

When tackling new markets, some trade promoters argue that it is wiser to design programs aimed at medium to larger enterprises than SMMEs. This is based on the notion that large companies have the resources and staying power to really penetrate a new market. Once established, the medium to large enterprises typically turn to SMME suppliers for products and services.

The list of countries that provide advice, information or training related to export promotion at no cost to the exporter is dwindling. For example Australia, the United Kingdom and Chile charge a certain amount for export assistance. Various formulas are used to calculate the service fee which also factor in the size of the enterprise and type of assistance needed. Charging for some of the services also decrease the dependency on government funding.

To be viable a trade promotion organisation needs to have clearly defined objectives and goals. There needs to be a structure that sets the tone for the rest of the organisation and also comes up with a strategic plan of how to reach the objectives. The strategic plan is crucial for government funded trade promotion organisation as it is used as basis for requesting funding. The organisation needs to have a structure in place that can identify opportunities and threats in the environment. Moreover the structure is valuable in ensuring that the resources are used effectively and optimally. It has a responsibility to ensure that the operational units work together in harmony. If a conflict arises it has a way of resolving the difference. Another important aspect is the operation units which are responsible for service delivery and making sure that the organisation reaches its objectives as per the strategic plan

The above section described a general trade promotion organisation and what it needs to be viable; the following section is the case study of Wesgro. The case study explores the challenges that the Trade Promotion Unit of Wesgro experiences in an attempt to achieve its objectives. The study focuses on the trade unit's aim to promote economic development of the Western Cape through assisting the export community of the province. I will first introduce Wesgro, what the organisation does and then focus on the trade promotion unit and the challenges that it faces. The challenges form the basis of the concern which led to research being carried out.

2.2 The Case Study of Wesgro

2.2.1 Trade and Investment Promotion Agency of the Western Cape

Wesgro was formed in 1982. At the time the agency focused solely on investment and as a result trade development and promotion were neglected. In 1996 the passing of the Western Cape Investment and Trade Promotion Agency Law saw the agency being endorsed as the official trade and investment agency of the Western Cape.

An extract from the agency law states that “whereas the government of the province of the Western Cape holds responsibility for the promotion of trade and investment in the province, and whereas it believes that the promotion of these objectives is best achieved in concert with other stakeholders in the economy, the government is desirous of establishing by provincial statute, an independent agency directed by the major economic stakeholders in the province to promote investment in and trade with the provincial economy”, hence Wesgro was made the official agency. The agency is a non-profit entity which is mainly funded by both Western Cape Provincial Government and the City of Cape Town Municipality in addition the agency also tries to generate income from membership fees.

The mandate of Wesgro is (a) to attract and facilitate foreign and domestic direct investment into the Western Cape, (b) to grow exports of products and services of the Western Cape through development of export capability, demand and market access, (c) to market the Western Cape as a competitive business destination within the national and international arenas. These aim to contribute to the strengthening of the province and promote equitable participation in the economy by sectors of the community and all regions of the province. Part of the Wesgro’s mission is contribute to the growth and development of Africa through the commitment to New Partnership for Africa’s Development (NEPAD); facilitate the link between business and government decision makers; and provide service excellence in all business support functions.

In April 2005, Ms Lynne Brown who was at that time the Provincial Minister of Finance, Economic Development and Tourism delivered a speech which explained the restructuring of provincial public entities. This process was undertaken because provincial government wanted to gain greater value and benefit from these entities. Wesgro was one of the entities which were subjected to the restructuring. The restructuring was successful and saw the agency focus on its core mandate of attracting investors and growing trade rather than being a platform for social dialogue. The passing of the new legislation also ensured that the agency became more financially accountable and compliant with the structures of the Public Finance Management Act (PFMA). The most important aspect about these changes is that they were meant to benefit the most important constituency, the people of the Western Cape. The government views the agency as an important partner in growing the economy and poverty eradication in the province.

Wesgro’s strategic plan aims to focus the agency squarely on trade and investment promotion by deepening services and capacity in the agency’s core business, focusing on priority sectors, and target markets and aiming for international best practice in trade and investment promotion. The Strategic Plan is informed by and aligned to national priorities such as NEPAD and the Accelerated and Shared Growth Initiative of South Africa (ASGISA),

provincial priorities as well as the local economic development plan of the various districts within the Cape.

Given limited resources to compete for trade and investment on an international level, Wesgro is required to prioritize sectors and foreign markets. The focus sectors for Wesgro are agri-business, Information Technology and Communication, tourism, creative industries which consists largely of fashion, jewelery design as well as film, renewable energy and boatbuilding.

Figure 3: Wesgro Sector and Market Focus

Tourism Investment promotion not core to CTRU		✓	Business (MICE) Medical, Sport, Marine Heritage, Eco & Adventure, Wine, Accommodation (Hotels)	UK, Netherlands, SA, Germany, Belgium, US
Renewable Energy ASGISA priority:		✓	Solar, Wind, Nuclear Natural Gas	Germany, UK, India, Netherlands
ICT CITI has requested expertise from Wesgro	✓	✓	Software development Mobile communications Web development ICT Consulting Services	UK, Netherlands, Germany, US Significant trade potential with Africa
Agribusiness Niche opportunities	✓	✓	Fynbos complex, aloe, baby veg, ostrich, pomegranates, cut flowers, nutra & cosmeceuticals	UK, US, Netherlands Japan, Germany, Nigeria, Angola
Creative Industries Significant manufacturing industry ASGISA priority. No SPV	✓	✓	Design, infrastructure for creative industries, media, publishing, film	Netherlands, US, UK, Germany, Brazil
Boatbuilding Close collaborative relationship with SPV	✓	✓	Catamarans (multi- and mono hulls) Speedboats, Inflatable Craft	UK, Italy, France, Germany, US, Middle East

TP- Trade Promotion
IP- Investment Promotion

Source: Wesgro Presentation May 2008

In order for Wesgro to be a viable organisation it needs to have viable and efficient units. As the organisation focuses on trade promotion and investment promotion one can conclude that both these units need to be viable in their own right and therefore the assumption is that if Wesgro is taken apart the operational units should be viable in their own right. The other factor was a motivating factor to focus on one of the operational units rather than the organisation as a whole is that I am directly involved in this unit and the dynamics that impacts on investment promotion are different from trade promotion. This research is also based on the premise that if the trade promotion unit is efficient and effective it can serve as a model for other units within the organisation. Due to my limited experience in trade promotion, I saw it fitting that before I analyse the whole organisation I should first look at the unit within which I have some influence in.

Section 2.1 set the context of regional trade promotion, it also highlighted factors such as the ability to offer services which improve the competitiveness of exporters as a contributing factor to the viability of a such organisation. Section 2.1.1 was the introduction of Wesgro and the objectives of this organisation. As stated above the research only addresses one area within the organisation which is the trade promotion unit. Section 2.2 and 2.3 will give more information about the unit under study as well as the challenges faced.

2.2.2 Trade Promotion Unit of Wesgro

The Trade Promotion unit offers a variety of services to exporters, with the view of increasing exports and providing sustainable access to global markets for Western Cape products and services through the development of export capabilities, stimulation of international demand and education on market access.

A key activity of Wesgro's Trade Promotion unit is the Export Development programme (EDP) which aims to train new exporters as well as to assist in growing existing exporters, and provide a networking and mentoring opportunity for new exporting firms, especially small, medium emerging and women owned businesses that show good export potential. The Export Promotion programme aims at growing the demand of Western Cape products and services in global markets through outward selling mission, participation in international trade fairs and exhibitions, facilitation of business opportunities through a trade leads and enquiries service. The facilitation programme includes hosting inward buying missions and facilitating business interaction with local companies. This unit also provides trade leads and enquiries services, to deal with trade offers from foreign importers as well as requests for information from Western Cape businesses on trade related issues.

The main objective of trade promotion is to grow the export base of the Western Cape. The basis of trade promotions services are based on the EDP. A company's outcome of the EDP process is used to determine the additional services that it might require from the unit. EDP is divided into three levels, the first level is for companies or individuals that want to export but may not know what is involved in exporting, it gives a broad overview of exports and what is required. The second level is for companies that are well established in the local market and want to expand their business; the outcome of the program is that companies get an analysis of their capabilities and the possible countries that have the most potential for its products. The third level is for companies that have been exporting for some time and either want to increase their market share or venture into new markets, the outcome is a detailed strategy for expansion which also has a marketing component of how to tackle a market.

The future funding of this unit is dependant on the number of new exporters it helps to develop as well as assisting existing exporters grow their market share in various countries.

Competitors of Trade Promotion

The following companies and agencies can be views as the trade promotions' competitors in the province; however it is important to note that there is an opportunity for all these agencies to collaborate for the benefit of the province.

The Cape Town Regional Chamber of Commerce and Industry provides a strong information service in the fields of international trade, labor relations, taxation, regional and local issues, economics and infrastructure to small, medium and large companies. This organisation is funded by membership fees.

Small Enterprise Development Agency (SEDA) facilitates business registration on behalf of the Companies and intellectual property registration office. It assists with business planning, provide cooperative support, and facilitate access to markets through marketing and promotion interventions. SEDA also assist company access finance as well as to provide training for small to medium enterprises. SEDA is funded by the Department of Trade and Industry.

The objective of Accelerate Cape Town is to accelerate economic growth in the city by promoting it as a prime location for investment. It effectively represents the views of big business as well as to establish a vibrant network of leaders in business, government, education and other stakeholders. This organisation is funded by membership fees. In an interview with Cape Business News (May, 2008) CEO Guy Lundy was quoted as saying: "Now that we have the solid support of key stakeholders and players in the region, we can seriously tackle our goal of turning Cape Town into a Southern Tiger; a region that takes on the world with inspiring leadership, vision and self-confidence." When probed further if that wouldn't be infringing on Wesgro's mandate. His response was that Wesgro is a government agency that answers to government while Accelerate Cape Town is a membership-based business association that works with government and influences government thinking.

This brings to the fore the issues of competition for Wesgro but more especially for the trade promotion unit.

2.2.3 Viable System Diagnosis of Trade Promotion Unit

Trade Promotion is facing challenges brought on by competition and possibly other factors which are currently unknown to me. As mentioned in the previous section, for a trade promotion organisation to be viable it needs to be able to adapt to the turbulent environment and effectively deal pressure from the environment.

To uncover challenges that threaten the viability of trade promotion, a viable system diagnosis is used. This diagnosis is based on Stafford Beers' Viable Systems Model (VSM) which was developed in 1958. The VSM provides a useful template against which to consider new challenges that the organisation is facing. It is useful in providing a framework for designing flexible, adaptable organisations that balance external and internal perspectives over long and short-term thinking. Stafford developed the viable system model as a practical guide to what it takes for an organisation to remain viable in its environment, meaning how to make decisions which will enable the organisation to evolve intelligently to cope with an ever-faster changing environment. It can also be used to highlight the structural weaknesses of the organisation.

“The VSM was created by Stafford Beer over twenty years ago, it has been used extensively as a conceptual tool for understanding organisations, redesigning them and supporting the management of change” (Espejo 1997, p.3).

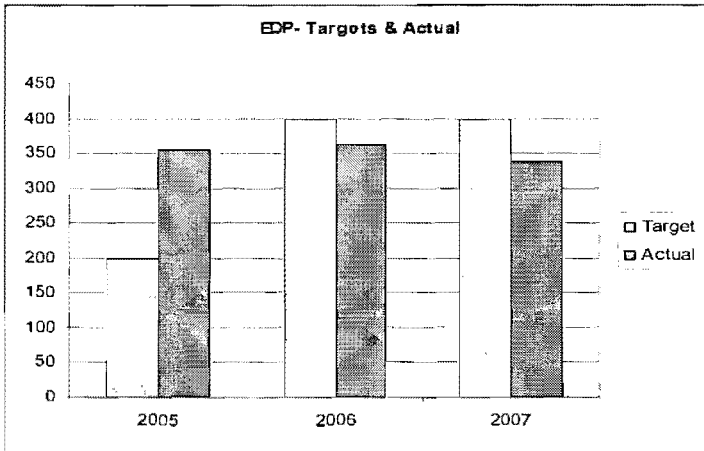
The VSM is composed of three elements, the operation which consists of all operational activities; management- which ensure that the various operational units work together in an integrated, harmonious fashion and lastly the external environment that the organisation interacts with. The operation and management are further divided into five interacting functions.

The first function consists of all the units which carry out the primary activities of the business and delivering the service required. These units are responsible for implementing various projects that have been identified for economic development.

The operation is further sub-divided into smaller operations. The sub-units of trade promotion unit are the exporter development program, export promotion, facilitation and trade leads. All these activities interact with both the external and internal environment. One of the critical measurements of trade promotion's viability is the number of people or companies that go through the exporter development program. The target for 2007 was that the unit should train 500 companies, but in only managed to train 338. The charts below show the decrease in EDP numbers.

In 2005 the actual number for the combined levels exceeded the targets. From 2006 the numbers started dropping and the unit was not able to meet its targets.

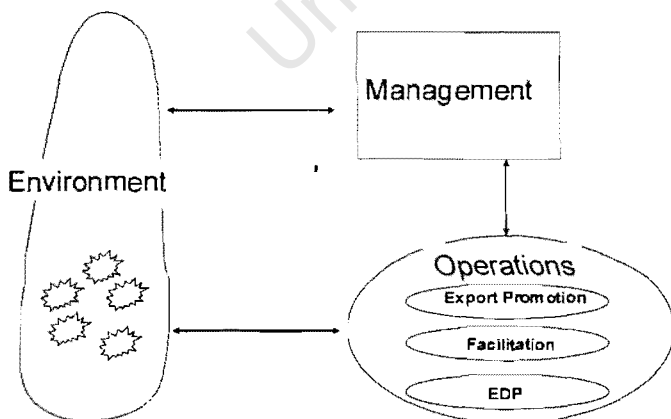
Figure 4: Total EDP Statistics



Source: Wesgro Annual report 2008

The inability to meet the targets is a cause for concern and thus motivated the reason for undertaking this research. The operational units interact with certain components of the external environment. The individual interactions might not seem important but collectively they play a vital role in ensuring the viability of the organisation. Figure 5 illustrates the operational units within trade promotion and these units interact with management and the environment.

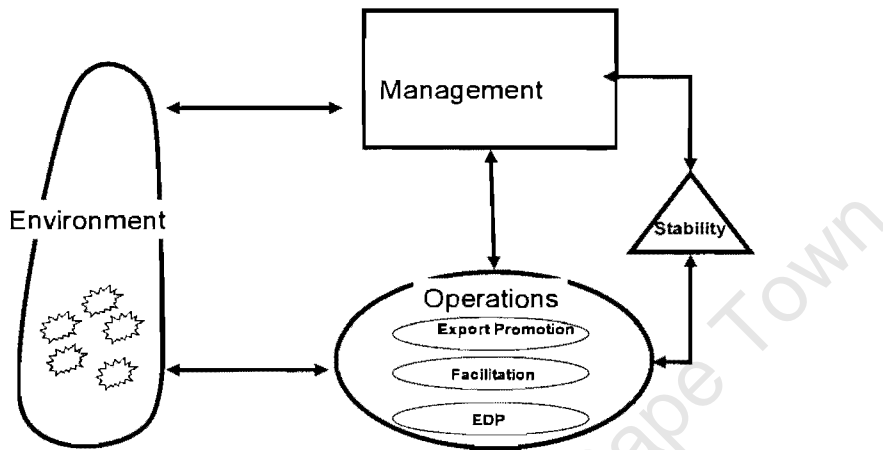
Figure 5: Operational Units of Trade Promotion Unit



One could stop with the analysis of the operational units but it was important to complete the diagnosis of the unit through the full five functions of the VSM. The diagnosis of the other functions follows below.

In the diagram below the second function is responsible for the coordination of the operational units. This also includes conflict resolution and stability in the unit. The Senior Trade Manager is responsible for this function and there seems to be no problems.

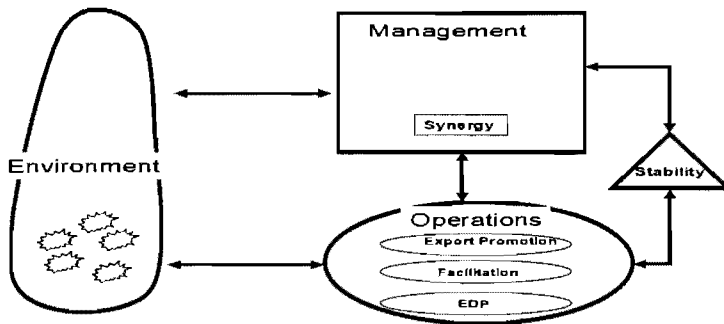
Figure 6: Stabilising the operational unit



The third function is responsible for and creating synergies between the operations. The senior trade promotion manager looks at the various planned activities of the various desks and then analyse if there is a way that certain activities can be combined. The weekly team meetings where all activities and programs are discussed also gives the managers of the various desks the opportunity to see if there are projects which they can partner on. For example if a exporter has indicated that he/ she is interested in exporting to the USA and the UK, the managers of these desks then try to schedule meetings with this client on the same day to save traveling time and costs.. The trade promotion managers are partly responsible for finding synergies with the unit. .

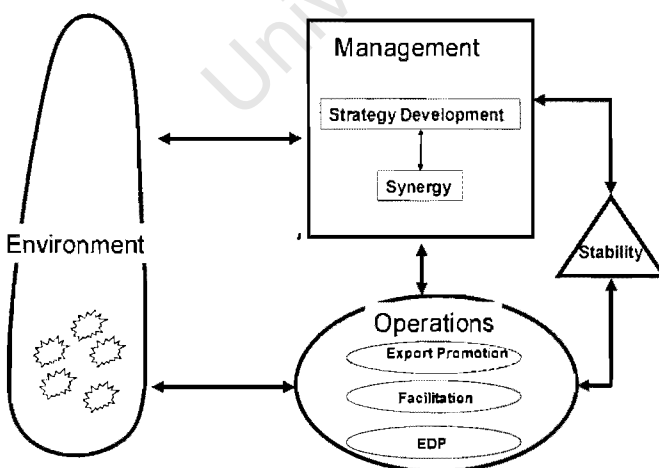
As illustrated in the figure 7, for the organisation to be viable the operational units need to function effectively. Then there needs be a system of dealing with conflicting interests which are inevitable in the interactions of operational units. Once the interactions of the operational units are rendered stable, it becomes essential to look at ways of finding synergy and optimising these interactions. This is shown in the diagram below. The environment that the units and functions interact with is unpredictable and changes constantly.

Figure 7: Finding synergy



The fourth function looks at the outside world, it identifies threats and opportunities. It also produces plans for long-term viability. Its other function is to identify good practices and learning models. The Chief Executive Officer (CEO) in conjunction with the board of directors set the strategy for the whole organisation, and then the CEO and senior management of the various units set the strategy for their unit, input into the strategy is information from the intelligence unit. To make sure that the strategy is robust and realistic the staff members of the trade unit should be consulted for input into the strategy. The intelligence unit carries out research on trend affecting trade, trade laws and policies this information is then passed on to the senior trade manager who in turn distributes to the team. The intelligence unit is also instrumental in scanning the external environment for opportunities and putting in systems to counter threats. Because the CEO and the senior trade promotion manager develop the strategy they should ensure that the trade team is well equipped to be able to deliver the service.

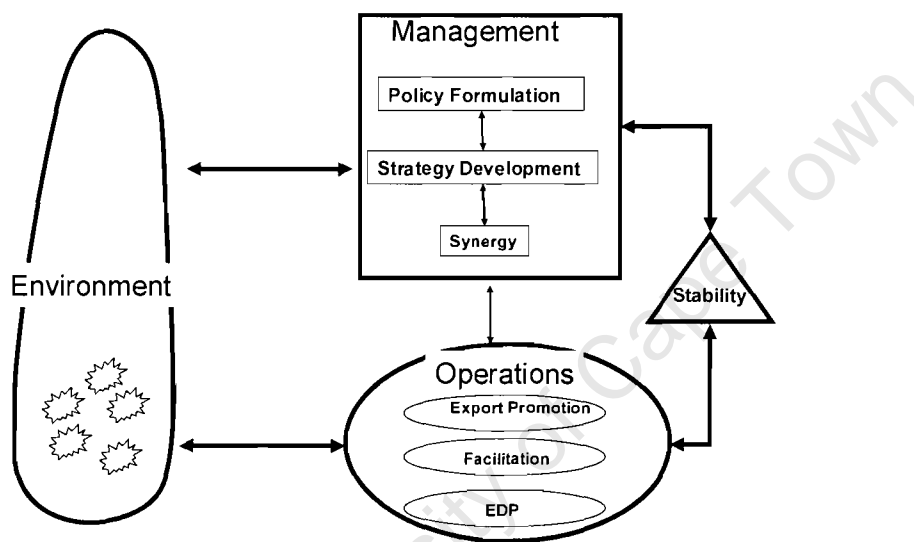
Figure 8: Strategy Development



The last function manages the interactions between synergy and strategy formulation this includes deciding on the identity of the organisation and its governing principles. Part of its function is to set policies for the organisation which defines the mandate and objectives. Provincial government set the mandate of the organisation. Wesgro needs to adhere to all the rules and regulations of the Public Management Act which governs all state owned or partly state owned enterprises.

Figure 9 is a graphic representation of the complete VSM. The arrows represent the interactions between the functions; the essence of the interaction is to balance the data coming from the external environment with the data from the internal environment. It is important to note that the VSM is not a hierarchical model, it uses dual information flows.

Figure 9: Policy Formulation



The mandate of the trade promotion unit is clear that it should grow export base of the province through the exporter development program. Based on this one can safely say that the trade promotion unit needs to know what is happening on both the local and international business arena.

The challenges highlighted by the viable system diagnosis are that the current service offering does not seem to be adequate enough for the unit to be able to meet its mandate. The interactions with the environment especially exporters seems to be limited and not well coordinated, this is based on the reason that the service offering has been the same for a number of years. Therefore the assumption is that the service offering should be revised or improved in the order for the unit to improve.

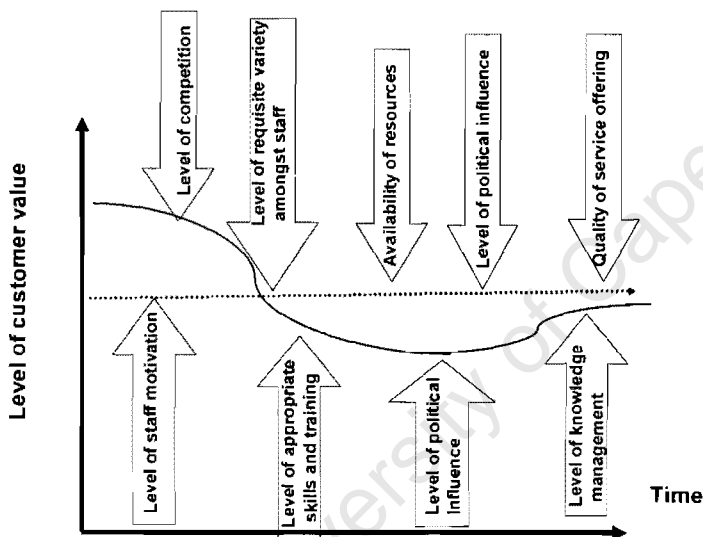
The critical issue is its inability to meet the mandate of growing the number of exporters in the province. This is important because the units' performance appraisal is based on its ability to contribute towards the growth of sustainable exports and the number of companies it has assisted in getting export ready.

2.3 Concern: Threats to viability of a Trade Promotion Organisation looking at Wesgro as an example

Below is a description of the process I followed to develop a hypothesis of what is perceived to impend the effectiveness and viability of the trade unit.

From the VSM diagnosis described above, a number of possible causes of the concerning trend were identified. One of the key concerns facing the trade unit is the low levels of perceived customer value. Due to the unit not being able to meet its targets and the inability to attract more clients is confirmation that there seems to be deteriorating service level and customer value. Addressing the concern is critical to the long term viability of the unit. The behavior over time (BOT) graph below shows the drivers and restrainers of the initial concern over time.

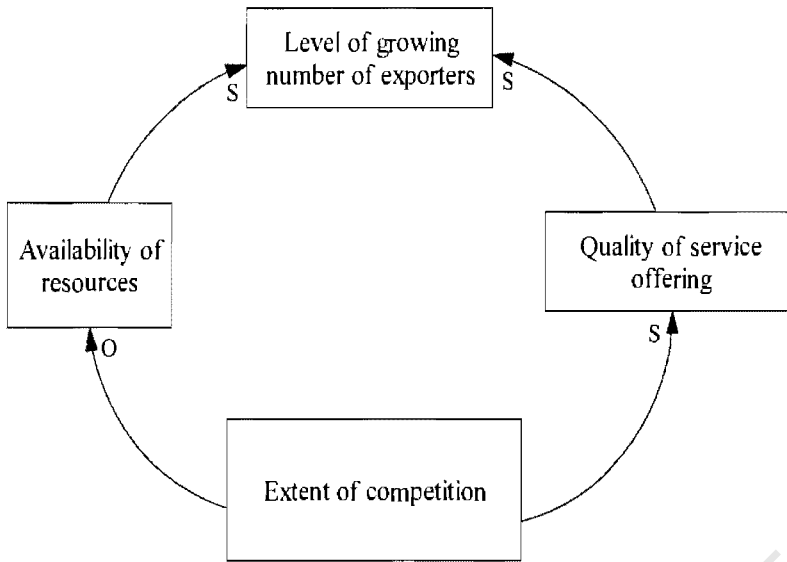
Figure 10: Concern behavior over time showing drivers and restrainers



Despite having motivated and skilled staff, there seems to be low levels of customer satisfaction. This could be caused by stakeholders and clients feeling that they are not receiving adequate customer value. The availability of resources and competition also has an impact on the levels of service delivery.

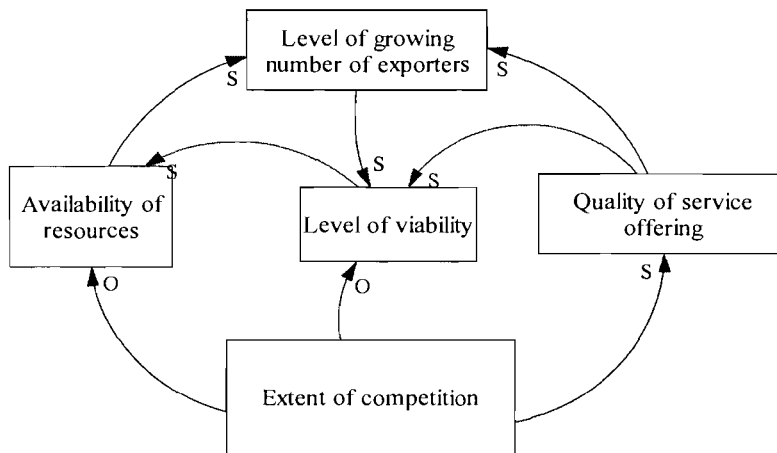
The main competitors of the trade unit within Western Cape are the Cape Regional Chamber of Commerce- funded by the private sectors, SEDA funded combination of national and provincial government and Accelerate Cape Town which is funded by the private sector. The benefit of being funded by national government rather than provincial government is that the budget is slightly bigger. The advantage of getting resources from the private sector is that they understand speed at which resources are available enables the company to be effective and deliver an efficient service. One of the challenges faced by Wesgro is that it negotiates the funding on a yearly basis and this makes it difficult for the operational units such as the trade promotion unit to have a longer term outlook on projects.

Figure 11: Hypothesis of threats to viability of trade promotion unit (Loop 1)



Most of the business support organisations in the province are funded by government, the increase of these organisations means that Wesgro not only has to compete for clients but for resources as well. The government allocates funding based on performance if Wesgro's performance is poor then it faces a budget cut. This means the unit that is not performing well within the organisation will also face budget cuts. The increased competition also means that the trade unit has to offer cutting edge services to attract and retain clients. Increased competition and the quality of the service offering have a considerable impact of the viability of the unit. The viability of the trade unit determines the availability of resources which will enable it to grow the number of exporters in the province.

Figure 12: Hypothesis of threats to viability of trade promotion unit (Loop 2)



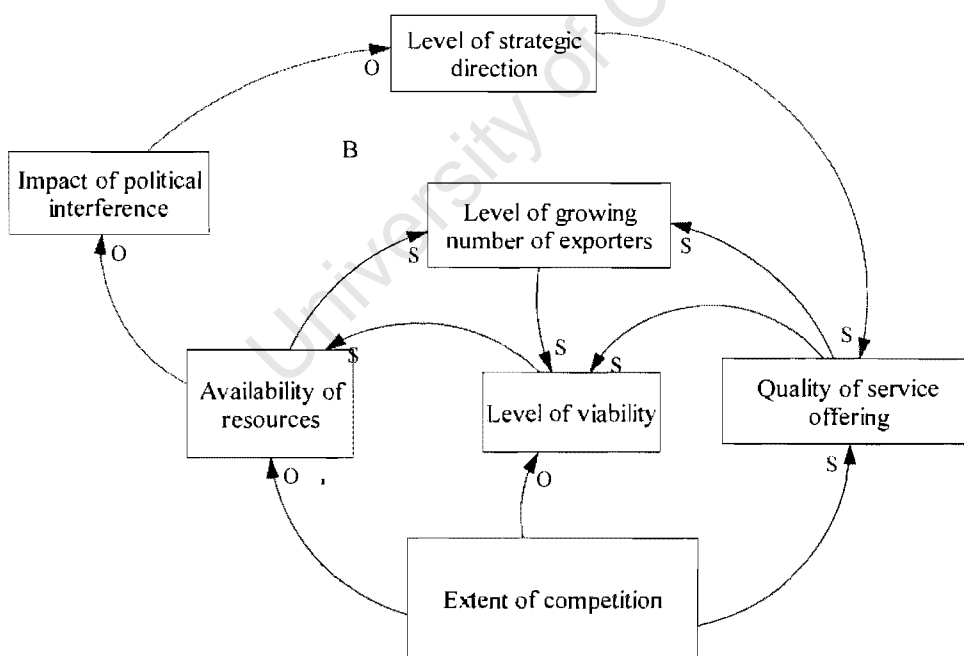
Upon further exploration of the above mentioned factors it emerged that political interference and level of strategic direction also have a significant bearing on these factors. Because Wesgro is funded by government, at times the political agenda tends to affect the day to day operations. The organisation is funded by both provincial and local governments, which are represented by opposition political parties. Therefore the agenda and policies of both parties are determined by the respective political parties. Government has an important role to play in supporting the economic development of a region. Government policy should be directed at decreasing the barriers of exports through negotiation of free trade agreements and promoting regular opportunities to share information that may help to build and develop regional policy frameworks. Due to the government link Wesgro has the opportunity to give input in trade promotion policies as well as hosting business delegation from other countries on behalf of the government which provide a networking platform for local businesses. However the link to government could also have a negative impact on the image of the organisation as it could be seen as another government department with little or no service delivery. This could also make it difficult to get critical feedback from clients as they sometimes see Wesgro as gatekeeper to the EMIA scheme of DTI. Meaning that if they give negative feedback they might not get funding from the DTI forgetting that DTI makes funding at the discretion without the involvement any regional promotion agency.

Some of the most successful TPOs are those that have institutionally distanced themselves from the political influence of government. International trade promotion requires a long-term strategy built on the experience of both private sector and public sector professionals, and the ability to respond quickly and aggressively to market change. This is a contrast of the short-term, non-commercial strategies usually adopted by government. Furthermore, in countries where political change can be dramatic, consistency can be achieved only by separating trade promotion from political influence.

The strategic direction of Wesgro is to a large degree influenced by politics and at times there is a mismatch between what government thinks should be done and what the business community actually needs. While the outcomes of government decisions may be perfectly rational in terms of politics, they are at times inefficient and suboptimal with respect to business growth and markets. To operate trade promotion successfully, one needs to understand what motivates governments and how best to balance both government requirements and private sector needs. The other factor is that staff has been tasked with understanding the contextual environment and finding synergies within the unit, even though they give input into the strategy the final say lies with senior management and at times the views of the operational staff on the strategic direction might not be necessarily taken into consideration when decisions are made.

The volatility of the political environment has a significant bearing on the operations of Wesgro, if the political environment is not stable Wesgro could also loose out on its funding, this would mean that there are not enough resources for running projects. Most of the services of other business support organisation are geared at the same target audience as that of the trade promotion unit. To stay ahead in the game, trade promotion has to offer cutting edge services which will add real value to the exporters.

Figure 13: Hypothesis of threats to viability of trade promotion unit (Loop 3)



The concern is the viability of the promotion unit.. If the trade promotion unit of Wesgro delivers on what they are expected to do as well as to follow through on their mandate; their contribution towards the growth of exports will not only be meaningful to Western Cape but also be significant to the economy of South Africa. This will in turn make Wesgro as a major

player towards the championing of regional development, thereby making it the better choice to be allocated a substantial budget from government.

The VSM diagnosis was instrumental in fully comprehending the factors what is impending the effectiveness and feasibility of this unit. By improving the trade promotion unit and ensuring that it provides quality service and grows the export base; somehow the viability of the organisation will also be improved. Addressing the concern is critical to the future and viability of the trade promotion unit.

University of Cape Town

2.4 Question: What are the critical success factors for viability of the Trade Promotion Unit?

In the context of the concern, the research aspires to improve the viability of trade promotion to be able to contribute towards growing the number of exporters in the province. Asking the right question is important for knowledge creation and problem solving. In most cases questions are asked based on certain perspectives and assumptions. It is important to make sure that the correct problem is being solved therefore the correct and appropriate question needs to be asked. According to Mitroff (2008) all serious errors in management can be traced back to one fundamental flaw – solving the wrong problem precisely. Successful problem solving is dependant on the ability to identify and to frame the problem correctly.

Mitroff calls this error Type III and an attempt was made to avoid this error when formulating the research question to deal with the identified concern. I applied to the concern hypothesis the five strategies of Mitroff to avoid formulating the wrong question, the process is as follows

(a) Picking the wrong stakeholders

Excluding stakeholders may lead to an insufficient answer to the problem. In the concern hypothesis a number of stakeholders were affected, excluding any of them in the problem formulation may lead to an ineffective answer. A stakeholder analysis showed that in the current situation the most important stakeholders are the exporters (potential and current), trade unit staff, and government. The point of this research is to improve the trade unit with the assumption that an effective unit will benefit all relevant stakeholders. Based on this assumption, it is unlikely that there any of the stakeholders will be opposed to this project.

(b) Selecting narrow set of options

Whilst following the systematic approach to research designed discussed in Section 1.2.1, I developed two formulations to the problem, the first was the level of stability of the organisation and the second concern was the relevance of the trade promotion unit. The first problem formulation was rejected due to insufficient empirical evidence to base the concern on, the other reason is that I'm new to the organisation so I should rather focus on an area which will I'm closely involved with. The basis for rejecting the second one was that whilst conducting the research it various studies supported the notion for such regional trade promotion. The concern in the viability of the organisation is supported by the worrying trend of exporters not making use of the service.

(c) Phrasing the problem correctly

The variables in the hypothesis through their interaction can co-produce a decline in the number of exporters that the unit assists. To change the concerning behavior, one could consider changing the behavior of any variable. Meaning that each of the variables could give rise to a possible research question. For example: how to improve the service of the trade promotion unit, what is the value created by the trade unit, how to improve the trade promotion unit and what is needed to ensure viability of the trade promotion unit. The decision to focus on viability was based on the premise that the trade promotion unit is currently not meeting its objectives therefore improving the viability of the unit will improve

its competitiveness and the ability to have a meaningful impact on the economy of the province.

(d) Expanding the boundaries of the problem

In order to explore the boundaries of the system producing the concern, boundary questions need to be asked to various stakeholders such as the clients, staff, government and maybe other trade promotion organisations in the country. Government and other trade promotion organisations were excluded as access to these participants for data gathering would have been problematic; therefore it was decided to include exporters and staff.

(e) Applying systems thinking

The question should be based on leverage points within the variables causing the behavior, this should be an area where changes can be made which will bring about positive changes rather than unintended consequences

In an attempt to also ensure that the Mitroff error was avoided a CATWOE analysis was also undertaken. CATWOE is a soft systems methodology tool for expanding one's thinking about a problem or situation before you zero in on a specific problem that you want to solve, it is about looking at the root cause of a problem. The CATWOE analysis focuses on the clients, actors, transformation, worldview, owners and the environment. The significance of the CATWOE analysis for my research is that it will assist in decision making about the stakeholders, narrow the research problem but most importantly I can use for checking that the solution is context relevant., the analysis is as follows:

(a) Clients - those who more or less directly benefit or suffer as a result of the situation. The clients in my research are the potential and current exporters.

(b) Actors - the players (individuals, groups, institutions and agencies), who perform the scenes. In the case of this research, actors are trade promotion managers of various desks, and provincial government.

(c) Transformations-looks at what transformations generate a product or a service? How are they achieved? How well are they performing? Part of the concern is that the current service offering needs to be modified to be able to attract the clients, the research results will be instrumental in highlighting the areas that need changing.

(d) World-view- what is going on in the wider world that is influencing and shaping the "situation" and need for the system to adapt? Currently the trade promotion unit is not meeting its objectives, the number of exporters from the province is stagnant. Exporters are importers for the province as the thinking is that they will create employment which will in turn alleviate the level of unemployed people and reduce the poverty rate.

(e) Owners - the activity is ultimately "controlled" or paid for by owners or trustees. Who are they and what are their imperatives? How do they exercise their ownership power? The owners of the process is provincial government, their main objective for funding Wesgro is that the organisation needs to contribute towards growing the economy of the province by assisting exporters reach their full potential.

(f)Environment – which is made up of trends, events and demands of the political, legal, economic and competitive environment have been highlighted in the preceding sections.

Both the Mitroff error and CATWOE analysis support the concern of focusing the research on the viability of the trade promotion unit. The question that therefore arises is the one of how is the unit going to improve and enhance their capabilities in order to be able to meet the mandate, what should be done to change the perceptions about government funded trade promotion units. It is also important to understand the building blocks of making an organisation competitive, what is the unit going to do to position itself as a service provider of choice to the export community.

An important aspect of business is to understand the effect that internal and external business environments have on business stability, profitability and viability. The most powerful question to ask is : **What are the critical success factors for viability of the Trade Promotion Unit?** From a systems point of view the question is the most effective to deal with the phenomena under study.

2.5 Answer: Competent staff who are knowledgeable about international trade is a critical component of ensuring viability

The unit is currently viewed as not being viable because of is not achieving its objectives. The target clients are not entirely satisfied with the current services and there is no integrated strategy of dealing with the threat of competition and lack of resources.

From the meta-synthesis process it became evident that the critical success factors for viability of a trade promotion unit are having staff that is knowledgeable about international business management, understanding the environment in which both the organisation and clients operate in as well as offering services which are geared at improving the competitiveness of the clients.

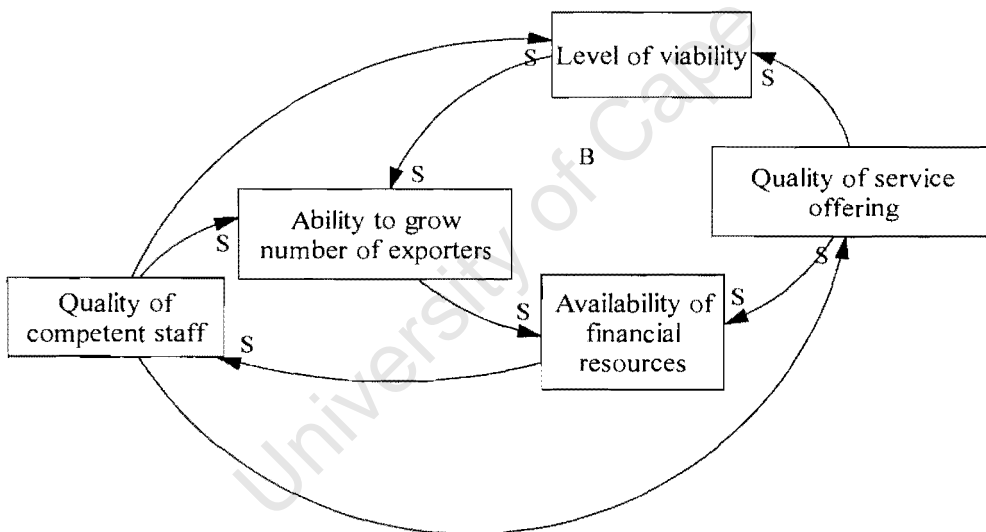
Upon further investigation competent staff emerged as the key critical component for viability of a trade promotion organisation, this was further verified through literature. The method used to reach the answer is detailed in Section 5.2. It is people who deal with clients, suppliers and other stakeholders. Their interaction with the external environment determines the success and viability of the organisation. It is people who analyse the market forces and put together a well positioned plan for strategy execution. They shape the strategy to meet the goals of the organisation. People are an integral part of leading a winning organisation. The staff should be well developed and equipped to be able to take the organisation to new heights.

The success of strategy execution is dependant on viability. It is people who deal with clients, suppliers and other stakeholders. Their interaction with the external environment determines the success and viability of the organisation. It is people who analyse the market forces and put together a well positioned plan for strategy execution. They shape the strategy to meet the goals of the organisation. People are an integral part of leading a winning organisation. The staff should be well developed and equipped to be able to take the organisation to new heights.

“Companies that perform better consider their employees as a source of competitive advantage and this belief influences how the business is managed” (Bergeron, 2004, p.134). Economics, competition and globalisation are some of the factors that play a role in the design of business strategy. However people are a key factor in ensuring that the strategy is robust enough to meet the challenges of the changing environment. For the trade unit to be viable it needs competent staff that will drive change.

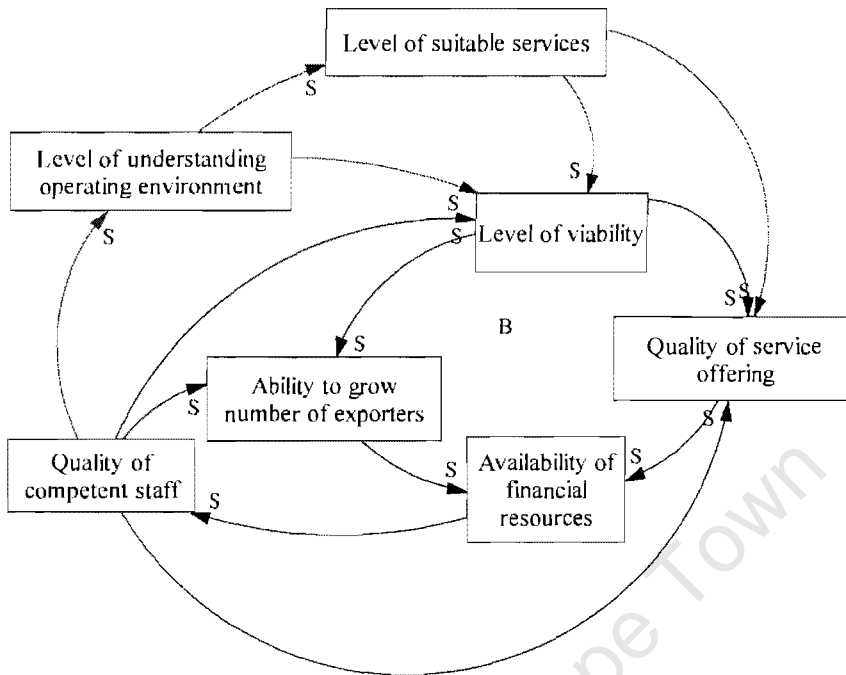
Staffs are a service delivery conduit; the level of competency determines the quality of the service offering. By delivering a quality service the trade unit will be able to also attract new clients. The unit needs qualified staff that is knowledgeable about international trade, who can conduct research and also be able to offer sound advice to exporters. The quality of the service will also put the trade unit in a better position to start charging exporters for some of the services, the new stream of income will decrease the dependency on government funding. The additional finances can also be ploughed back into staff development.

Figure 14: Ensuring viability through competent staff (Loop 1)



The other components of ensuring viability are to understand the operating environment and offering services are which are deemed important by exporters. It is imperative for the unit to know and understand how it fits in and interacts with the surrounding environment on both an internal and external view. By researching and understanding the external environment, the trade promotion unit will be in a better position to develop a strategy for both short and long operations. Part of the strategy objective will be to improve the organisation’s overall performance especially growing the number of exporters in the province and ensure that the unit is viable.

Figure 15: Ensuring viability through competent staff: (Loop 2)



Organisations fail because they don't understand their operating environment and don't have the correct staff. In terms of the VSM it can be concluded that the operational function is not well developed and the functions that is responsible for strategy development and policy formulation are weak. Therefore for the trade unit to be viable it needs to improve the operational function through competent staff, this will also improve the effectiveness of strategy development and the services that the unit offers. The staffs are a key component of viability and they will provide a competitive sustainable advantage for the unit. .

2.6 Rationale: Maintaining viability in the changing environment

The rationale provides a logical basis for the ensuring that the answer adequately addresses the concern and answers the research question. The rationale sets out the flow of how to implement a set of measures to ensure the units efficiency in managing its operations, staff and finance to achieve its mission.

By having the necessary service and ensuring that the service is aligned to the capabilities of the unit will enhance the degree to which the unit can be viable. The cornerstone of the units' service information therefore it is important for the unit to offer reliable and credible information to the exporters so that they can make informed decisions. Part of the service offering should be tailor made for the individual clients or companies to deal with their specific challenges. In order to be able to know what service is needed and how it should be carries out the trade unit needs to understand the environment in which it operates in. This includes understanding the market challenges that exporters face in Western Cape as well as in the global arena. By understanding the environment, the trade promotion unit will be in constant communication with the exporters and broader business community; these interactions will assist in improving the services. Both the extent of the service and understanding the operating environment are crucial for viability. Unlike organisations who offer tangible products to customers, the service or product offering of the trade promotion unit is intangible; the tangible physical aspect of the service that people come into contact with is the staff. Quality competent staff emerged as the most vital element that is needed to improve the viability of the unit as staff is the conduit which the unit will deliver a service and come up with ways of improving the unit for long term benefit.

The trade unit requires both financial and human resources to offer a quality services. Financial resources are needed to research and develop services which are required by the client; human resources are needed to implement and deliver the services. "Successful companies make their talent strategy part of their strategic planning process and integrate it into daily operations. They strive for the alignment of their talent with the organisation's vision, goals and business strategy" (Bergeron, 2004, p.133). The availability of financial resources is instrumental in determining the degree to which funds will be available for staff development and for remuneration of suitably equipped staff. Knowledgeable staff is important in delivering quality services which will attract new clients and also increase the level of awareness of the agency. Organisations operate through people and their contribution determines the success of the organisation. The skills and knowledge of the staff need to be cultivated and then leveraged to create competitive advantage.

The cornerstone of trade promotion's service is providing information to existing and potential exporters. Information cannot be assessed without the knowledge of the context in which it is interpreted. Equally important to this is that the context of the receiver should be well understood. Information can add value to the receiver when he interprets it the way in which it was intended. Knowing the information requirements and context of the target group is an important component of understanding the environment. It is imperative for trade promotion unit be aware of the context of their clients so that it can disseminate useful and relevant information. "Improving information management practices is a key focus for many organizations, across both the public and private sectors" (Robertson 2005). The need for

better information management should be driven by the desire to improve efficiency of the business and to deliver a better quality services.

Knowledge of the business environment will also give the trade promotion unit an opportunity to determine the services that it should offer to its clients.

“For any future system of government support has to have as its prime objective, assisting companies in the development of their ability to market their goods and services internationally with strong focus on the development of the capabilities of small and medium size enterprises” (Grimes, Doole & Kitchen, 2007). The unit should focus on needs of exporters rather than services that are not needed. The services should be geared helping companies build long term competitiveness. Businesses have different needs depending on their sector, size and stage of business life. Unless sufficient account is taken of the characteristics of the different users, the service strategy design and execution is unlikely to meet the requirements of the clients.

The availability of resources will enable the organisation to attract and retain competent, knowledgeable staff that will ensure service delivery. The degree to which staff is competent will enhance the degree to which it stays abreast of changes in the environment and ensure that the organisation adapts to the necessary changes to remain relevant. The improved service offering will put trade in a better position to charge for some of its service in order to generate its own income and reduce the dependency on government funding.

The extent to which the trade promotion unit understands the business environment will enhance its ability to determine appropriate responses for addressing challenges and to exploit opportunities. This will enable the unit to develop service that will increase its competitive advantage and ensure viability.

2.7 Evaluation: Evaluating the necessity of this research study

The evaluation assesses the reasoning and justification for undertaking the research, this is to evaluate the relevance and usefulness of the research and if the rationale is sufficient.

The question in the argument for relevance “is the concern relevant in the situation and does the situation adequately explain the concern? The concern was raised a result of the current situation. The concern is critical to maintaining Wesgro’s Trade Promotion unit viability and relevance. Wesgro is a Provincial entity with a clear mandate and deliverables. The funding of this organisation is dependant on its performance; the mandate forms the measuring parameter for performance. Part of the measurement is that Wesgro must grow the number of companies that export. This can be measured by comparing the number of exporters of previous years; the agency also needs to provide names of companies that it has assisted. The exporters are also required to measure Wesgro’s impact on their business.

The current performance of the unit is low therefore in order for it to get funding it needs to improve its performance. This implies that the trade promotion unit need to deliver a service that is aligned to the overall business plan. The contextual environment is changing due a number of factors and the unit needs to be flexible enough to be able to deal with these changes and also to survive. To be viable and relevant the number of exporters in the province should increase.

To establish the usefulness of the study (utility), the cohesion of the situation, concern, question and answer is of paramount importance. The research has been raised as result of my direct experience of the situation, the answer proposed has been constructed from that perspective and it deals with the situation in a satisfactory manner.

The situation is that the Trade Promotion unit is currently not meeting its target. The concern addressed is the inability of the Trade Promotion Unit to have meaningful impact on growing the export base. This concern adequately deals with the situation as it aims to look at one of the areas that impact directly on the overall performance of the organisation.

The methods of finding a valid answer to the question consist of process of rigorous enquiry. For the grounded theory study, methods used to collect data included conversational interviews, participant observation and documentation. Numerous field notes and memos were utilised to identify the core concepts. The grounded theory and meta-synthesis process were rigorously applied to gather and synthesize data.

In summary there is no doubt that the trade promotion unit has a vital role in growing the number of exporters of Western Cape. This can be achieved through setting the organisation on clear strategic direction, understanding the needs of exporters and offering them the services which will increase their competitive advantage.

University of Cape Town

Chapter 3- Literature Review

Having formulated the research question, the aim of the literature review is to provide context for the research conducted by analyzing and critiquing the work that has already been done in this particular field of knowledge. Part of the literature review is not only analyzing the work that has been done but showing the relationships between the different work and also how it relates to my research. It is important to note that the literature review needs to relate to and provide an explanation for the research question.

Some of the outcomes of literature review are that it will help to highlights gaps that might merit more research or closer investigation. It will also help me understand my field of research better and to build a better knowledge base for the future.

As a starting point my literature review looked at the concept of trade promotion, governments' role in trade promotion, and the reasons for the establishment of regional trade development agencies in general, their role in the region and what is needed for them to be viable. I then locate my research findings in the literature to determine how they can contribute towards the trade promotion unit being viable. .

My research finding show that for a government funded trade promotion organisation to remain viable in the changing business environment it need to understand the environment it operates in, have competent staff and provide services which are deemed important by the exporters.

3.1 The concept of export promotion, considering broader body of knowledge regarding export promotion.

The complexity of international business and know-how can place a company at a competitive disadvantage. Export promotion initiatives are a broad response to business needs for a greater expertise (Serिंगhaus and Botschen, 2007, p.116). Export promotion deals with both internal and external barriers associated with exporting and encourage economic growth. (Van Aarde and Viviers; 2007, p.5).

Czinkota and Singer (1994); Crick and Czinkota (1994) and Serिंगhaus and Botschen (2007); concur that export promotion enhances the flow of foreign currency which strengthens a country's currency and that the concept and role of export promotion is similar across countries, however the organisational set up and strategic approached might differ. Governments expect that sustained export promotion and development efforts will help earn additional foreign exchange needed to cover the cost of imports, solve balance of payments problems, help reduce the burden of increased foreign indebtedness and create additional employment for people. Export promotion by government has become an important component of economic development programs. Governments in developing countries include export promotion as an objective of their overall development policy.

Based on the literature of these authors, the goals underlying export promotion can be summarized as follows:

- (a) To develop broad awareness of export opportunities and stimulate interest for exporting. Overcome barriers associated with exporting.
- (b) To assist companies in planning and preparation for export involvement.
- (c) To assist companies acquire the needed expertise to enter and develop export markets.
- (d) To support foreign market activity through organized help and cost sharing programs.
- (e) To enhance export performance by improving company's capabilities, resources and overall competitiveness

Czinkota and Singer (1994) and Van Aarde and Viviers, (2007) are of the same opinion that exporters who have not consolidated their presence in foreign markets do not usually have the resources to carry out export promotion and development activities, which are generally expensive. Gaps between resources needed and resources available are common in many developing countries. As a result, governments must fill these gaps, especially the financial gap. Even though Seringhaus and Botschen (2007) agrees with the notion that government should support export promotion they note that the role of the private sector. To encourage growth of exports, governments can step in and provide business communities with needed support in various ways. Governments have many different policies, programmes and activities to help develop competitive products and increase export sales.

To improve the effectiveness of government assistance, a match between the services desired by companies and government assistance should be coordinated" (Cavusgil and Yeoh 1994, p.81) Countries with successful export promotion programs are those that have clearly defined national export priorities as such guidelines explain how to achieve objectives and allocate resources accordingly. The growth of exporters from one stage to the next encounters different problems, therefore government assistance should cater for the different stages of export involvement.

Czinkota and Singer (1992) and Crick and Czinkota (1994) agree that with limited funds available in government support programmes, policy makers should be aware of the assistance exporters require in order to have relevant services to the exporters. Government programs should be marketing orientated, policy makers should also know the needs of the importing companies so that they can assist exporters satisfy those needs. In developing export promotion, consideration should be given to the type of organisational arrangements. Different organisation arrangements are used in different countries for the delivery of export promotion services. Countries differ on how they organise for export promotion, they also differ on the strategic approach they adopt. For example in Germany has developed a laissez-faire approach to export promotion activities, France has a government led export promotion initiative.

Economist tends to oppose government intervention in export promotion, the argument is that government intervention tends to distort resource allocation and create inefficiencies. (Anon 1995; Van Aarde 1998) Adversaries of export promotion state that even though an increase in exports raises the foreign exchange inflow, there may be an increase in import expenditures due to the increasing income of the country, which in turn worsens the country's trade balance. This argument is mitigated by the increase in job of the exporting country and the

contributions toward the country's budget to carry out services such as health care to its citizens.

Government-supported national trade promotion programs are common around the world. The range of export promotion activities offered by different governments reflects the imagination of the operatives designing and delivering these programs. The range of services should take into consideration that companies are at different stages of exporting Czinkota and Singer (1994); and Crick and Czinkota (1994), Seringhaus and Botshen (2007); Van Aarde and Viviers (2007). Export promotion strategies are part of trade promotion and should focus on enterprise, industry, and national levels. At enterprise level the aim is to address the lack of knowledge about exporting. At industry level the idea is to increasing the export of existing products and develops new exportable products. The national level is to set the overall economic direction and trade development strategy. The design of relevant trade policies is the key to a successful national export promotion program. These activities are usually carried out by a trade promotion organization on behalf of the government.

Even though there is a lot of literature that support the involvement of government in promotion exports there is limited literature which measure the impact on government assistance on exporting companies. While the role and objectives of export promotion are generally clear, research aimed at explaining how export support is used and how it helps the business sector is still emerging.

3.2 Importance of export promotion in South Africa.

“Exports are crucial to the economic growth of our continent and the realisation of the ‘African miracle’. They have enormous benefits for the economy; they create jobs, generate foreign exchange, encourage investment, support the development of new infrastructure, encourage competitiveness, promote innovation and stimulate the development of the SME sector. (South African Minister of Trade and Industry, Mr. Mandisi Mphahwa: 2005)

Exports play a crucial role in the growth of the country's economy. For many developing countries, exports also serve the purpose of earning foreign currency with which they can buy essential imports that they are not able to manufacture, mine, or grow at home. Exporting goods and services can also further advance developing nations' domestic economies. In South Africa, the importance of increasing exports is highlighted in both the Reconstruction and Development Program of 1994 and the White Paper on Small Business Development of 1995. “No matter where one turns in the world, governments are focusing their efforts on enhancing international trade, and in particular export development amongst small and medium size enterprises” (Viviers and Calof 1999, p.915)

Van Aarde (1998) and Viviers and Calof (1999) assert that ensuring that South African economy reaches its fullest potential requires that the government to focus on exports with a solid action. Government must take the role of initiating exports- it must develop mechanisms designed to open up non-exporters minds to the possibility of exports. The mechanism developed by government must not only rouse the interest in exporting but must also work towards lowering their perception of the costs and risks associated with exporting. Other government programs should be evaluated to ensure that they do not hinder export success;

this includes reducing red tape and complex export laws. To create a strong and growing cadre of exporters requires government to focus on initiating new exporters, developing existing exports and eliminating barriers to export success.

“It is in the interest of the South African economy to improve export performance of smaller firms” (Soontiëns 2002, p.710). Soontiëns (2002) further asserts that although it is enterprise that ultimately trade goods and services, however government has an important role to play in promotion of exports since these represent foreign exchange earnings. One of the continuing roles of government is to initiate export development. He further recommends that government should create a facility where successful exporters, passive exporters and non-exporters can meet, exchange experiences to increase exports. Government support is necessary to grow exporters to achieve their full export potential and contribute to economic growth and development in South Africa.

In the study of International trade and sustainable development in Sub- Saharan Africa in 2004, Asafu-Adjaye asks “Why does the current wave of globalisation seem to be passing Africa by?” One of the answers to this as revealed by the study is that governments in the region have not created sufficiently favorable conditions to attract trade and investment. Despite attempts by several Sub- Saharan African governments to restructure their economies in order to promote trade, export growth in Sub- Saharan Africa has been below expectations. The study argues that these governments have not implemented adequate measures to promote exports and foreign investment and trade.

The key concept from the literature of Viviers and Calof (1999) and Soontiëns (2002), is that government should play an active role in promoting exports and create a conducive climate for exporters to flourish as this will in turn grow the economy of the country. This is also supported by Asafu-Adjaye (2004) asserts that current government programs are inadequate to enhance exports which highlights the need for structured and comprehensive support programs for exporters. Trade Promotion organisations implement export promotion activities on behalf of government.

3.3 Concept of trade promotion organisations

Clark (2003, p. 16) asserts that an “important starting point is the recognition that regional trade promotion agencies have become an increasingly popular vehicle for shaping and pursuing regional development strategies”. As a quasi-government vehicle, development agencies can offer a unique means to assemble both resources and authorities required to undertake certain development activities. These organisations can also play a vital role in pooling resources between different tiers of government and growing the economy of the region.

Mawson (2007) and Mouawad (2009) also support idea that regions need to have trade promotion agencies. According to these scholars the task of the regional agency is to provide direction and co-ordination of the range of institutions and agencies engaged in economic, social and physical development. The three main drivers of successful, dynamic and viable regional trade development agencies are: driving economic competitiveness and skills development; supporting and facilitating investment in transport infrastructure; and building sustainable communities. Based on the literature of Clark (2006) , Mawson (2007) and Mouawad (2009) it is apparent that there is a need for regional trade promotion agencies.

However Elliot (2008) argues that “regional trade development and promotion agencies have long been viewed with suspicion and concern by those forced to pay for them. Even those businesses that deal with them are often perplexed by what they actually get up to”. Elliot further states that regional agencies have failed in meeting their mandate. According to him there is no need for regional trade development agencies because the amount of money spent on running of these agencies exceeds the revenue that they generate for the region. The failure means that huge amounts of money have been taken out of the economy in tax, stunting growth that could otherwise have resulted from that money being invested productively by businesses and individuals. He further asserts that the failure regional trade development and promotion agency is a symptom of the severely flawed policy of government. This goes to show that some of the policies that were put in place to regulate the agencies end up becoming a stumbling block in them meeting their targets.

Even though Elliot’s study is against regional trade promotion agencies, this validates the need for these organisations change their current strategies to make sure that they do not become redundant and need to prove that they are able to meet the needs of their clients. Trade Promotion organisations serve a purpose in the boosting of the economy in their areas and just like any other business they are face uncertainty in the operating environment and therefore need to adequately equip themselves to survive.

Another important aspect highlighted by various literature sources is that the agencies should move from grant dependency to multiple sources of income streams if they are to survive in the long term. Clark (2003) and Mouawad (2009) both agree that viable and effective regional trade development agencies should undertake regular reviews and make the necessary changes if there is a need. This is to ensure that the mission is still relevant.

A study by International Trade Center’s Strengthening team (2008) found that TPOs have a strong and statistically significant impact on exports. After examining 104 TPOs around the world, the study estimated that, on average each \$1 spent on export promotion led to a \$40 increase in exports. However, making a difference to export growth can be a challenging task for TPOs in some developing countries. TPOs are increasingly required to quantify their outcomes and to be held accountable for their results. The study also states that if TPOs are to achieve expansion of trade and reach new clients and satisfy their governments (or donors) that they are doing their job they need to be visible and well connected to the private sector.

The above literature confirms that regions need trade promotion agencies to grow the economy and to improve the competitiveness of the region. Therefore it is important for the agencies to be viable; if they are not viable then they will not be able to fulfill the requirements of their funders.

The section above has drawn attention as to why countries engage in exports and in particular the importance of trade and exports for the South African economy. It also alluded to the rationale of having organisations that promote trade at a regional level. The importance of regional trade promotion organisations cannot be ignored however these regional bodies should be viable in order for them to be able to carry out their duties successfully. To be able to contribute towards exporter development such organisations need to be viable, the following section is about literature on the concept of viability with a special focus of viability of trade promotion organisations.

3.4 Concept of viability emphasizing the viability of trade promotion organisations

Viability as defined by the Oxford dictionary is the capacity for survival. “An organization is viable if it is able to maintain a separate existence in its environment” (Achterberg, Beeres and Vriens 2003). Coggins (2009) states that the viability and vitality of any corporate effort is directly related to how well the company communicates effectively with its staff and stakeholders. “Flexibility to adapt to the market, high levels of customer retention and having the best people are the three most important criteria for evaluating success and ensuring long term viability” (Majumdar 2007).

The key elements of viability as per the literature of Achterberg, Beeres and Vriens (2003), Majumdar (2007) and Coggins (2009) are the organisation should be able to survive in its environment, offer quality service to the customers and also have the competent staff to be able to carry out the mission and objectives.

Therefore to ensure business viability is to listen carefully for the needs of clients and employees because good relationships are built on mutual honor and respect. Maintaining an open door policy by which stakeholders can openly share their views and suggestions allows them to see that the company cares about them and values their insight concerning the day-to-day operations of the institution. Regardless of the basis for customer value target customers must realise a tangible benefit from the company's products or services.

Communication between the different departments in the organisation should be encouraged. Establishing and maintaining interdepartmental relationships will keep the various parts of the work body communicating working together for the common cause. The more each department understands the role of each other group and their interconnected roles, the more willing they will be to work with each other. When employees, customers, and stakeholders fully understand the objectives of the organization, they become more devoted to the accomplishment of those objectives.

Advocates of trade promotion organisations such as the International Trade Centre believe that for a TPO to be viable it needs to fulfill four criteria which are receiving support from the private sector, have adequate funds, have qualified competent staff and a certain degree of autonomy. The success factor for any TPO is that recognition and support (including adequate funding) from sponsoring governments is critical. There must be a sophisticated understanding of the TPO's role among the country's leadership, and active involvement to produce system-wide engagement and support.

A further critical aspect is the positive engagement between the business community, industry and exporter associations and groupings. Key performance indicators should be adopted to encourage greater effectiveness, and should percolate down into individual performance agreements so there is congruency and alignment of corporate strategies and individual actions. Recruitment needs to be focused on attracting and retaining skilled staff in what is often a challenging job in a widely networked, complex global operation. TPOs should constantly look to benchmark themselves, internally and externally, against other similar organizations.

The role of government in export promotion in South Africa has been established. To deal with this challenge the government divided the role of trade promotion amongst national and provincial level. The literature thus far has motivated for the establishment of regional trade promotion organisations, it has been reiterated that for such organisations to meet their objectives they need to be viable. The concept of viability in especially trade promotion organisation was explored in the above section. The next section is about how the research results on the viability of trade promotion unit of Wesgro fit within the broader body of knowledge.

3.5 Locating research results of viability of the Trade Promotion Unit in the broader body of knowledge

The mandate of the agency is very important as it is useful in crystalising how the agency differs from the local, regional and national governments who sponsor them. The mandate is also important as it is used to assess the impact and contribution of the agency in the region. However, regional development agencies often suffer from mission creep, they are continually asked to increase the range and scale of their activities in ways which can confuse the overall clarity of the mandate. Clarity of mandate is key to the success and viability of such agencies.

Currently Wesgro's trade promotion unit is not driving economic competitiveness of the region and that is why this research was undertaken. The unit is dependent on one source of income which is the government; the research also explored the possibility of creating another source of income through the services that the agency offers.

The research findings indicated for the trade promotion unit to be viable it needs competent staff understand the environment in which it operates in and have services which will enhance the competitiveness of exporters. The literature on viability emphasized these elements as critical for success and survival. Below is a discussion of the literature of three concepts that are crucial for viability:

Competent Staff

The efficiency of an organisation depends on the skill of the people within the organisation to plan, control and organize operations To achieve the necessary level of intimacy with both target markets and the domestic export community, a TPO requires staff that has the ability to carry out the administrative functions required by government and experience that will equip them with market insights. It is vital to have this balance so there is a constant renovation of ideas that stem from the market, while maintaining a private sector approach to policy making and budget prioritization. For the TPO to remain relevant in export promotion, it must maintain close links to the export community in the domestic market, to be able to do this it need staff that is able to work with companies that are on various levels of export growth. Skilled and motivated workforce is it crucial for TPO's as it will offer excellent customer service and a return on investment for shareholders

“The biggest challenge of any business is to sustain and grow. In order to compete it is essential to know what competencies a business needs. In any business strategy, people are more critical than the plan” (Sanghi 2009, p. 14). Strategies can only be effectively implemented if organisations have a competent force of employees.

“Successful companies make their talent strategy part of their strategic planning process and integrate it into daily operations. They strive for the alignment of their talent with the organisation’s vision, goals and business strategy” (Bergeron 2004, p.133).

The success of a business strategy execution is dependent upon people. It is people who choose to analyse the competition and put together a well-positioned business model. People develop, explore and ideas to make them into innovative products and services. They also deliver an impeccable service to customers. In building the necessary skills that are essential, is important for the unit to first acquire a deep understanding of the business and its interdependencies as failure to accurately understand the context could result in an unconnected talent strategy, poor use of resources.

Perez and Pablos (2003, p. 86) state that “the importance of human capital depends on the degree to which it contributes to the creation of a competitive differentiation”. The literature of Bergen (2004) and Sanghi (2009) are in agreement that organisations that perform better consider their employees a source of competitive advantage and this belief influences how the business is managed. Having the right people with the right skills at is a critical factor for success. The effect of globalisation have is making people to becoming the most strategic asset. In the case of Wesgro this is true because service delivery is through the staff, and therefore the staff needs to be competent. Since human capital represent a major portion of the total operating expenses their capabilities and performance is a foundational determinant of business results. It is also important that staff is equipped to proactively manage changes in the environment. However the literature of Perez and Pablos (2003) is of the view that people can only be seen as a competitive advantage if they add value to the organisation.

Customers and business contacts interact with the staff than with management. Business is generated by the staff and almost all of the impressions people carry away from interactions with a business come from the staff. Therefore it is important for staff to value the mission and understand the objectives of the organisation as a whole and the contribution that they make. The importance and necessity of competent staff was highlighted in the literature of Achterberg, Beeres and Vriens (2003), Majumdar (2007). and Coggins (2009) and This indicates that for trade promotion organisation, staff is critical in ensuring that the organisation deliver the service and increase the competitiveness of the region.

Understanding operating environment

The essential strengths needed to achieve success in exporting are market knowledge and contacts. Therefore, an area of strength needed by a TPO is an understanding of exporter capabilities and needs. The TPO is the bridge between the demands of the market and the capabilities of exporters. The TPO must understand both of these realities and design promotional initiatives that can be realistically achieved, by even the less-qualified exporters, while still meeting the needs of the target market.

“Businesses today are confronted with unique challenges caused by rapidly changing financial and market conditions. Long before a business commences its decline, warning signals start flashing” (Scherrer, 2003)

Scherrer, (2003) also notes that “an important aspect of identifying early signs of business failure is to understand the effect that the internal and external environments have on business stability” The internal environment consists of internal procedures such as finance, production, administration and marketing to name a few. The external environment consists of factors which are beyond managements’ control such as politics, competitions, economical and technological changes. To survive in today’s business environment, an organisation must be able to react to changes in the internal and external business environment. By understanding the business environment and how they affect your business, you can locate and correct problems before they become too great. The research findings highlighted the fact that part of the reason for failure of trade promotion unit is it does not understanding the environment in which it operates in. Understanding the operating environment means understanding the context in which the trade promotion unit operates in as well as the context of its clients. To assist in growing the number of exporters in the province, the trade unit also needs to know what is happening in the global environment so that it can come up with strategies that will increase the competitiveness of its clients.

“Managers often blame business decline on external market changes, unforeseen competition and financial stability. This is caused by the internal elements not being able to work together towards achieving the business strategy” (Scherrer, 2003, p.53). The research and viable system diagnosis showed that the trade promotion unit’s inability to contribute towards growing the number of exporters was due to internal factors. The operational units were working in silo and there seemed to be a challenge of capacity as well. The research conducted tended to lean more on assessing the external environment and the effect that it has on the business. The literature is showing that both the external and internal environment are equally important and should be given due attention.

According to Chun Wei (1999) environmental scanning is complementary to but distinct from information gathering activities such as competitor intelligence, competitive intelligence, and business intelligence. Environmental scanning casts an even wider net, and analyzes information about every sector of the external environment that can help management to plan for the organization's future. Scherrer (2003) agrees with the view that “without information that comes from customers, stakeholders, employees; the business will not be able to adapt to change because management doesn’t have the information to observe the signals of decline” Environmental scanning is an important element of understanding the environment in which the organisation operates in. It was also evident from the research results that in order for the trade promotion unit to succeed, it is imperative to open up communication channels with the various stakeholders; this will also be useful in determining the services that the organisation should offer.

Slaughter (1999, p.442) notes that “information derived from environmental scanning is increasingly being used to drive the strategic planning”. These studies support the view that organisation that do not pay attention to a wide range of signals are unlikely to prosper because they will have missed vital information about markets, products, customers and competitors and the like. Organisations that adopt effective environmental scanning are more likely to succeed because they know what is going on in their environment

Another interesting concept from the above literature review is that organisations should look beyond their immediate operating environment; they should also look at the periphery of their operating environment. Scanning the periphery environment is useful in interpreting and reacting to threats or opportunities that emerge on the periphery of the usual business environment.

Understanding of the operating environment ties in with the literature of Achterberg, Beeres and Vriens (2003) Coggins (2009). Understanding of the operating environment is crucial to counter Elliot's (2008) claim that trade promotion agencies are not effective.

These authors' opinion is that focusing on the immediate environment will benefit short-term performance and that if an organisation wants long-term viability it should also look at the periphery of the business environment. The periphery refers to other industries, remote market, theoretical research and other business models. My research findings only focused on the immediate environment of the business. The benefit of also looking at the periphery of the business environment is that this might bring in new opportunities which might never have been realized by only focusing on the immediate environment. This is an interesting and useful insight which I think should also be taken into consideration when formulating the organizational strategy.

Suitable service offering

The organisation has to be clear about its customers and their needs. The customer characteristics should underpin the design of service attributes.

The extent to which the organization is able to scan and interpret environmental signals is central to the design of an effective, customer-focused service programme.

“Putting customers at the heart of the answer is the first rule of effective management in a competitive environment. Thus, the organization should visualize itself through its target users' eyes rather than from the perspective of its service operation” (Nwankwo and Richardson 1994, p.32)

“What do your customers need and value? Is it low prices, convenience or customized solutions? Service agents who call them by name? Unless you know, the services you provide may not be what they really want. The best way to find out what your most valued customers really want is to ask them – and then listen closely to their answers. This alone shows that you care about them and their business” (Pegler 2004)

The hardest part of customer retention is committing to and following through with the changes needed to meet the customer needs and performance goals you've identified. Band-aids are rarely sufficient; many changes require fundamental restructuring, a significant investment, and employee training. Effective change programs must be driven top-down; it needs commitment from the top management. By involving customers in improvement efforts, this increases the likelihood of getting their buy-in and show that you're serious about meeting their needs.

“Change makes success formulas obsolete: customers will change, competitors will change, The marketplace will change, what it takes to succeed will change” (Stokely 2005) On an ongoing basis the goal is to understand what value means to the customer, because that is the criteria for each customer’s everyday service provider decisions. Once it is understand what value means, then the next step is to find strategies to offer a better value than the competition

Based on Nwankwo and Richardson (1999) and Pegler(2004) it is crucial to measure how well you’re meeting the key needs you’ve identified, so you can pinpoint areas for improvement, set improvement goals, and quantify the results of your efforts. Regularly addressing these questions will monitor the organization’s changing customer service situation and its goals and objectives and related performance; how goals are expressed, interpreted, enforced and the degree of commitment to them within the organisation. The literature of Stokey agrees with these two authors, it also emphasizes the point that the customer service strategies need to be flexible to accommodate the changes in the environment.

The literature of Czinkota and Singer (1994); and Crick and Czinkota (1994), Bergen (2004), (Serinhaus and Botshen (2007); Van Aarde and Viviers (2007) and Sanghi (2009), support the view that trade promotion organisations should offer services which are deemed and important by exporters.

In closing, the literature has validated the need for countries to encourage exports and the existence of trade promotion organisations, for such organisation to be effective they need to be viable. Based on the research results and the literature review for a trade promotion organisation to be viable it needs to understand it’s immediate and periphery operating environment and this can be done through environmental scanning. It needs to be customer centric, see the unit through the eyes of the clients so that it can be able to offer competitive and market related services. An organization that understands its context and client needs is in a better position to attract and retain the right people to execute the business strategy. Trade promotion organisations fail because they don’t understand their environment and the necessary skills to be able to offer exceptional service

Chapter 4- Research Methodology

The objective of the enquiry is how the trade promotion unit of Wesgro, a government funded trade promotion agency can remain viable in the changing economic environment.

There are numbers of factors that contribute to the current situation, it is therefore important that the research study looks at the phenomena from various angles and tries to find out as much information as possible. The approach to management practice and research is based on systems thinking which looks at the organisation holistically. The worldview is useful in crafting a roadmap to be followed; the world view is made up of various components. The philosophy of critical realism, grounded theory research methodology and meta-synthesis are used in informing some of the worldview components.

Section 4.1 provides an explanation and motivation for using systems thinking, worldview, critical realism, grounded theory and meta-synthesis. Section 4.2 presents the research processes to be followed which will shows how the concepts and theories described in Section 4.1 are linked together.

4.1 Philosophies and Methods

4.1.1 Systems Thinking- looking at the organisation from a broader perspective

In order to conduct credible research and to come up with practical management solutions, one should have a framework of how the world works; this framework is referred to as a worldview. Systems thinking is one of the general scientific approaches that are can be used in constructing a worldview.

A system is defined as a collection of organised parts that work together to achieve a goal. The system has various inputs, which when processed ultimately give certain outputs. For example, an organisation is a system which is made up of many administrative and management functions, products, services, groups and individuals. All these parts work together in achieving the objectives of the organisation. If one part of the system is changed, the nature of the overall system is often changed. Therefore it is critical to carefully consider what consequences a change to one part will have on the rest of the organisation.

According to Aronson (1996) “the approach of systems thinking is different from that of traditional forms of analysis”. Traditional analysis focuses on separating the individual pieces of what is being studied. Whereas systems thinking focuses on how the thing being studied interacts with the other parts of the system,” In the past, when a problem arose managers would look only at the part which they perceived to be problematic and the inquiry would not consider the impact of other units. The problem with this is that an organisation could have wonderful departments that operate well by themselves but don't integrate well; consequently the organisation suffers as a whole. Managers can maintain perspective by focusing on the outcomes they want from their organisations, rather than reacting to events as was always done in the past.

A high-functioning system continually exchanges feedback among its various parts to ensure that they remain closely aligned and focused on achieving the goal of the system. The continuous feedback is useful in ensuring the efficiency of the system and if any of the parts is weakened or misaligned, the system can make the adjustments, to effectively achieve its goals.

Systems thinking will help to look at trade promotion from a broader perspective. Through this I will be able to focus on structures that provoke behaviors that determine events and to fully comprehend the impact that trade promotion has or could have on the economy of the Western Cape.

Using the systems thinking framework in the overall research will ensure that all aspects of the organisation are considered and that the recommendations stemming from the research will be context driven and relevant.

4.1.2 Worldview- a framework for conceptualizing reality

Everyone has an opinion, ideas and beliefs, all these things are formed from how we view our surroundings. Regardless of education, age, or location, every person will have certain beliefs and thoughts on life. These beliefs are called worldviews; a worldview is the framework of basic beliefs that we have.

A worldview often underlines a personal and historical point of view of an individual or community; it defines how reality is conceptualized (Vidal 2002). A worldview is a framework that helps to tie everything together; it allows for one to understand the world and it could also be helpful in making critical decisions that shape the future. A world view is also valuable in synthesizing the insights gathered in different disciplines, philosophies and religion.

The components of a worldview which will be used in this study are developed from questions which were motivated by Leo Apostle in his book and later reformulated by Heyligen (2000). The six components when articulated together form a worldview, they allow one to construct a global image of the world and in this way also understand as many elements of experience as possible.

The first component is that of ontology or a model or reality. It can be typified with the question “what is it?” It covers questions such as what is the nature of the world. How is it structured and how does it function?

The second component is an explanation of the first one (explanation of the present). It should answer the question: “Why is the world the way it is?” If one can explain how and why a particular phenomenon has arisen, one will be able to better understand how that phenomenon functions. It will also help to understand how that phenomenon will continue to evolve.

The third component is complimentary to the second one, instead of focusing on the present it focuses on the future. The most important question being “Where are we going?” The concept of futurology should give possible futures with plausible developments, bearing in mind that there will always be uncertainties.

The fourth component gives direction and a set of goals to guide actions. The question of this component is “what is good and what is evil?” The theory of values traditionally deals with such questions, including morality, ethics and aesthetics.

The fifth component is about the theory of action, “how should we act?” What are the general principles according to which one should organise actions? It also helps to implement plans of action according to values, in order to solve practical problems.

The sixth component is about the theory of knowledge or epistemology. “How can we construct our image of the world in such a way that we can come up with the answers to our questions? It deals with acquiring knowledge and the limitation of knowledge acquisition. Another aspect of this is that there are building blocks of knowledge which are already available for researchers and these can be found in existing literature and theories in different disciplines.

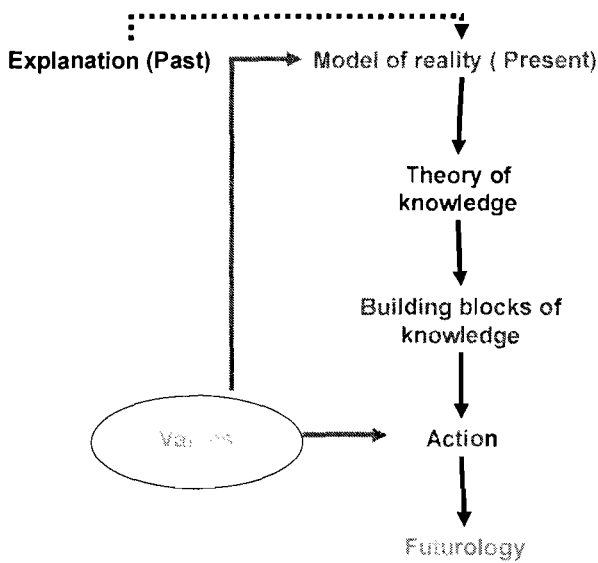
The concepts of philosophy and worldview are closely related as traditional philosophy answers worldview questions as depicted in the table below.

Table 3: Summary of worldview questions with the corresponding traditional philosophy.

Worldview Question	Philosophical Discipline
1. What is?	Ontology (model of reality as whole)
2. Where does it all come from?	Explanation (model of the past)
3. Where are we going?	Futurology (model of the future)
4. What is good and what is evil?	Theory of values
5. How should we act?	Theory of actions
6. How can we acquire knowledge?	Epistemology (theory of knowledge)

As depicted in the diagram below, the model of the past helps in explaining current events or the model or reality as whole. The building blocks provides means of acquiring knowledge, once the knowledge is acquired we devise the plan of action which will appropriate for the context we are dealing with. Values guide the actions which will be taken; the action plan provides ways of dealing,with the present as well as planning for future events.

Figure 16: Constructing a world view



The approach of a worldview questions links philosophy with an individual's personal experience. Everyone has a worldview and often the worldview is shared by some and not by others. To understand the importance of worldviews one needs to understand that one worldview is of no more value than another. A worldview can simply be the difference between right and wrong; therefore it is important to have this distinction. A worldview is essential in conducting research as it will provide the researcher with a framework to understand what is going on.

4.1.3 Critical Realism- theory about interaction between humans and the world

Critical Realism is a realist philosophical theory about the world, human agency and the interactions between these. This philosophical perspective has an ontology claiming that reality is socially constructed whilst maintaining that underlying structures and mechanisms of the real world determine social arrangements and understandings. According to critical realism the world is composed not only of events, state of affairs, experiences, impressions discourses but also underlying structures and powers that exists whether or not humans can detect them (Patomaki and Wight 2000 and Plant 2001)

Patomaki and Wight (2000) and Wikgren (2005) state that a distinctive feature of a realist philosophy is that ontology (the theory of being, which has strong implications for the conceptions of reality) is seen as distinct from epistemology (the theory of knowledge), Critical realism recognises the reality of the natural world as well as the events and discourses of the social world. The premise of this is that we will only be to understand and change the social world if we identify the structures at work that generate those events and discourses.

Critical realism is considered as an alternative between positivism and relativism. Positivism is closely connected with empiricism, pragmatism and logical positivism of which the basis affirmation of these are that all knowledge regarding matters of fact is based on actual data or experience and it rejects theoretical speculation as means of obtaining knowledge. Whereas relativism is a family of views whose common theme is that some central aspect of experience, thoughts, evaluation or even reality is relative to something else.

Critical realism is a useful perspective for examining management science for several reasons:

- it addresses systems and their elements in context, this is important given the complex nature of systems.
- It provides a more holistic and multi-disciplinary approach to studying management system and such a perspective is consistent with other theoretical framework such as the general systems theory.

Archer (1998) and Wikgren (2005) supports the use of this philosophy as it is immensely useful as an elaboration of a philosophically informed ontology, which can help students and researchers produce empirically grounded knowledge. Wikgren (2005) also points out that it is important for a researcher to have a philosophical basis for making both the epistemological and ontological choices that are necessary for conducting research.

Epistemology interpretation is that knowledge consists of propositions, whose formal structure is the source of new knowledge. Ontology, on the other side, can be seen as the study of the organisation and the nature of the world independently of the form of our knowledge about it (Plant 2001 and Wikgren 2005). Ontology assists in explaining the discourse. Epistemology will then aid in constructing the knowledge needed to effectively deal with what is happening in order to bring about change.

The ontology of critical realism theorizes that reality exists independent of our knowledge of it or theories about it and that it is structured into three levels:

1. Empirical world: this is made up of an individual's experience and observation.
2. Actual World: includes events whether observed or not, they occur even when we are not aware of them.
3. Real World: this consists of processes, structures and causal mechanism that generate events. These are not observable but we try to explain through our empirical observation of the actual world.

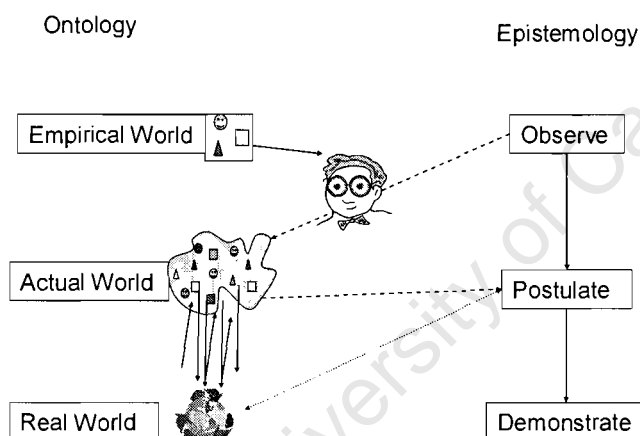
The separation of these three levels imposes between real processes and human observation, meaning that whilst reality exists objectively and independently, we cannot observe it (Patomaki and Wight 2000). Therefore perception and cognition are important components of our knowledge about the real world. The key in realism is to develop an understanding of the relevant structures and mechanisms at play.

Epistemology is a philosophy concerned with the nature, scope, sources and limitations of knowledge; it aims to investigate specific domains of knowledge or rational belief (, DeRose 2005 and Durant-Law 2005 and William 2008). The question that it attempts to answer is “what distinguishes adequate knowledge from inadequate knowledge? This question translates into issues of specific scientific methodology of how one can develop theories or models that are better.

Epistemology is useful in a sense that it helps one build a model to determine what constitutes reasons, this is done by offering a general account of what makes good reason and illuminating the nature of the relationship between reasons and beliefs.

Epistemology models are built on the premise that if systems exist and are postulated they would explain the phenomena being examined. These systems can only be known by constructing ideas about them and these ideas would reveal the underlying reality. The value of this is that it provides us with a way of trying to explain the real world and to deal with the practical problems which we come across, this is shown in the diagram below.

Figure 17: Critical Realism



4.1.4 Grounded Theory-, methodology emphasizing generation of theory from data

Grounded theory is a systematic qualitative research approach used to explore the social processes present within human interactions. It is a method of using empirical data without preconceived theories. Grounded theory is regarded as an inductive methodology for generating new theory from data. Grounded theory starts with observations, which are made not to test existing theories, but to uncover and generate theories that as close as possible to the reality observed. The researcher begins with an area of interest or ideas and allows the theory to emerge from the data. (Jones and Noble 2007, Durant-Law 2005 and Pandit, 1996).

The goal of using grounded theory is to develop or generate a theory. The theory is discovered in the data and not in the testing of a hypothesis. It seeks to find out what is causing the situation and how best to manage it. The result of grounded theory is a set of probability statements which explain the relationship between the concepts. Grounded theory allows the researcher to focus on the context; it looks at the patterns of action and interactions between people and their response to the problems and situations in which they find themselves. (Rodon and Pastor 2005, p.72).

Grounded theory was developed by two sociologists, Barney Glaser and Anselm Strauss. Their collaboration in research on dying hospital patients led them to develop the constant comparative method later known as grounded theory. The founders later disagreed on 'how to do' grounded theory resulting in a split in the theory between the Glaser and Strauss paradigms. Even though there are two paradigms on grounded theory there are four undisputed fundamental canons which are data collection and analysis, theoretical sampling, constant comparison and the explanation of the coding and theory building process.

As suggested by Goulding (2005) and Rodon and Pastor (2007), grounded theory starts with observations, which are made not to test existing theories, but to discover and to generate theories that are as close as possible to the reality observed and that a key advantage of using grounded theory is that it bridges the gap between the uniformed empirical research by grounding the theory in data.

Data Collection and Analysis

Grounded theory requires that a researcher collect, code and analyse data from the beginning of the study. The process of data collection, coding and analysis takes place simultaneously.

Different techniques of data collection are used, as no single source is adequate enough to provide a comprehensive perspective on the issue being studied. Data can be collected by using techniques such as conversational interviews, participant observation, documents and memoing. Memoing happens parallel to data collection. Memos are useful as they capture ideas during the research process.

Participant observation only focuses on external behavior. The limitation of this method is that the participants might behave atypically if they know that they are being observed which might distort the data. Conversational interviews allow one to go beyond the external behavior by exploring thoughts and feelings. Document research provides a behind the scenes look and information. The various data sources increase the validity of the data.

Data analysis starts as soon the first set of data has been collected. This is done to identify the key concepts pertaining to the phenomena under study. The process of constant comparison is employed till saturation.

There are three distinct yet overlapping processes of analysis involved in grounded theory namely open coding, axial coding and selective coding. New categories emerge by means of constant comparison and new incidents fit existing categories. Whilst constantly comparing, the analyst confronts the data with a set of three basic questions: what is this data a study of? What category, or property of a category, does this incident indicate? What is actually happening in the data? As properties and categories emerge, they are pursued through

theoretical sampling and the questioning becomes more focused to densify the analysis. (Pandit 1996 and Jones and Noble 2007)

Open coding requires that one look for a process. The data is examined line by line to identify the meaning. At this level many codes are used per item of data to ensure a thorough examination. As the research progresses other codes can be discarded if they lack foundation. Axial coding requires the use of constant comparison method in treating data. The data is coded, compared with other data and then similar data is clustered and given a category (clustering of open codes). The categories are then compared to ensure that they are mutually exclusive. Selective coding is giving title to the central theme that emerged from the data.

During the analysis a significant number of categories might need to be reduced. By comparing the categories one is able to determine how they connect and can be fitted into a broader category. The process of category comparison and reduction allows the core variable to emerge. The core category is the theoretical formulation that represents the continual resolving of the main concern of the participants. The core category is central; it accounts for the variation in the pattern of behavior, reoccurs frequently in the data, and relates meaningfully and easily to other categories. (Jones and Noble 2007, p.89)

The core variable, also known as the basic social process which serves as a foundational concept for the theory generation. Characteristics of a core variable are that it recurs frequently in the data, it links various data, it has implications for a general or formal theory and because it is central it explains much of the variation in the data.

In an emergent study it is challenging to know at the beginning of the study as to what literature will be useful. Therefore literature is accessed as it becomes relevant, it is treated like other data. The literature review is conducted also to locate the study within the relevant fields of literature. As constant comparison is the core process, literature is compared to the emerging theory in the same way that data. The most appropriate way of treating disagreements between literature and the emergent theory is to extend the theory so that it makes sense to both the data from the study and the data from the literature.

Constant Comparison

Constant comparison is comparing data set to data set, identifying similarities between the data, categorizing these concepts and later comparing the categories to the emergent theory. Once the first set of data has been collected it is coded to see what concepts or ideas emerge from this. The second set of data collection is coded with the first data set in mind. Subsequent data collection is coded with the emerging theory in mind.

Theoretical Sampling

Sampling is an ongoing part of the process of data collections and consists of selecting a sample according to the emerging theory. The collection of data is guided by the sample and the sample is redefined by the emerging theory, therefore it is not possible to predict the size of the sample prior to starting the study.

Rodon and Pastor (2005), Pandit (1996) concur that one cannot know in advance when sufficient data will have been gathered to describe what is going on in the context or situation under study, one cannot determine the sample size or representative until one is actually doing the research. Therefore the initial sample is determined by the research situation and question. Participants are chosen based on their knowledge and value that they can add in shedding

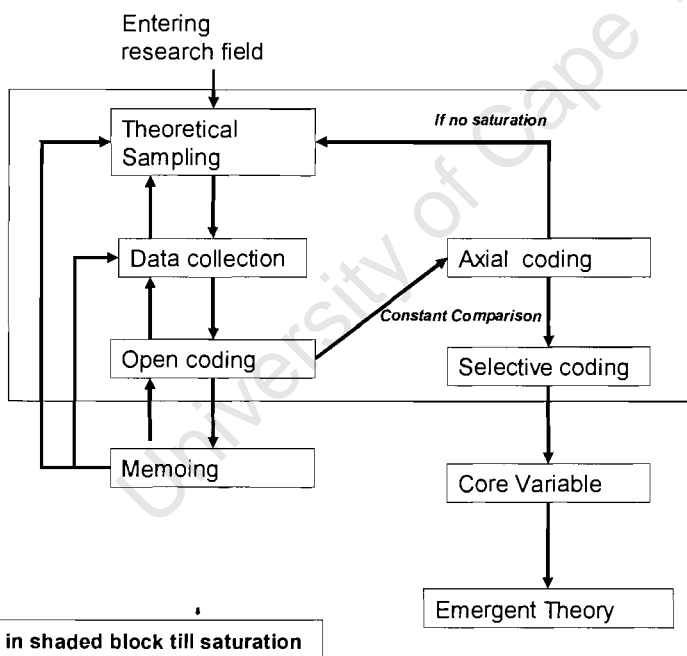
light on the phenomena under study. Theoretical sampling is dictated by the constant comparison process. The emerging categories highlight who should be interviewed next or where data should be collected. Theoretical sampling is critical in grounded theory because without it there can be no closure in theory building. In theoretical sampling, data collection continues until sufficient data have been gathered to create a theoretical explanation of what is happening and its key features. It is not a question of representativeness, but, rather, a question of allowing the theory to emerge.

Saturation

Saturation is reached when a new set of data collection doesn't yield any new information or concepts or adds any value to the category. When this happens its an indication that no further coding should be done for that particular category. This process is carried out for all the categories.

As an outcome of theoretical sampling, coding, constant comparison, the identification of the core variable, and the saturation of data, categories and codes, the grounded theory emerges from the data in an unforced manner. The grounded theory process is shown in the diagram below.

Figure 18: Grounded Theory Process



The three research studies were conducted using grounded theory; the results of these studies will be synthesized to generate the theory pertaining to the phenomena under investigation. Research results synthesis an important link in theory generation, for this process meta-synthesis will be used. .

4.1.5 Meta-synthesis- synthesis of qualitative research studies

Meta-synthesis is a method that is ideal for integrating studies in the management research area. Meta-synthesis refers to the amalgamation of a group of qualitative research studies that explore the same or closely related phenomena. The aim is to develop model or theory at a higher level of abstraction in order to make qualitative findings more accessible.

According to Denyer and Tranfield (2006) “the production of qualitative management research has grown over the years however there are few clear signs of its direct impact in the world of management practice”. This indicates that even though research is carried out managers hardly ever make use of it when taking decisions. Part of the reasons for this could be that the information is found in various reports and journals and it could be time consuming for managers to try and locate this information. Therefore there is a need for these studies to be systematically integrated in order to make its application to process smoother. The sample for meta- synthesis is made up of individual studies selected on the basis of their relevance to the research question or purpose of the synthesis. It is important to note that meta-synthesis is not a secondary data analysis of the primary data from the selected studies; rather it is the analysis and synthesising of the findings of the individual studies.

Criticism that has been leveled against meta-synthesis is that summarizing qualitative findings can destroy the integrity of the individual studies. The argument to counter this criticism is that researchers should aim to present work that can influence strategy or policy, if they produce work that can't be synthesised then they run the risk of presenting the same information around a phenomenon thereby reinventing the wheel. Current research needs to make pragmatic links with previous research in order to contribute to the broader body of knowledge. By making use of a comprehensive synthesis of information, limitations in the research emerge and from this future research areas can be identified. This is supported by the literature of Zimmer (2006) which states that the integration of research findings provides a means for enhancing the contribution of qualitative findings to the development of more formalised knowledge that is meaningful and useful to the discipline.

Meta-synthesis can accommodate primary studies using different methods however it is essential for the researcher to understand the various philosophical assumptions of the various studies. Combination of studies using the same or closely related methodologies is likely to give a more coherent mid-range theoretical interpretation than those derived from the synthesis of findings from various methodologies (Zimmer 2006; Denyer and Tranfield 2006). Therefore it is better to synthesize research that employed the same research method as this also allows for uncomplicated translation. Grounded theory has been cited as the most easily used in qualitative meta-synthesis as the method rooted in symbolic interactionism and its emphasis is on inductive theory generation. Meta-synthesis of grounded theory is viewed as a natural extension of the theory generation process.

Three approaches can be used in meta-synthesis, first the integration of one investigator's multiple studies in a related field, secondly the synthesis of studies by different investigators in a related field and lastly the quantitative summary of key elements across qualitative studies.

There are a number of methods that can be used to synthesize qualitative research, such as narrative summary, qualitative meta-analysis, qualitative meta-synthesis, grounded theory and meta-ethnography. The common link amongst these different methods is that they all attempt to draw out and integrate findings across qualitative studies in a manner that generates new insights and understanding. Based on a literature review of these methods it seems that meta-ethnography, developed by Noblit and Hare (1988), is perhaps the most well-developed and frequently used method of synthesizing qualitative research findings.

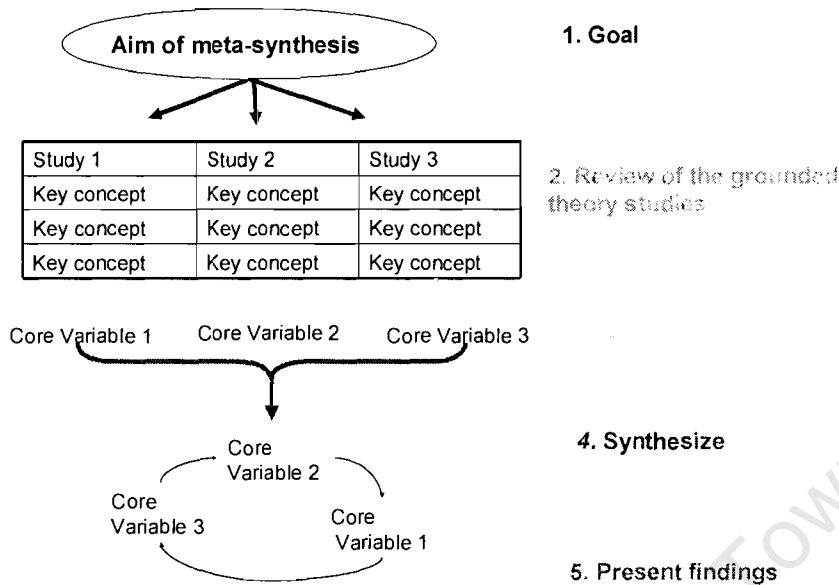
The Noblit and Hare synthesis method consists of seven steps:

1. Identifying the research question.
2. Searching for articles or studies that are related to the research topic
3. Review of selected articles. This step is the foundation for further exploration of themes.
4. Analysing look at how ideas and concept are related to one another. Listing of major concepts of each study and how they are related.
5. Translating key concepts of each paper and synthesizing into an encompassing whole. The purpose of this stage is to conduct a comparison of the key concepts.
6. Synthesizing translations, this is done while maintaining the central themes of the original studies.
7. Presenting the findings.

This paper adopts five of the seven steps and these comprises of the following stages, identifying the research question, reviewing the studies, translating the studies into one another, synthesizing the translation and presenting the results. The step of searching for articles has been left out because the research studies have already been identified, reviewing the articles and analyzing how the concepts related to one another has been condensed into one step.

1. Framing the meta-synthesis exercise
A research question or aim frames meta-synthesis. Framing is important as it determines the manageability of the process and sets a tighter focus from the onset.
2. Reviewing the selected studies
The selected studies are analysed and studied repeatedly. This step forms the foundation for further exploration. The key concepts of the various studies are used to create a grid table to see if there any similarities.
3. Translating the studies to one another
Translate findings into another using metaphors and concepts that could be applied to all studies. This is done determine the core variable of each study in other words to find one word that describes what the study is about.
4. Synthesis of translation
Synthesize the translation to explain exploratory theories and concepts
5. Presenting the findings
Explain how the whole is greater than the sum of the individual parts.

Figure 19: The meta-synthesis process



The findings of the meta-synthesis process inform the action that should be taken to deal with the disturbances in the present as well as provide a possible way of dealing with the future to ensure that the same disturbances do not occur.

4.2 Research Process

The section above has given an overview and background on systems thinking, worldview, critical realism, grounded theory and meta-synthesis. This section will explain how these methods will be triangulated.

Triangulation is an approach to data analysis that synthesizes data from multiple sources. According to Olsen (2004) triangulation does not merely validate claims or strengthen data sets, it also offers ways to enrich data analysis. Triangulation is an appropriate method for ensuring credibility in a qualitative study. By combining multiple observers, theories, methods, and empirical materials, one hopes to overcome the weakness or intrinsic biases and the problems that come from a single method.

4.2.1 Systems thinking and Worldview

Systems' thinking is useful in viewing the world and the organisation from a broader perspective that includes structures, patterns and events, rather than just the events themselves. This broad view helps one to identify the real causes of issues and know where to work from, to address them. Another important aspect is that before making a change in a certain part, the effect of the change will be considered on all other parts of the organisation.

“Systems thinking embodies a world-view. A world-view which implies that the foundation for understanding lies in interpreting interrelationships within systems” (Bellinger 2004). Interrelationships are responsible for the manner in which systems operate. A worldview is needed to understand the interrelationships of the system. As mentioned in section 4.1 the worldview is made up of six components namely ontology, epistemology, futurology, and theory of actions, axiology (theory of values) and a model of the past. This study only focuses on ontology, epistemology and axiology as the other worldview components are not relevant. No action was taken as a result of this research therefore the lack of an action prevented the development of a model of the future. The components of the worldview that were utilised will not only allow me to understand what is going on but also to come up with well informed solutions which are context relevant. Ontology and epistemology deal with truth and axiology provides a standard for evaluating the epistemological and ontological claims.

4.2.2 Incorporating: critical realism and grounded theory into the worldview

Critical realism addresses ontology and epistemology of the world view. Ontology is the study of beliefs about the nature of reality and that reality exists independent of us. The three levels of ontology make a distinction between our own experiences and events that happens without our knowledge. Ontology is the framework in which the research takes place in. The aim of conducting the research is to uncover and understand the causal mechanisms that make the trade promotion unit not to be able to have a meaningful contribution towards growing the export base of the province.

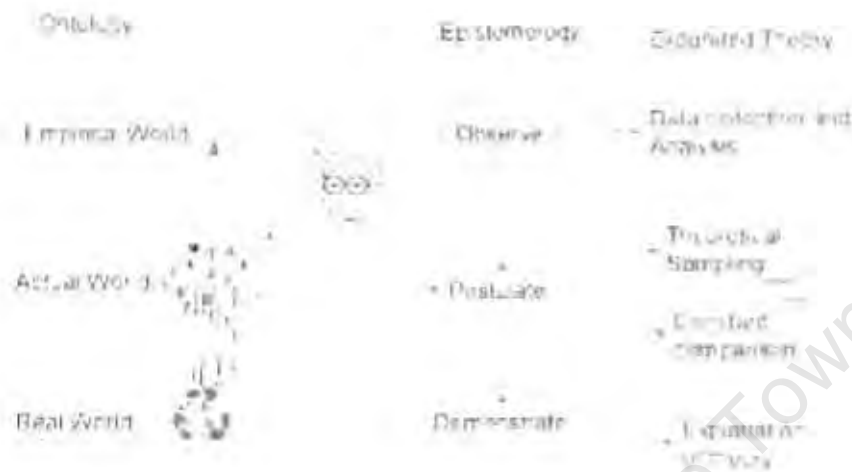
Epistemology is the study nature and sources of knowledge and acquisition of knowledge. The sources of knowledge that will be used in conducting the research will be my own experience, empirical evidence from other people, and documents. Grounded theory is the tool that will be used to extract the knowledge from all sources in order to build the theory about the phenomena under study. Grounded theory is useful because it will help to answer the question of how do we create and validate knowledge.

Critical realism employs a retrodution research strategy which works on the premise that based on our empirical knowledge we observe events in the actual world. This gives a preliminary explanation of connections between the events. These events are then postulated to try and find the causal mechanisms that are at play in the actual and real world. Through the improved empirical knowledge one is able to demonstrate the existence and operation of such mechanism.

The research hypothesis is based on my understanding of the empirical world. As mentioned grounded theory methodology is used to construct epistemology. The first step in conducting the research will be selecting the first sources of data collection, followed by data analysis

and coding. The process of data collection, analysis and coding will be carried out until saturation is reached. Once the categories have been saturated the core variable is selected and the emergent theory is explained. This is graphically expressed in Figure 13 below.

Figure 20: Critical Realism and Grounded Theory



The knowledge gained through the application grounded theory is useful in understanding and dealing with the current situation as well as developing strategies to mitigate future risk.

4.2.3 Grounded Theory and Meta-synthesis

Grounded theory is used for three studies, meta-synthesis is used to synthesise these studies to develop an understanding of why the trade promotion unit is not delivering on its mandate. By understanding what is the cause of the problem I will be able to come up with a model that can be used to ensure the viability of the unit. This information will also be used in formulating an action plan of how the model should be implemented.

The table below is a summary of how critical realism, grounded theory and meta-synthesis are used in answering the worldview questions.

Table 4: Summary of methodologies used

Worldview Question	Philosophical Discipline	Methodology
1. What is?	Ontology	
2. How can we acquire knowledge?	Epistemology	Grounded theory and meta-synthesis
3. What is good and what is evil?	Theory of values	Velasquez's question

In the context of worldview, the theory of values axiology consists of beliefs about what is good and what is bad, what is right and what is wrong. There are several kinds of values non-moral values (economic value), and moral value (the extent to which a thought or act is morally right or wrong). The focus of this research is biased towards moral values. This also takes into consideration whether the action plan will be morally correct or not. The key ethical considerations are protection of participants from harm, prevention of deception, protection of privacy and informed consent. The moral and ethical endeavor is to ensure that the interests of those participating in a study are not harmed as a result of research being done.

The research process to be followed is appropriate as it uses various methodologies which are suited for the nature of the concern raised. The thorough method of gathering data and process to be followed will ensure that the answer is a result of data gathered from various stakeholders.

Chapter 5- Research Results

The research question this paper addresses is: **What are the critical success factors for viability of the Trade Promotion Unit?** The goal of trade development and promotion is to enhance exports by improving company's capabilities, resources, strategies and overall competitiveness.

To answer this question, three studies were conducted using the four undisputed fundamental canons of grounded theory, which are data collection and analysis, theoretical sampling, constant comparison and the explanation of the coding and theory building process. Only one will be discussed in detail to illustrate the application of the grounded theory method, the other two studies were conducted in a similar way using grounded theory. Section 5.1 is the application on the grounded theory study, the results of the various research studies will be then be synthesized in Section 5.2 to build the overall theory.

5.1 Results from grounded theory study- attracting exporters in the Western Cape

5.1.1 Entering the research field

The mandate of the trade promotion unit is very clear that it should assist in growing the number of export companies in the province. Upon my engagements with various business people it became clear that most export companies are not fully aware of the services that the trade unit offers; hence this research study was conducted. Another cause for concern was that the current client base of exporters might grow beyond the service offering therefore for the unit to be viable it needs a pipeline of clients to assist. This is important because the units' performance appraisal is based on its ability to contribute towards the growth of sustainable exports and the number of companies it has assisted in getting export ready.

The trade team would like to be recognised as the leading export promotion organisation in the Western Cape that is able to cater for the specific needs of all clients. In this regard the unit would like to attract small to medium micro enterprises (SMME) as well as large exporting companies. The established exporters will be instrumental in assisting the trade unit build capacity of the new exporters by acting as mentors. Their experience will also fast track the knowledge base of the trade promotion unit. The reason for wanting to attract large companies is to build credibility for the unit.

SMMEs encompass a very broad range of firms, from established traditional family businesses employing over a hundred people (medium-sized enterprises), down to the survivalist self-employed from the poorest layers of the population (informal micro enterprises). SMMEs contribute to the country's national product by either manufacturing goods of value, or through the provision of services to both consumers and/or other enterprises. Their demand for good and services stimulate the activity of their suppliers, just as their own activity is stimulated by the demands of their clients. They are also instrumental in job creation which is needed in the province.

“Both emerging and established SMMEs show little awareness of the existence of SMME support initiatives. 57% of emerging SMMEs interviewed in Gauteng and 70% in the Western Cape had never had contact with or even heard of any support institution” (Berry, von Blottnitz 20 02) . Therefore it is important for the trade unit to be able to assist these companies be competitive in exports, their success will also have a positive impact on the economy.

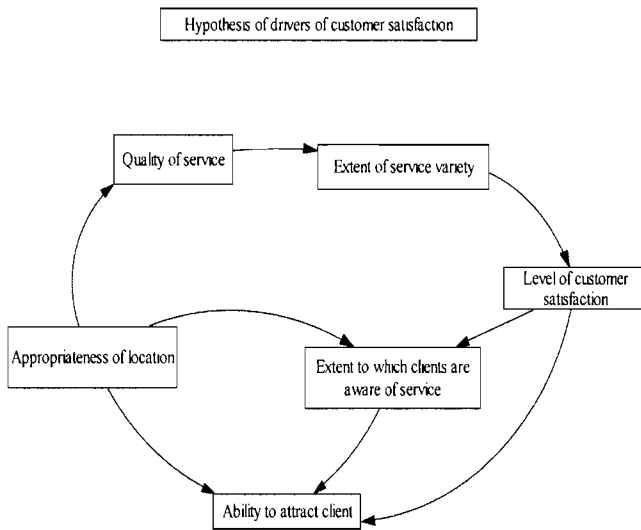
If Western Cape exporters are not making use of the trade services, then the unit is falling to meet its mandate. In order for the unit to be viable it needs to offer services that are useful and significant to both potential and current exporters. This research aims to uncover what the trade promotion unit should do in order to attract new clients.

In the pursuit of developing an understanding what drives customers to choose a certain product or service over another, the concern of how to attract clients was investigated. My understanding is that attracting and retaining clients is linked to customer satisfaction and that customer satisfaction is linked to the quality and experience of the service. My hypothesis of what is affecting the unit’s ability to attract clients is due to the business location, quality of the service, and the extent of range of service offering.

The trade unit is responsible for the Western Cape Province which spans over six regions. The office location of the trade unit is in the Cape Town business district only. There are no satellite offices in the other provincial districts meaning that if an exporter would like to have face to face consultation they would need to come to Cape Town office. It would take an average of one hour to drive from the Overberg and West Coast regions and more than that for someone coming from the other districts. This affects the quality of the service that companies in other districts receive. The closer the company to the trade team offices the better the quality of the service as they are able to come for more consultation.

The quality of the service refers to the service offering itself and the value that clients derive from it. The quality of the service and the extent of the service range are closely related, the variety of the service offering impacts on the quality. To attract clients the trade unit needs to have strategic services which are related to the target audience.

My hypothesis is depicted in Figure 21 below.



The concern is that most of Western Cape companies are not making use of the services offered by the trade team. If the situation is not rectified the viability of the unit is threatened.

The vital question which needs to be answered in light of the concern is “How can the trade unit attract clients? The growth in the client base will increase the use of the services this will also increase the visibility of the trade unit in the province.

5.1. 2 Data collection

In order to discover the reason as to why exporters were not making use of trade promotion unit’s service I sought the viewpoints from various stakeholders through conversational interviews, in total nine people were interviewed. Participating managers included members of the trade promotion unit, export managers at current export companies and managers from potential export companies. I also made use of participant observations to collect data; I observed meetings between exporters and other managers in the unit. Information seminars also provided an opportunity for participant observation. The monthly reports of the unit which comprised of enquiries and information requests were also used for collecting data.

The first set of data was collected through conversational interviews, notes from participant observation and documents of enquiries. The first person to be interviewed was the Senior Trade Promotion Manager (head of the unit), I asked this manager why she thinks export companies are not making use of the services and what she thinks should be done to get more companies to be aware of the services offered by the trade promotion unit.

I then conducted interviews with the other managers within the trade promotion unit. I asked similar questions that were asked to the senior trade manager and also presented these four concepts from the first interview. New codes that emerged from these interviews were that there needs to be a way of categorizing exporters’ needs so that the service could be tailor made and that exporters need to be involved when developing services.

The last set of data was collected through conversational interviews and notes from participant observation. Export Managers of two companies that were making use of the services were also interviewed to find out how the services are benefiting them and if they think there should be changes or improvements to the service offering. Three potential exporters were interviewed to find out what challenges are they facing in terms of exports and what they think the trade unit should do to reach out to companies who are in a similar position to them. The last two interviews with potential exporters did not yield any new information, based on this it was concluded that saturation has been reached.

Even though each interview covered the same broad topics, I explored areas that were of special significance to the different groups. The interviews allowed me the opportunity to understand the perspectives of the various stakeholder groups. Notes from participant observations also showed that the service offering needs to be improved in order to attract clients.

5.1.3 Data analysis and coding

The data analysis and coding approach requires that data and theory be constantly compared and contrasted to ensure that the data represents information from the data collection rather than my own ideas and suggestions. During the analysis process, the concepts were grouped together to form categories, the categories were then labeled according to the way in which they best describe the concepts. Part of the data analysis was to populate the categories with emerging concepts from the interview or create new categories. I continuously modified the initial categories, eliminating old ones and adding new ones to explain the new evidence

The analysis procedure was done at the end of each interview. The process of open coding began with an examination of each interview; this process is used to create initial categories for comparisons. The codes that emerged from the first set of data collection were that (a) the service offering is not clear (b) the service offering is too generic; (c) the lack of marketing affects the visibility of the service offering, (d) the limited resources makes it difficult to broaden the service offering. Based on the interviews conducted I did the initial open coding of data, and then using constant comparison clustered the codes into concepts. Table 5 shows a representative excerpt of comments from the interviews and the codes.

Table 5: Example of data coding

Data from interview	Coded Data
“ service is not target to the various users in different stages of export growth”	the service offering is too generic
“ we are not doing enough to be visible within the business circles”	the lack of marketing affects the visibility of the service offering
“at times it is difficult to really explain the tangible benefits of our service.	the service offering is not clear
“ if we had a bigger budget we would be able to do more work”	The limited resources make it difficult to broaden the service offering.
“ there is a need to go out there and start engaging businesses”	Improve communication

Based on the above codes, another set of data collection using conversational interviews was embarked on. Most of the participants mentioned similar information to the first set of data collection, however there were new concepts which were interesting, these are shown in Table 6 below.

Table 6: Example of second set of data coding

Data from interview	Coded Data
“ exporters should be categories according to needs”	Match the service to the need of exporters
“ need to keep abreast of changes in the market and adapt the service as required”	Service should be flexible and robust
“ need to start engaging exporters to find out what they need”	Involve exporters in service design

A process of constant comparison between the sets of codes was carried out, the categories changed a number of times during this process, careful consideration was taken not to lose the substance of the data from the interviews.

It seemed that the emergent theory was that to attract more exporters, the service needs to be tailor made to suit their various needs and that they should be consulted during when services are designed to test their relevance.. The key codes from the last set of interviews were that the services need to be robust and flexible to be able to assist exporters deal with changes in the international markets, have a tool that can be used to identify potential markets and assist exporters in understanding how they can use Free Trade Agreements to benefit them and that the trade units needs to communicate more with both potential and existing exporters, create a platform for exporters to meet and exchange ideas.

Table 7 shows the open and axial coding which used constant comparison to identify similarities; the similar concepts were grouped together and given a category label that captures the essence of the explanation.

Table: 7 Summary of outcome of constant comparison (open and axial coding)

Code	Category
Assistance with accessing government export incentives.	Assistance with finance
Market knowledge too generic, Need for high level specific knowledge	Availability of market & sector related information
Trade unit needs to clarify its objectives and what it would like to achieve	Clarity about objectives
Service offering is not clear	Clarity about service offering
Need to be clear about who services are targeted at	Clarity about target group
Clear specification of services	Clear specification of services
Match service with needs of the exporters, Service offering not comprehensive in some respect , Services should be more value adding to business chambers, Benefits of using Wesgro	Degree to which the service meet the needs of the exporters

Essential to create a platform for exporter involvement in decision making	Extent of exporter involvement
Need an action plan of how the unit plans to grow the export capacity	Grow exporter capability
Equip exporters with tool such as how to choose priority markets for your product	Growing exporter capabilities
Assistance on how to use Free Trade Agreement to gain advantage, Technical expertise on export markets, Sector specific knowledge	Knowledge of export requirements
Strive to find communication opportunities with all level of exporters, Create a platform for feedback-both positive and negative, Lack of communication	Level of communication
Lack of detailed marketing strategy, Not out there marketing, Marketing initiatives not aggressive-trade unit is not proactive in engaging exporters	Level of marketing
Tailor made service to suit needs of various exporter groupings, Info should be target group specific	Level of tailor made service
Provide service with competence, Service should meet the needs of exporters, Service needs to be competitive and value adding	Quality of service
Assistance in developing market entry strategies, Need a comprehensive service to deal with export challenges	Variety of service

During the process of constant comparison, I went back to some of the participant to double check if the emergent theory is in line with their responses during the data collection and analysis. The process of reduction sampling was used on the above categories to find core concepts that best explain the emergent theory as shown in table 8.

Table 8: Grounded theory process core categories (selective coding)

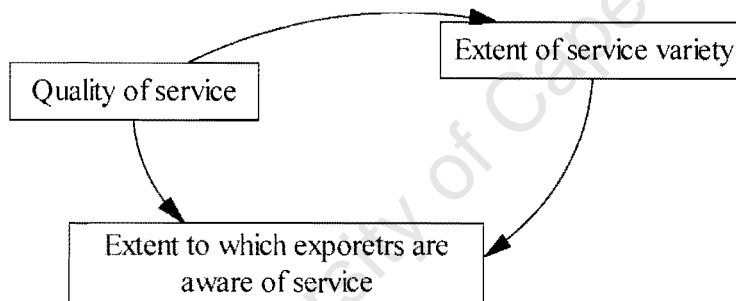
Emergent core concepts	Categories
Extent of service variety	Assistance with finance, Availability of market & sector related information, Clear specification of services , Degree to which the service meet the needs of the exporters , Knowledge of export requirements, Level of tailor made service, Variety of service
Level of marketing	Level of communication, Level of marketing
Quality of service	Clarity about objectives, Clarity about service offering , Clarity about target group, Grow exporter capability , Growing exporter capabilities, Extent of exporter involvement

Based on the process of reducing the categories the emerging hypothesis was that for the unit to be able to attract exporters it needed offer a variety of service, improve its marketing efforts and offer a quality service to the clients. Subsequent to reduction sampling, a literature review on the concepts was conducted. An interesting concept from the literature review was that the services of the unit should be aligned to the unit's capabilities and the trade unit should offer services that will in turn grow the export capacity of the exporters especially SMME's . The service should make provision for the needs of exporters to be assessed on an individual basis.

5.1.4 Emergent theory of grounded theory study

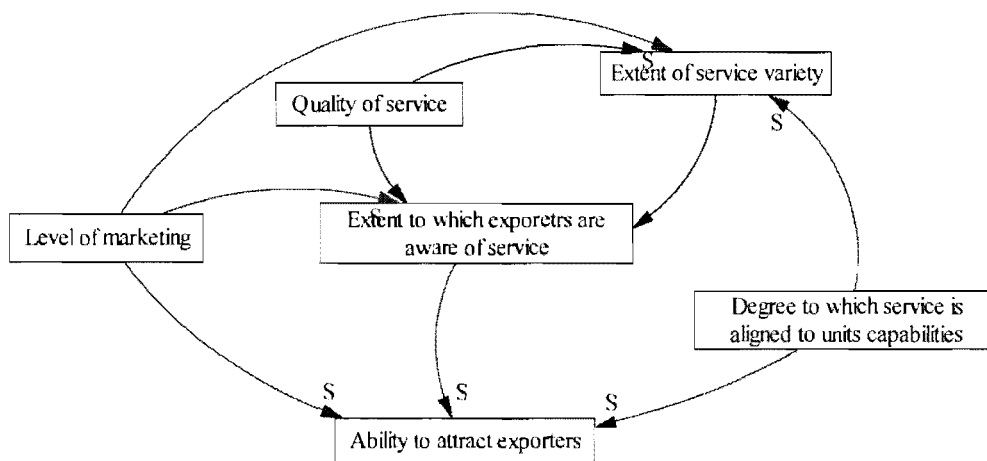
Based on the grounded theory process for the trade unit to be able to attract exporters it should have quality service, cater for the individual needs of exporters and market itself better. The trade unit can make exporters aware of its' service by having exceptional customer service and offering services which will increase the competitiveness of the exporters that it comes into contact with.

Figure 22: Ensuring customer satisfaction



The ability of the trade unit to attract exporters is dependant on its marketing strategy and the degree to which the service is aligned to its capabilities. The unit should ensure that it has the competence and capability to offer the service. It should also involve exporters when designing the service offering so that it can present services which are exporters/ market driven.

Figure 23: Ensuring customer satisfaction



In order to be able to build an information empowered organisation, the company needs a clear vision of its desired future state. It should conduct a comprehensive assessment of its current state and create an action plan to move from current situation to the desired outcome. The basic challenge for the public policy maker is to understand firm's needs concerning export involvement and to meet them effectively with export assistance programmes (Graham 2008, Grimes, Doole and Kitchen 2007).

The above literature recommends that for any future system of government support has to have as its prime objective, assisting companies in the development of their ability to market their goods and services internationally with strong focus on the development of the capabilities of small and medium size enterprises. The assistance should rather look at helping companies build long term competitiveness. The trade unit should focus on needs of exporters rather than services that are not needed. Limited resources should rather be better utilised by developing specific programmes that will have an impact. It is therefore important for the government to understand the needs of the exporters and their development needs.

The rationale for the concern is that the mandate is clear that the unit should grow the exports of the province. The way in which I see that being achieved is if exporters are aware of what services are available and that the service should add value to their businesses.

The process that was followed in conducting the three studies are the enabling factors in forming the building blocks of the theory which have contribute to the epistemology. The other two studies that were conducted using the grounded theory method is understand the role of information in the organisation and an analysis of the service and competence skills required to be able to deliver the service. The summaries of these studies are in Appendix B and C respectively. Section 5.2 is the results of the meta-synthesis process that was followed to find answer to the research problem.

5.2 Results of meta-synthesis process

In terms of the worldview components described in Section 4.2.3 meta-synthesis is the last building block of the theory.

The five step approach which is used for meta-synthesis comprises of identifying the research question, reviewing the studies, translating the studies into one another, synthesizing the translation and presenting the results.

5.2.1 Review of the studies

The overall goal of the research is gain an understanding of how a government funded trade promotion organisation can remain viable in the constantly changing business environment. The meta-synthesis is done on the three grounded theory studied that were conducted. Each study looked at a certain aspect of how the viability of a trade promotion unit can be enhanced. The one paper looked at attracting exporters; the next paper looked at the importance of information in an organisation. The last study was an analysis of the services and determining the services which the unit has the competence to offer.

The three research studies were analysed with special attention being paid to their contribution towards answering the research question. To do this the core categories of each study was extracted and put in a table to evaluate if there were any similar categories amongst the studies. The table below is a summary of the core variables from each study.

Table 9: Summary of core concepts from grounded theory studies

Analysis of service and competence required to deliver service	Importance of information management within the trade unit	How can the trade promotion unit attract exporters
Competency of staff	Quality of information	Quality of service
Availability of resources	Quality of information management and systems	Level of marketing
Understanding operating environment	Understanding operating environment	Extent of service variety

5.2.2. Details of concepts from grounded theory studies

Competency of staff

A competent and knowledgeable trade promotion manager is an individual that understand both domestic and international business management. Someone that is able to identify trends in the markets and identify opportunities for exporters or products in various international markets. These include knowing what objectives must be achieved within stated time frames, and are able to communicate information in a meaningful way to other people. They also need to know how to put a plan in place to meet those objectives.

A competent trade promotion manager should be flexible and adaptable enough to deal with the complex problems from various markets. Working with people and companies means that one needs to understand that each company requires a unique solution for their problems. Each member of the team is necessary to be successful and good managers realize the importance of teamwork.

The value of human capital cannot be ignored in creating competitive advantage. The development of competitive advantage will enable the organisation to develop sufficient knowledge to address the changing business environment.

Availability of resources

The availability of resources is instrumental in determining the degree to which funds will be available for staff development and for remuneration of suitably equipped staff. Competent staff will be able to conduct research for the various clients as well as host information sessions. Knowledgeable staff will be important in delivering quality services which will attract new clients and also increase the level of awareness of the agency. Organisations operate through people and their contribution determines the success of the organisation. The skills and knowledge of the staff need to be cultivated and then leveraged to create competitive advantage. According to Sharkie (2003) sustainability of this competitive advantage comes from the development of tightly coordinated and complementary activities directed towards making a unique offering to the customers.

Resources will ensure that staff is properly trained to be able to manage projects and service delivery. It will also enable the agency to recruit people with private sector experience who have the understanding of what businesses need. Competent staff will make sure that services are delivered on time and against the budget. Strengthening capacity is essential in delivering better service by developing a full range of capabilities, the agency is more likely to be able to sustain improvements and be better equipped to respond to future changes in service needs.

Understanding operating environment

Knowledge of the operating environment deals with understanding the environment that the organisation operates in both economic and political. It also takes into account the operating environment of the clients. One of the basic considerations for an organisation to be successful is to effectively deal with the needs of its constituent groups. For a profit-making company the constituents are clearly defined and because the business has resources it is able employ those resources to deal with the needs of these groups. The trade promotion unit needs to be able to identify with the problems of challenges that exporters face in the markets.

Quality of information

Information cannot be assessed without the knowledge of the context in which it is interpreted. Equally important to this is that the context of the receiver should be well understood. Information can add value to the receiver when he interprets it the way in which it was intended. It is imperative that Wesgro understand the context of their clients in order for the organisation to be able to disseminate useful and relevant information.

Quality of information management and systems

The quality of information management which looks at knowing what data to gather, understanding relations in that data, categories the data, the ability to give meaning to data

thus turning it into information. Knowing what to do with the information when you get it and knowing which information to pass on to a certain group. For example it would be pointless to send updates or trade leads on Africa to a client when they have specified in their marketing that they are targeting Russia. This also looks at the persons understanding of information and how it is used to complete the task at hand successfully. Ensuring that credible data sources are used

Quality of service

One of the important elements of offering a good service is ensuring that the team members have a positive, respectful attitude to the customers, the organisation and fellow team members. Characteristics of someone who has the right service focused attitude include:

- Wants to serve customers, to work with them to ensure every customer has a good outcome wherever possible
- Believes in the Company and service and has something valuable to offer
- Believes that every customer and every situation is worth the effort, and the skills
- Displays sensitivity and empathy for customers
- Works at building skills and continuously improving
- Reacts to customer feedback and drives improvements
- Sees irate customers as a positive challenge to demonstrate the high quality of their skills
- Learns from their experience, continuously seeking to do/be better

Extent of service variety

The service offering needs to be aimed at satisfying the needs of the exporters. The service offering should include various activities that stimulate exports. The unit should consider the beneficial impact that specific activities have on the different type of exporters. The unit needs to be aware of the varying need of exporters and should ensure that the service is robust enough to accommodate these needs and should be able to develop or modify the service accordingly.

5.2.3 Identification of key concepts

The next step in the meta-synthesis process involves translating the key concepts of the studies into one another. The purpose of this stage is to conduct a comparison of the key concepts so as to synthesize a comprehensive and integrated account. To do this proposition were created and were put together in order to be able to identify the key concepts.

Part of Wesgro's service is disseminating information. Relevant information is context driven. Therefore Wesgro should ensure that the information it disseminates is relevant to the target audience. It is important to understand the environment in which you operate in. The global business arena is constantly changing. In order to survive in business you need to be able to adapt to the changes in the environment.

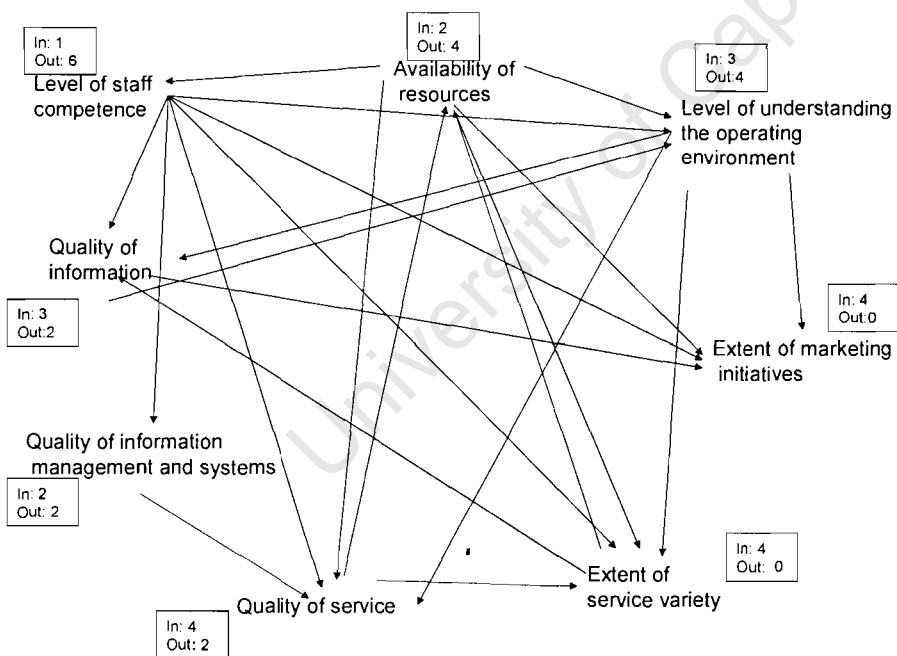
Accurate information is important. To make decisions you need information. The ability to make sensible decisions is based on the accurateness of the information at hand. Information is a living organism. Quality information is important. Therefore information should be dynamic, current and up to date.

To offer exceptional service one needs competent staff. Competent staff is crucial for business more especially in service-based industries. For Wesgro to be able to offer exceptional service it needs to recruit and retain competent staff. Level of awareness of Wesgro is low. One makes use of service providers that you are aware of. Businesses are not making use of Wesgro’s services because they don’t know about the organisation.

Marketing is a way of promoting a business. Level of marketing spent is dependant on the availability of resources. Marketing is critical in enhancing the level of awareness; therefore the organisation should commit both financial and human resources in order for the profile of the agency to be raised effectively. The organisation needs to be relevant. Meeting the needs of customer is key for any business. Relevance is based on ensuring that the needs of customers are met at all times.

In order to be able to identify the key concepts that are needed for viability, an interrelationship diagram was conducted, the details are below. An interrelationship diagram is an analysis tool that allows one identifies the cause-and-effect relationships among critical issues. The analysis will help to distinguish between issues that serve as drivers and those that are outcomes. A high number of outgoing arrows indicates that an issue is a driver and the number of incoming arrows indicates that an issue is a outcome of the process. .

Figure 24: Interrelationship diagraph-showing drivers and outcomes



The three key concepts that emerged from the building and synthesis of the proposition as well as the interrelationship diagram are that the trade promotion unit needs to understand the environment it operates it, offer a service which is demand driven (service that will improve that competitiveness of both potential and existing exporters and have competent and knowledgeable staff.

By having the necessary service and ensuring that the service is aligned to the capabilities of the unit will enhance the degree to which the unit can attract exporters and be viable. The cornerstone of the units' service information therefore it is important for the unit to offer reliable and credible information to the exporters so that they can make informed decisions. By offering services which are aligned to the competence of the unit will improve the degree to which the unit will be able to attract both potential and current exporters, the quality of the information will enhance the level of exporter competitiveness. The growth in exporter capabilities will increase the export potential of the province and this will show that the trade unit has been successful in achieving its objectives.

A further analysis of the three key concepts was conducted to determine a crucial element that is required to drive the viability of the unit. The driving force for this further analysis was to determine which of the three elements is critical for improving viability, what should, what should be changed or enhanced to improve viability. Based on the feedback from research participants it is clear that the service needs to be broadened to cater for the needs of various clients, by offering services which are demand driven the unit will be able to attract clients and this will improve the viability as it will be assisting in growing the number of exporters. Part of the service offering should be tailor made for the individual clients or companies to deal with their specific challenges. In order to be able to know what service is needed and how it should be carries out the trade unit needs to understand the environment in which it operates in. This includes understanding the market challenges that exporters face in Western Cape as well as in the global arena. By understanding the environment, the trade promotion unit will be in constant communication with the exporters and broader business community; these interactions will assist in improving the services. Both the extent of the service and understanding the operating environment are crucial for viability. Unlike organisations who offer tangible products to customers, the service or product offering of the trade promotion unit is intangible; the tangible physical aspect of the service that people come into contact with is the staff. Quality competent staff emerged as the most vital element that is needed to improve the viability of the unit as staff is the conduit which the unit will deliver a service and come up with ways of improving the unit for long term benefit.

5.2.4 Synthesis of research results

The success of strategy execution is dependant on people. It is people who deal with clients, suppliers and other stakeholders. Their interaction with the external environment determines the success and viability of the organisation. It is people who analyse the market forces and put together a well positioned plan for strategy execution. They shape the strategy to meet the goals of the organisation. People are an integral part of leading a winning organisation. The staff should be well developed and equipped to be able to take the organisation to new heights. "Companies that perform better consider their employees as a source of competitive advantage and this believe influences how the business is managed" (Bergeron, 2004, p.134).

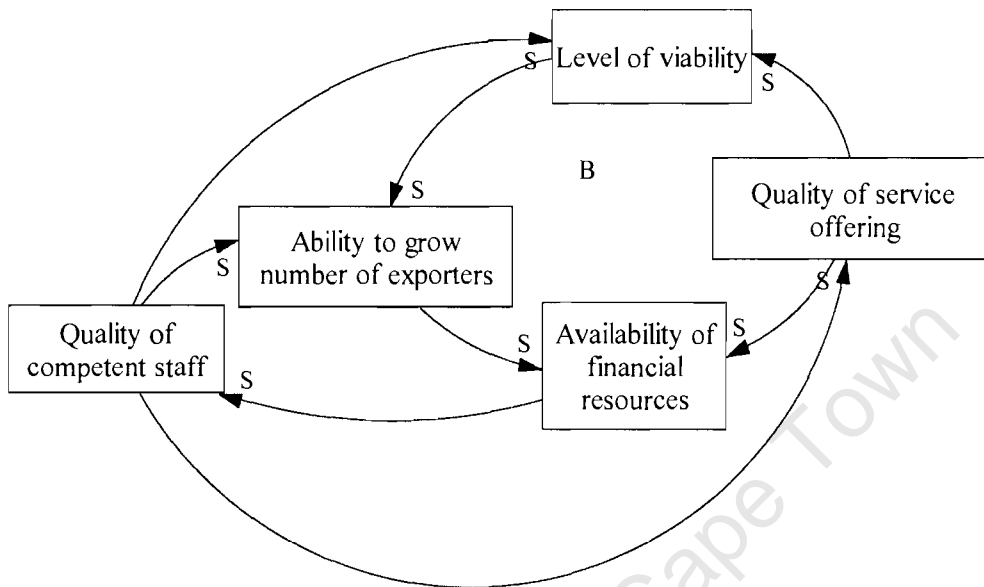
The term competent staff in this study refers to staff at various level of the organisation. The staff that is responsible for formulating the strategy (function four in the VSM) needs to improve the manner in which is done. The strategy should be robust and flexible to be able to deal with responses from the external environment. The vision and what should be done should also be clear enough, the role of staff at this level should be to ensure tha the political interference does not affect staff at the operational level as they should be protected to be able

to do the job at hand. Senior management (function three in VSM) need to create a conducive environment for the staff at the operational level to be able to do their jobs properly. Operational staff should also have more input into the strategic direction of the unit to be able to effect change and implement new systems to improve the viability of the unit. Based on the needs of the clients, staff at operational level should be trained and well equipped to be able to offer the necessary service.

Economics, competition and globalisation are some of the factors that play a role in the design of business strategy. However people are a key factor in ensuring that the strategy is robust enough to meet the challenges of the changing environment. For the trade unit to be viable it needs competent staff at various level of the organisation that will drive change. Competence encompasses a combination of knowledge, skills and behavior utilised to improve performance. More generally, competence is the state or quality of being adequately or well qualified, having the ability to perform a specific role. To be competent you need to be able to interpret the situation in the context and to have a repertoire of possible actions to take and have trained in the possible actions in the repertoire, if this is relevant.

Knowledge is power when used to understand the circumstances in which one makes decisions and influences others to accomplish the desired goal. The unit has base of customers that it serves and tries to keep satisfied and every individual is like an organization and has their own group of customers to keep happy with their talents and energy. The staff of the trade promotion unit should be well equipped to not only what the unit wants but also what your customers need and crave. The objective of the unit is clear that it should grow the number of exporters in the province, therefore staff at the operational level should devise and implement a plan of how it will reach the objective. Staff deliver are a service delivery conduit, the level of competency determines the quality of the service offering. By having a clear strategy and understanding the environment, the trade unit will be able to deliver a quality service. The quality of the service will also put the trade unit in a better position to start charging for some of the services, the new stream of income will decrease the dependency on government funding. The additional finances can also be ploughed back into staff development.

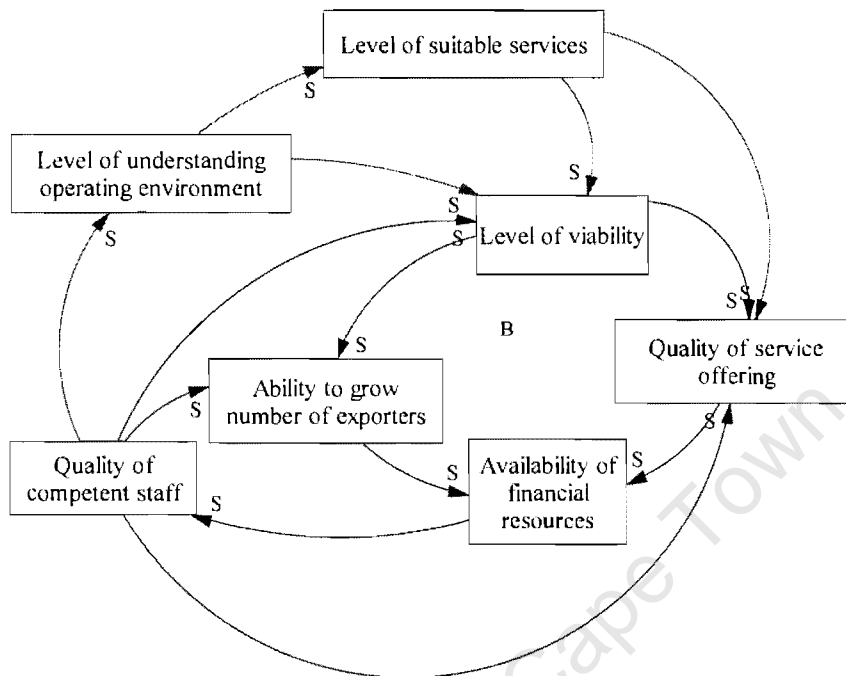
Ensuring viability through competent staff (Loop 1)



The other components of ensuring viability understand the operating environment offering services are which are deemed important by exporters. It is imperative for the unit to know and understand how it fits in and interacts with the surrounding environment on both an internal and external view. By researching and understanding the external environment, the trade promotion unit will be in a better position to develop a strategy for both short and long operations. Part of the strategy objective will be to improve the organisation's overall performance especially growing the number of exporters in the province and ensure that the unit is viable.

The quality of the service is compromised by insufficient strategic response to the external environment and poor information management from the senior level to the operational level. Therefore to be able to offer service that is demand driven the staff that is responsible for environment scanning should provide staff at the operational level with information that will enable them to make decisions.

Ensuring viability through competent staff: (Loop 2)



Organisations that perform better consider their employees a source of competitive advantage and this belief influences how the business is managed. Having the right people with the right skills at is a critical factor for success. The effect of globalisation have is making people to becoming the most strategic asset. In the case of the trade team this is true because service delivery is through the staff, and therefore the staff needs to be competent.

Knowledge of the operating environment will enhance the degree to which the information is context relevant and the quality of information flow. Information should be packaged in a user friendly manner which will enable the clients to be able to make informed decisions. By understanding the operating environment one will be able to utilize the most effective and efficient way of disseminating the information.

One of the basic considerations for an organisation to be successful is to effectively deal with the needs of its constituent groups. For a profit-making company the constituents are clearly defined and because the business has resources it is able employ those resources to deal with the needs of these groups.

Businesses have different needs depending on their sector, size and stage of business life. Unless sufficient account is taken of the characteristics of the different users of the service in how it's designed and delivered, it is unlikely to meet their needs and take up of the service will be low. It is imperative that the agency has segmented information on the key users of the service to distinguish the preference of the user. The completeness and reliability of information on user needs can reduce the risk that the service may not necessarily meet

people's expectations. Businesses need to know what services can and cannot be provided so that their expectations are realistic. Without being able to accurately measure performance and evaluate initiatives, it will not be possible to determine the extent to which the service improves. A key focus of resource management is delivering better service but it can also help to identify and realize opportunities to improve efficiency.

The availability of resources will enable the organisation to attract and retain competent, knowledgeable staff that will ensure service delivery. The degree to which staff is competent will enhance the degree to which it stays abreast of changes in the environment and ensure that the organisation adapts to the necessary changes to remain relevant.

The availability of resources is instrumental in determining the degree to which funds will be available for staff development and for remuneration of suitably equipped staff. Competent staff will be able to conduct research for the various clients as well as host information sessions. Knowledgeable staff will be important in delivering quality services which will attract new clients and also increase the level of awareness of the agency. Organisations operate through people and their contribution determines the success of the organisation. The skills and knowledge of the staff need to be cultivated and then leveraged to create competitive advantage. According to Sharkie (2003, p.20) "sustainability of this competitive advantage comes from the development of tightly coordinated and complementary activities directed towards making a unique offering to the customers".

Organisations fail because they don't understand their operating environment and don't have the correct staff. In terms of the VSM it can be concluded that the operational function is not well developed and the functions that is responsible for strategy development and policy formulation are weak. Therefore for the trade unit to be viable it needs to improve the operational function through competent staff, allowing staff to be involved in devising the strategy will also improve the effectiveness and implementation of strategy and the services that the unit offers. The staffs are a key component of viability and they will provide a competitive sustainable advantage for the unit.

In terms of short term planning or a quick win for the trade promotion unit, the staff that is responsible for the strategy formulation should conduct extensive research to understand the service that is needed by the export community. Based on the results of this, a gap analysis should be also be conducted to determine if the unit has the capacity and capability offer to offer the required service. This will also highlight if the staff at operational need additional training to be able to offer the service. The viability of the trade promotion is dependant on staff at the various level to formulate and implement a strategy for long term success.

Chapter 6- Conclusion and Evaluation

In this concluding chapter, I will critically evaluate and reflect on the study and learning gained during the process. The research process was an opportunity to develop ideas to improve the viability of a trade promotion organisation and how I can contribute towards achieving this. The research is evaluated for its relevance, usefulness of the research answer, the trustworthiness of the research and the ethical implications of the answer. This chapter also looks at potential topics for further topics.

6.1 Conclusion of study

The trade promotion unit of Wesgro need not only be reactionary in assisting both existing and potential exporters, it should seek to actively engage the clients. It also has a crucial role in marketing itself to companies that do not realise the benefits of exporting by providing information to these companies thereby unlocking their export potential. These can be done by providing market information and guidance as to which markets will be best suited for the products as well as highlighting the benefits of exporting.

It is important to train the staff in order for them to reach a high level of competence which will allow and equip them to offer service that is relevant and valuable clients. Both the research conducted and the literature review talked about having competent staff but the issues of training and what kind of competence is needed was not clarified. I believe that training of personnel needs to be ongoing since business dynamics change according to global demands, therefore personnel should keep abreast of the latest information of business development and information management.

Communication is another factor that was alluded to during the data gathering and analysis process, even though it was not that prominent I think it something that the organisation needs to carefully consider. Wesgro needs to communicate with the business community regarding developments in the global arena as this will enhance the profile of Wesgro as an organisation that has the up to date information which is insightful.

The link between the trade promotion unit and exporting companies need not end once the export companies are exporting. The relationship should be extended so that Wesgro and the exporter interact on a regular basis. Communication between these two parties is key because it will afford Wesgro with the opportunity to create a monitoring tool that can be used to determine the performance of each exporter. The study was useful in highlighting the factors that are affecting that cause the trade unit not to be able to reach its full potential. The VSM diagnosis indicated the areas within the system which need improvement. An enlightening find was that there needs to be more integration from strategy development to implementation and the staff that are involved in these areas of the business should be equipped and empowered to be able to do their jobs in an efficient manner. The literature review also highlighted the fact that for trade promotion organisations to be viable, they need to charge for some of their services. This information can be used as supporting evidence when Wesgro applies to government to allow it to generate money through charging for some of the service. In my view the contribution from this study is that it indicated the areas within the unit that need to be improved, it will therefore be less time and resource consuming to develop an

action plan of what should be done. I think it would be interesting in the future to measure the actual impact the TPOs have on the growth exports and the economy. This would be able to determine if the government gets a return on investment by funding such an organisation.

An interesting research area would be to look at the viability of the other units within the organisation. As this would be useful in determining whether the structure is useful as well to explore synergies within these units. According to Lederman, Olarreaga & Payton(2006), in a study of export promotion agencies it was argued that TPO's in developing countries were not effective because they lacked strong leadership, had inadequate funding, were too bureaucratic, and not client oriented, with heavy government involvement. Moreover, they also had to overcome strong anti-trade biases to be effective. My research study did not look at the impact that leadership has on viability,

Another interesting area of research would be to look at the role of leadership in such organisations and the impact it has on the viability and effectiveness of the organisation.

6.2 Relevance- is the concern relevant to the situation?

The question in the argument for relevance “is the concern relevant in the situation and does the situation adequately explain the concern? The purpose of evaluating the relevance is to establish if the concern raised is relevant to the situation.

“Qualitative research stresses the importance of understanding findings in the particular contexts and settings of the research. The aim is not to generalize about the distribution of experiences, or processes” (Fossey, Harvey, McDermot & Davidson, 2002, p.717). Therefore it is important to ensure that the concern is relevant to the situation.

The concern was raised as a result of the current situation of the trade promotion unit not being able to meet its objectives as per the mandate. The concern is critical to maintaining the trade promotion unit's viability and relevance. Wesgro is a provincial entity with a clear mandate and deliverables. The funding of this organisation is dependant on its performance; the mandate forms the measuring parameter for performance. Part of the measurement is that the trade promotion unit must grow the number of companies that export.

The current performance of the unit is low therefore in order for it to get funding it needs to improve its performance. This implies that the trade promotion unit need to deliver a service that is aligned to the overall business plan. The contextual environment is changing due a number of factors such as increase in competition, international laws and regulations, the unit needs to be flexible enough to be able to deal with these changes so that it can survive in the changing business environment. The concern is significant to warrant attention under the current circumstance.

The hypothesis that was raised earlier in the paper is that competition, impact of political interference, competition and availability of resources are threats to the viability of a trade promotion organisation. It is also useful to evaluate how these concepts have will be affected or changed by the proposed answer. The improved services will enable the tade promotion unit to charge for some of service. This will to a certain degree reduce the reliance and dependence on government funding. With its own resources the organisation will be a better position not to bow down to political pressure. A revised strategy that is based on consultation with various stakeholders will improve the competitiveness of the unit. The unit will only

offer services that are deemed important by the client and the continuous scanning of the environment will place the unit in a better position to adapt as and when the need arises which might help to keep it ahead of the competition.

As a non profit organisation, Wesgro is to a large extent affected by the prevailing economic condition in which it operates, this is compounded by the reason that it does not have the financial resources of profit driven companies to sustain itself.

In order to be able to be viable and relevant in the changing business environment, Wesgro needs to deal with the concerns raised. The proposed answer, successfully addresses the concerns by presenting elements that should be in place to enhance the viability of the trade promotion unit of Wesgro.

6.3 Utility- does the answer deal with the concern?

To establish the usefulness of the study (utility), the cohesion of the situation, concern, question and answer is of paramount importance. The research has been raised as result of my direct experience of the situation, the answer proposed has been constructed from that perspective and it deals with the situation in a satisfactory manner. The answer was developed by using the grounded theory methodology, meta-synthesis as well as incorporating the VSM.

The situation is that the trade promotion unit of Wesgro is currently not viable and the organisation is not meeting its target. This is caused by the inefficiencies of some of the operation units. The concern is the inability of the Trade Promotion Unit to have meaningful impact on growing the export base. This concern adequately deals with the situation as it aims to look at one of the areas that impact directly on the overall performance of the organisation. The data gathering and analysis proved valuable because by considering different viewpoints were able to gain a better understanding of the hidden dynamics of the phenomena under study.

According to Treleaven (2006) for a TPO to succeed in carving a role for itself and raising awareness of its services it needs a defined list of services it will deliver to export companies. Currently the trade promotion unit is not viable, the theory developed through the research process highlights staff as the key component in ensuring viability. Skilled staff implies individuals that are well versed with international trade and who will be able to in turn equip exporters with the necessary skills and knowledge to be competitive. People are an important component in service based industries. By having skilled individual the unit will be able to offer services which are needed by exporters and if the services are satisfactory the trade unit might also be able to charge for some of the services which will decrease the dependence on government funding thus increasing its viability. The unit also needs to understand the environment it operates in and offer value adding services. All members of the team are aware of the need for the unit to remain viable, so there is openness towards assessing the current services to see what should be improved to ensure viability.

6.4 Trustworthiness- is the answer credible, dependable, confirmable and transferable?

Qualitative research can be defined as a general perspective of breaking down the complexity of the real world. The research procedures utilised in qualitative research to establish rigor are an important way to increase confidence that the voice of the participants is heard.

Trustworthiness is not something that just naturally occurs, but instead is the result of rigorous research method that includes the use of defined procedures. Threats to trustworthiness can include problems such as reactivity and biases on the part of the researcher and the participant.

“Trustworthiness is established when findings as closely as possible reflect the meanings as described by the participants” (Lietz, Langer and Furman 2006). In order to manage these threats to trustworthiness, qualitative researchers must engage in a variety of strategies in order to describe research findings in a way that authentically represent the meanings as described by the participants.

The criteria used for evaluating the trustworthiness of qualitative research are dependability, credibility, confirmability and transferability. Credibility is the degree to which findings correctly map the phenomenon in question; transferability- the degree to which findings can be generalized to other settings similar to the one in which the study occurred; dependability is the extent to which findings can be replicated or reproduced by another investigator; and confirmability is the extent to which findings are free from bias.

6.4.1 Credibility

“Restricting oneself to any single paradigm or way of knowing can result in a limitation to the range of knowledge and the depth of understanding that can be applied to a given problem situation” (Fossey, Harvey, McDermot and Davidson 2002, p.717). To avoid the trap of limitation the study drew on different perspectives, methodologies and techniques to generate breadth of knowledge and depth of understanding.

In designing the research project, I employed triangulation by drawing on various literatures. The work Booth, Coomb and Williams (2005) and Maxwell (2005) was used for the design phase. To understand and design the grounded theory process, I drew on the work of Strauss and Corbin (1990), Struebert, Carpenter and Lippincott (1999) as cited in Dirk, 2005. The viability of the trade promotion unit was done using the VSM. The VSM is a useful tool; on analyzing organisational problems and checking that its structures and processes are capable of ensuring its viability and effectiveness.

The grounded theory and meta-synthesis were rigorously applied to gather and synthesize data. The methods used to collect data included conversational interviews, participant observation and documentation. Numerous field notes and memos were utilized to identify core concepts. In the grounded theory process of reaching saturation, I tested the emerging theory with various research participants as well as members of other business support organisations. As the results from these data collection efforts did not yield any new insights, meant that saturation had been reached.

I used in-depth descriptions of participant's view in the data collection methods, in this report I have also made an attempt to improve the readers understanding of what is required to improve the viability of the trade promotion unit. The grounded theory method also requires that data collection is done in an iterative way. Data collection and constant comparison was used to counter misinformation and forcing any personal biased categories in the theory development, this enhanced the credibility of the research results. The grounded theory method has also helped in ensuring that the required diversity was addressed in order to analyse the situation from different perspectives.

Permission was requested prior to the commencement of the study and it was granted. Before conducting the interview, I explained the purpose of the research to all participants. I also assured the participants their details will remain confidential and that the information that they provide will be synthesized and one report will be given to management. This is to protect their views and to ensure that they don't get discriminated against.

The current performance of the organisation is low therefore in order for it to get funding it needs to improve its performance. This implies that the trade promotion unit need to deliver a service that is aligned to the overall business plan. The contextual environment is changing due a number of factors and the organisation needs to be flexible enough to be able to deal with these changes and also to survive. To be viable and relevant the number of exporters in the province should increase, this can be done through understanding the environment, having competent staff and deliver value adding services

The process allowed me to understand the situation from various perspectives, to devise a hypothesis that has led to a better understanding of the situation and derive interventions that can be implemented in order to improve the effectiveness of the trade unit.

6.4.2 Dependability

“Just as a quantitative study cannot be valid unless it is reliable, a qualitative study cannot be credible unless it is dependable” (Ryan, 2008). Dependability is the extent to which a future researcher can repeat the work; essentially it is concerned with whether I would obtain the same results if I could observe the same thing twice. To improve the dependability of this research study I have used recognized data collection methods such as conversational interviews, documents analysis and participant observation, to further enhance the dependability of the research a record with all the participants interviews and other supporting documents have been kept.

The emerging concepts 'were validated and substantiated by literature review. Having identified the relationship between the concepts and the emergence of the core variable and answer causal loop developed. The results were also supported by tool such as the Affinity diagram, inter-relationship and SWOT analysis.

The problem associated with using qualitative research is that the bias of the researcher is built in; this was avoided by double checking the meaning of the categories with the participants. The other cited problem is that the method is labor intensive and expensive; my sentiments are that if one wants to do their jobs properly and come up with effective suggestion, time and effort needs to be invested in to the process.

6.4.3 Confirmability

Confirmability is the degree to which the findings are the product of the focus of the inquiry and not of the biases of the researcher. There are a number of strategies for enhancing confirmability such as prolonged engagement, triangulation, peer debriefing, audit trail and reflexivity. This research used triangulation and the audit trail because it is an important part of establishing rigor in qualitative work as it describes the research process.

An audit trail allows the researcher to follow his or her own research procedures consistently. It also helps a qualitative project to be open for critique by the research community as the research procedures are fully described (Lietz, Langer and Furman; 2006). The ability to critique research is an essential part of the research process. Whether it is quantitative or qualitative inquiry, critical analysis is a part of the research tradition. Audit trails allow for critical thinking to occur in qualitative inquiry.

In order to reduce the effect of my possible bias, I used data collection triangulation methods by using interviews, group discussions, document research and literature as data sources. I also used interview triangulation by interviewing participants from various stakeholder groups in different management roles in their respective organisations. Other material for the audit trail is available on the digital portfolio of work done which is hosted on Graduate School of Business web (Instructor).

6.4.4 Transferability

Byrne (2001) states that quantitative researchers use large, random samples to enhance the generalizability of statistical findings. In qualitative studies, however, the goal is never generalizability. Rather, transferability is used to judge the extent to which the findings can be applied to other contexts.

“The applicability of findings from one setting to another depends on the likeness between the bodies of knowledge, or contexts, as judged by those wishing to apply the findings. Hence, the presented description of the research setting, findings and interpretations needs to provide sufficient detail for others to determine the applicability of the research findings to their own settings. (Fossey, Harvey, McDermot and Davidson 2002).

The methodology used and results of the study can be transferred to other organisations especially government funded agencies whose role is to provide support to businesses around the country. I also believe that it can be transferred to other TPOs in Africa as our context are nearly the same, the results would have to be slightly modified to accommodate the uniqueness of their context.

What I learnt from this study is that organisations need to critically evaluate their roles and usefulness of their services so that they can innovate as and when the time arises. In the Western Cape the results can be applied to organisations Wines of South Africa- the international marketing body of the South African wine industry. To be viable any organisation needs to have competent staff who understands the language of international business.

In Chapter 1, I stated my personal role and involvement within the trade promotion unit; I also stated my ontological assumption and overarching research philosophy. This was done to enable a future researcher to understand my orientation to the research.

6.4.5 Threats to trustworthiness

The main threat to validity is that the research focused on one unit within the organisation. The participants were also reluctant due to the government link so this could have led to them not being free to say everything they wanted to say. As a new employee my perspective is limited but I tried to avoid this through triangulation. For external participants the issue of confidentiality was very critical because Wesgro is a government funded agency. Due to this some of the participants were hesitant because they were worried that if they say something it might be used against them in future when they required assistance. Even though Wesgro is not part of the Department of Trade and Industry (dti), some of the participants were concerned that if they criticized the organisation in any way it might have a bearing when they apply for funding from dti. It was therefore very important for me to assure them that their identities and comment will be kept confidential. I also explained that some of the wishes might not be implementing, the best I can do is to suggest to management.

I have evaluated the research study for the trustworthiness and will now explore the ethical implications of the research answer.

6.5 Ethics

Resnik (2006) states that there are several reasons why it is important to adhere to ethical norms in research. Some of the reasons for conducting research within an ethical framework is to prohibitions against fabricating, falsifying, or misrepresenting research data and to avoid error. Therefore it is important the one conducts research in an ethical way which also shows respects to participants and their confidentiality.

Ethical considerations are paramount in all research from its design to conclusion. Issues that have to be taken into consideration are confidentiality of the participant and if the research is will not be raising any expectations amongst the participants

In assessing the ethical implications of the research findings Velasquez's (1998) framework for moral decision making was used. The framework assesses whether the proposed answer is ethical from a utilitarian, rights and justice perspective.

The table has been completed based on the following questions Velasquez (1998) moral reasoning:

- Does the action, as far as possible maximize social benefits and minimize social injury?
- Is the action consistent with the moral rights of those whom it will affect?
- Will the action lead to a just distribution of benefits and burdens?
- Does the action exhibit care for the wellbeing of those whose are closely related or independent on oneself?

Table 10: Answers to moral reasoning as posed by Velasquez (1998)

Stakeholder	Utilitarianism- net welfare produced for all stakeholders	Rights- universal moral rules	Justice- treatment of people in compared to others
Exporters	An increase in the viability and effectiveness of the trade unit will benefit exporters as they would be getting a service that will enhance their competitiveness.	The answer is moral and will not have a negative impact on the rights of the customer.	The service offering will take into consideration the different stages of the exporters so no exporter will be disadvantaged
Staff	Staff will be equipped with the necessary tool to ensure that they are able to offer a good service.	The improved unit and service offering will add value to the lives of the staff; it will also boost the moral of the team.	Staff will benefit directly from the improvement.
Wesgro	Effective services and strategic decisions on the trade unit will enhance the overall viability of the organisation.	The improved unit and service offering will add value to organisation.	The organisation will benefit directly from the improvement.

The ethical evaluation process indicates that the answer is ethical as it has positive consequences for the various stakeholders. This shows that the input and benefit of the stakeholders have been taken into consideration.

In conclusion as an important role player in growing the economy of the Western Cape, Wesgro should try and improve to better serve the stakeholders and clients. The answers in this paper are not an attempt to say that if they are implemented the organisation will be immediately viable but rather to say they should be considered as a tool in enhancing viability. There is a need to streamline the organisation meaning that a comprehensive review of all units should be carried out to minimize redundancy and increase efficiencies.

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Appendices

Appendix A: Summary of data collection sources for the studies

Topic of paper	Importance of information and information management	How can the unit attract exporters?	Analysis of service and competence required to deliver the service.
Interviews	Wesgro Staff	Wesgro Staff	Group of clients who represent the kind of clients that Wesgro would like to attract and finding out what services they need.
		Other Business Support Organisation	Leaders in other business support organisations.
		Industry Associations and Special Purpose Vehicles	Wesgro Staff
		Current Wesgro Members	
		Non Wesgro Members	
		Resigned Members	
Documents	Wesgro Brochure	Wesgro 2008 Strategic Plan	GAP analysis
	BSO Info mapping	Wesgro 2008 Business Plan	Brochures and websites of other business support organisations
	CBI Info service assessment form	Various research reports conducted on Wesgro 2003-2007	Feedback from a workshop on SMME Development
	Wesgro web portal intelligence framework	CBI Feasibility Report 2008	Monthly reports
	Relevant Literature	Monthly reports	Annual reports 2003-2007
		Annual reports 2003-2007	Monthly enquiries database 2006-2008
		Minutes from various meetings which were attended	Minutes from various meetings which were attended
		Relevant Literature	Department of Trade and Industry Regulations
			Relevant Literature
Other Sources	Participant observation	Participant observation	Participant observation

According to K Locke (2001), the grounded theory approach assumes that the researcher is clear about the purpose of their study and that the researcher has arrived at the research question. Once these have been clarified the researcher is ready to gather data.

The needs of the clients are information-related so the question that this study deals with is: "How can Wesgro's trade promotion team enhance the service that it provides to its clients?"

In order to get a broader understanding of information and information management within the agency, I sought the viewpoints of managers within the trade promotion and intelligence departments. Data was gathered using semi-structured conversation interviews. 'Standardized interviewing is considered to reduce interviewer-related error, yet this technique cannot guarantee uniform understanding of questions and, thus, may reduce data comparability. Conversational interviewing allows interviewers to clarify survey concepts and improves response accuracy when respondents' circumstances are atypical' (Conrad & Schober, 1999). Semi-structured conversational interviews are conducted with a fairly open framework which allow for focused, conversational, two-way communication. Not all questions are designed and phrased ahead of time as this allows for flexibility to probe for details or discuss issues that arise. This allowed for managers to discuss their perceptions of information, the importance of information in the agency and the role that it plays. I conducted one interview with each manager, after the analysis I then went back to each person to double check I had captured the essence of what they said.

The first interview was conducted with the manager of Wesgro's Exporter Development Programme because she is the first point of contact for all exporters. Part of her responsibility is to determine the needs of the client and then refer them to the correct person in the agency. At the end of this interview the data was coded to identify initial categories. These were: information is data that one uses to do one's job well; it should be relevant to the work that you are doing, information is generated through internal and external sources; at times one has to analyse the information to make sense of it e.g. statistics.

The second set of data was collected by interviewing Wesgro's senior Trade Promotion Manager. This candidate was selected because she directs the trade team and formulates the strategy for the team. This interview was conducted with the emerging categories from interview one in mind. This interview didn't yield any new categories. It was then suggested that I interview the Wesgro Intelligence department (Wesgro IQ) as they do the research for the organisation and are responsible for the overall strategy of the organisation.

The researcher of Wesgro IQ was interviewed to determine her understanding of information, how information is gathered, its use in the organisation and the role of information management. The new categories that emerged from this interview was that the individual dealing with the information should be able understand how to make the information relevant. For this competent staff is needed.

In between the conversational interviews a variety of documents from the organisation were analysed. New concepts that surfaced in this process were that the data gathering process and the source of the data are important, while dissemination of information is also very crucial.

The last set of data was collected by interviewing the Manager of Wesgro IQ and from this interview no new categories emerged.

Development of Coding Categories

Concepts	Categories
Info should be relevant	
Info should enable you to do your job better	Competency of staff
Information is capital of the organisation	Competency of staff
Service is built on information	Competency of staff
Information should be relevant to your function	Competency of staff
Method of data collection	Information management
Turn data into useful information	Information management
Understand target market	Information Management
Communicate to target market	Information Management
Information should be context driven	Understanding operating environment
Flow of information is critical	Understanding operating environment
Information should be accessible	Understanding operating environment

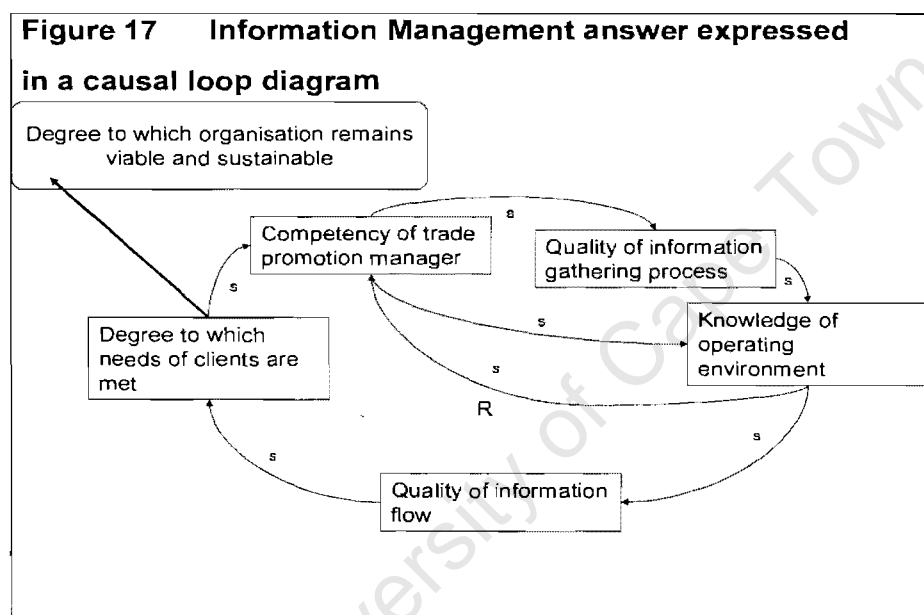
It became clear through document analysis, conversational interviews and then verified through literature research that the process of turning data into useful context driven information is dependent on the quality of information management, the competency of the staff - in this case the Trade Promotion Managers - and the knowledge of the operating environment.

The quality of information management depends on knowing what data to gather, understanding relations in that data, categorizing the data and the ability to give meaning to data, and thus turning it into information. It is also vital to know what to do with the information when you get it and to know which information to pass on to a certain group. For example it would be pointless to send updates or trade leads on Africa to a client when they have specified in their marketing that they are targeting Russia. It is also essential to ensure that credible data sources are used.

Jain (2003) recommends that managing information strategically must be a priority for any organisation that wants to compete and win in the marketplace. Managing information begins with developing a strategic plan. In order to attach strategic value to the information flow within the organisation, the information managers must first understand the business portfolio of the organisation and the functions of the day-to-day environment. This will also help in understanding the type of customers serviced by the organisation.

Once the type of information has been identified, it can be used for experimenting, decision-making, problem-solving and investigation. Only when information is handled efficiently, can strategies rolled out by management succeed.

Knowledge of the operating environment deals with understanding both the micro and macro environments. The micro-environment consists of those forces that directly affect the programmes of the organization including the internal processes and procedures. The macro-environment encompasses the broad environmental system within which all organisations must conduct business. In a way, it defines or creates the structure of the marketplace for all organisations. The particular elements that make up the macro-environment are demographic trends, economic, natural, socio and cultural influences, political and legal issues, and technological advances. Besides understanding its own environment, Wesgro needs to understand the operating environment of its clients so that it can be in a position to provide an efficient service.



Competent staff will ensure that data is gathered from credible sources and that it is accurate. The data collection will provide an opportunity to interact with various parties and this will enrich their understanding of the environment in which they operate. By providing relevant and accurate information the needs of the client will be met. Clients are important for any business, when they receive a good service they are likely to remain loyal to that business and this enhances the viability of the organisation.

However, whilst non profit organizations recognize the importance of top of mind awareness for attracting limited human and financial resources, it has always been argued that the way in which they currently raise their profile may not always be effective in explaining what the organisation actually does. (Stride & Lee 2007)

In light of the concern the questions that begs an answer is “How can the level of awareness of Wesgro be improved?”

The first set of data was collected by having conversational interviews with companies that are non members of Wesgro. The purpose of these interviews was to establish why they are not making use of Wesgro services. The data was coded to establish initial categories.

The next set of data was collected by reading on research that was done at Wesgro as well as conversational interviews with leaders of other Business Support Organisations in the Western Cape.

Below are the categories that emerged from the data collection process explained above:

- A clear specification of services is needed
- Need to get in touch with the local business people to understand what their needs are
- Services need to add value to the business
- The organisation needs to market itself better
- Need for proactive engaging of the businesses
- Need for sector specific market
- Information sessions need to be target group specific

The next set of data was collected by interviewing current members of Wesgro. The aim was to find out what value are they getting from being members of Wesgro , if they are not getting any value then why are they continuing with their membership. Some of the reasons that they gave were that their membership is not worth that much directly as there is nothing that Wesgro does for them; they remain members as they like to be informed about what is happening in the province. Some of the members cited that they find the information and the training very informative.

Old members were interviewed to find out why they discontinued their membership. The common factor that emerged from these interviews was that companies felt that the information that were receiving was not relevant to their business. They felt that Wesgro was not adding any value to their businesses.

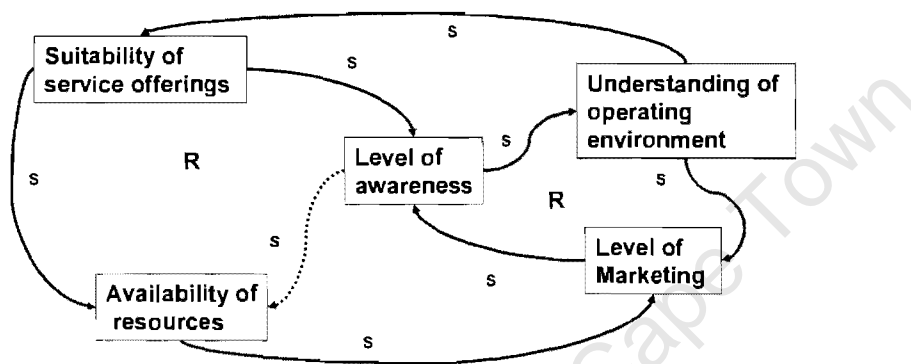
The above interviews were conducted with the categories from the initial data collection set and these are the new insights:

- Offerings not value adding- especially for service based industries
- Organisation puts too much focus on the CBD thus neglecting other areas
- Some people were surprised that the organisation still existed, they thought it closed down long ago.

From the reduction sampling process it became clear that understanding the needs of the business community, effectiveness of marketing efforts and suitability of service offerings are essential in improving the level of awareness of the organization.

Understanding the needs of the business community encompasses knowing the different needs of the target sectors, the different companies within the sectors and identifying which services within Wesgro will be best suited in meeting the needs.

Answer



The level of marketing includes developing an awareness campaign that is tailor made for these audiences. The visibility of the agency needs to be increased, these activities should also factor in the geographical demographic- not center everything around the Cape Town CBD.

These interactions will provide Wesgro with the opportunity to interact with new clients as well as old members. This will also provide a platform for Wesgro to better understanding of the people that it's trying to service as well as feedback on the suitability of its service offerings. These interactions will put Wesgro in a favorable environment to engage with other stakeholders who might offer complimentary services and a mutual beneficial relationship could be formed

Appendix D: Wesgro's Trade Promotion Unit SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ➤ Proximity To Government ➤ Easy Access To Media ➤ Length Of Establishment 	<ul style="list-style-type: none"> ➤ Unclear Product Offerings ➤ Lack Of Direction ➤ Prescribed / Standardised Product Offerings ➤ Lack Of Self-Marketing ➤ Proximity To Government
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ➤ Exploit Existing Skills ➤ Differentiate Offering By: Improved Service, Customised Products ➤ Benchmarking ➤ Build Relationships With Business ➤ Better / More Targeted Marketing ➤ Better Foreign Representation And Partnerships ➤ Strong Network ➤ Good Research Facility 	<ul style="list-style-type: none"> ➤ Private Organisations With Similar Offers ➤ Political Instability / Interference ➤ Bureaucracy

University of Cape Town

Viable Systems Model

“In the dynamic world we live in today, a business' ability to quickly adapt and change in response to rapidly changing environmental conditions is considered to be one of the most critical capabilities for long-term success and growth. Of course there are a number of factors that influence agility, including people, culture, socio-economic conditions, availability of technology, skills and infrastructure” (Bititci, Turner, Ball, 1999,p.190). .

Irrespective of the type of industry or structure of the organisation, the goal of every organisation is to survive and be viable in the ever changing in the environment. One has to find a method that enables you to access what is happening in the environment, devise strategies that will deal with the environmental occurrences. The environment consists of various factors which require robust solutions. There are various tool that one can use develop strategies that will ensure the organizational viability. Some of these tools are; Total Quality Management (TQM), Porters Value Chain and Beers Viable System Model (VSM).

TQM is a set of management practices that aim to provide customers with products or services that satisfy their needs. Stark(1998) reviews of TQM agrees with Chaudron's (2006) assessment that “most organisations fail to implement TQM because this tool deals with problems one at a time, without reviewing the underlying issues that cause the problems”. Part of the aim of this research is to gain insight of the underlying causes of Wesgro inability to have meaningful contribution to growing the export base of the Western Cape, TQM was not chosen to assess viability for this study due to its inability of reviewing underlying issues.

Porters Value Chain model is a systematic way to examine how competitive advantage develops and to identify where value is added in an organisation. The value chain is based on the process view of organisations, in which the organisation is seen as a system made up of many sub-systems, each with inputs, transformation processes and outputs involving the procurement and consumption of resources. How well the value chain activities are performed determines costs and affects profits. Bititci, Turner, Ball, (1999, p.192) argue that “Porter's value chain concept does not deal with those activities which are critical for the management of the business such as developing strategy, measuring performance and managing operations”

The VSM was chosen because not only describes the functions needed for viability. It also describes the interactive relations that should exist between them and the characteristics these relations should have. The nature of the linkages which integrate the five subsystems is also considered to be highly critical towards the viability of a system. Viable System Model is a particularly helpful instrument for organisational diagnosis and design. It allows one us to diagnose the structural mechanisms in use in an enterprise and this is a platform for organisational design.

“Stafford Beer developed the VSM to provide a model of the functions that are needed for organizational viability. An organization is viable if it is able to maintain a separate existence

in its environment .To be viable, an organization must have the potential to adapt and realize its identity and mission” (Achterbergh, Beeres, Vriens, 2003, p.1387). This potential depends on the realisation of five (related) functions. These five functions and their relations are necessary and sufficient conditions for organizational viability. The five functions are: the operation which is responsible for all primary activities, the support system for the coordination of the primary activities, a third function which is responsible for synergy and cohesion between the primary activities, the fourth function which is responsible for the realization of the mission of the viable system and lastly the function that is responsible for determining the strategy and policy for the organisation.

According to Achterbergh, Beeres, Vriens, (2003, p. 1387) “the existence of independent collection of primary activities as such is insufficient to maintain the viability of an organization. Somehow, these primary activities must be forged into the larger whole of the organization. To this purpose, four additional functions are required: coordination, control, intelligence, and policy to ensure viability”. The VSM look at the organisation holistically, it is useful in diagnosing problems as well as devising robust strategy to effectively deal with these problems. It should be noted that the VSM is recursive system meaning that the subsystems (e.g. department) and super systems (e.g. a holding company) are viable systems within themselves.

“Based on experience and empirical data, we have come to the conclusion that modern business process thinking and VSM together provide the foundations for a business structure which would maximise an organization's ability to rapidly change in response to changes in its operating environment” (Bititci, Turner, Ball, 1999, p.190). Schwaninger (2006, p.195) applied VSM to different cases which are located in different contexts, with varying sizes, mission and products and his reports is that he found that the “VSM proved to be an extraordinarily powerful instrument. It not only enabled a better understanding of the cases under study, but it facilitated the work enormously. The analysis was much more efficient, because the right questions were asked from the start, and, what matters more, a lot of unnecessary ones were avoided”.

The literature of Bititci, Turner, Ball, 1999 and Schwaninger (2006) further motivated the use and application of VSM for this research. Achterbergh, Beeres, Vriens, (2003) also advocate for the usefulness and importance of applying the VSM as it looks at an organisation holistically. An important element of the research findings was that the trade promotion unit should understand the environment in which it operates it. Part of the VSM elements is to understand the environment in which you operate in. This further demonstrates that the VSM is the ideal tool this particular research study.

The VSM further explores how organisation can release the potentials of people, enabling them to handle their problems, thus providing organisation with the flexibility they need to survive in complex and rapidly changing environments. This highlights that for an organisation to be viable it needs to grow its staff competency to be able to understand the operating environment and ultimately offer demand driven services.