

# Know Your Markets

Monte Ahuja shares his expertise on global business development and marketing.

BY ROBERT SBERNA

In December 1968, Monte Ahuja was preparing to leave his native India to attend graduate engineering school at Ohio State University. Ahuja, then 22, was apprehensive about journeying abroad. He had never been on a plane, he didn't know anyone in the United States, and he had just \$12 in his pocket and a bank draft for his tuition.

He arrived in Columbus during a nasty snowstorm without a coat (he had left 80 degree weather in India) and spent the first several nights sleeping on a rooming house couch. Despite his loneliness and self-doubt about leaving his homeland, Ahuja resolved to seize the educational opportunity before him, convinced that knowledge would be key to his future success.

Ajuha completed his master's in mechanical engineering while toiling at various jobs to make ends meet. He then came to Northeast Ohio, working full-time at an auto parts company and taking MBA night classes at Cleveland State University. Ahuja's MBA thesis served as the business plan for Transtar Industries, the company he started in 1975 with a staff of two and borrowed money. Over the next three decades, he built the Walton Hills-based firm into the world's leading supplier of auto transmission repair parts, with 1,700 employees and \$450 million in annual revenues. Several years ago, Ahuja sold off Transtar, which has 70 distribution locations in the U.S. and sells to more than 80 countries.

An expert on global marketing and the recipient of numerous entrepreneurship awards, Ahuja says successful exporters are those who manage their fear and understand the culture, dynamics and business practices



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— MONTE AHUJA

of foreign markets. In a recent interview with *Neconomist*, Ahuja discussed strategies for global business development.

**Neconomist:** What is the mindset of successful exporters?

**>AHUJA:** They have a clear mentality of what it takes to be in global business. They are comfortable about foreign markets and they have developed the attitude and aptitude to be persistent in their efforts. They understand that if they have the right product and technology to meet international demand, there are great economic opportunities for their businesses. Unfortunately, there's a perception paradigm among small companies that international business is complicated, cumbersome, and something they can't afford. To be successful, they have to overcome their fear that becoming

an international business is just a pie-in-the-sky expectation. In reality, it's the normal growth for a business today.

**Neconomist:** What are the first steps in seeking export opportunities?

**>AHUJA:** My advice is to learn all you can about the markets you're interested in. Make it a project to find out the pricing and competitiveness in those marketplaces. Try to determine the demand for your product. It's also important to learn how business is done in your target countries. For example, is it sophisticated or unsophisticated? How do the payments systems work? How are new customers developed?

As a new exporter, you'll need to have a good understanding of all the operational and technical parts of doing business in a foreign country. You may decide you want

KEITH BURR

## Journey to the Top

Monte Ahuja's journey from financially struggling student to creator of a half-billion-dollar firm that dominates its industry is one of Northeast Ohio's brightest success stories. Along with his business accomplishments, Ahuja has inspired this region through his philanthropy. The soon-to-open University Hospitals Ahuja Medical Center in Beachwood is named for Monte and his family, in recognition of their \$30 million gift to UH. Ahuja is also a major benefactor of Cleveland State University, which named its Business School building after him.



Réka Barabás, TiE Ohio

Ahuja says his generosity stems, in part, from his gratitude towards the Northeast Ohio community that embraced him as a young immigrant and the CSU professors who encouraged and supported him during his studies.

Ahuja's entrepreneurial talent and vision spawned an enterprise that created thousands of jobs and millions of dollars of economic vitality for this region. Experts say that attracting and developing entrepreneurs will be vital to our regional prosperity in coming years.

So where will we find the next generation of Monte Ahujas? "They are in our classrooms," says Réka Barabás, executive director of TiE Ohio, a nonprofit business organization that fosters entrepreneurship, particularly among immigrant, international, and minority entrepreneurs. "One of the strengths of our region is that we have a large concentration of higher education institutions," Barabás says. "Many talented people come here to attend school. While we wrack our brains about how to bring talent here, it turns out that education is a huge catch. This is something we need to leverage. When the talent is already here, it's much easier to get them to stay. But they all need an opportunity. They need a first job. This is where we need to focus our efforts if we are to find more people like Monte Ahuja."

For more information, visit [tieohio.org](http://tieohio.org).

to be a second-tier exporter, rather than selling directly to a foreign market. In that case, you'll want to use an export firm, whether it's based in Miami or New York or elsewhere. Fortunately, a lot of background work can be accomplished on the Internet. Through the power of the Internet, you can accomplish much of the legwork right from your home or office. It's a cost-effective, productive, efficient method of contacting sources in foreign countries. You can also utilize the resources of government agencies such as the U.S. Commercial Service. They can help guide you through the export business.

Your strategy will depend on the product and industry you are in. Certain products will have tremendous overseas potential in some countries, but won't be a good fit in other markets. For example, if your product is consumer goods, China may be a hard sell, since they are a net exporter of those items. But if you're marketing farm equipment or products with high-tech value or a well-known brand name, you'll have a better chance of success with the Chinese.

**Neconomist:** How important is exporting to a small company's growth?

**>AHUJA:** If your product has a need worldwide, then international trade is almost mandatory at this point. We are in a global market. Big-cap industries understand that they cannot depend on their future and survival by selling to only one country. Now, the smaller companies are starting to take their cue. They are realizing that international markets are essential to their growth. Ultimately, export activity will make a business more valuable. You're going to create more jobs, more wealth, and more market potential.

Once you understand the exporting process, you'll find that international trade is no more difficult than working domestically, as long as you develop the right attitude about it and stay focused. Unfortunately, many businesspeople lose patience after a year.

**Neconomist:** What are the advantages of leveraging Northeast Ohio's multicultural population?

**>AHUJA:** If you're interested in doing business in a foreign market, our very large international community can be a phenomenal help because they understand the cultures of their native countries and the cultures of its people. As an example, if someone asks me about doing business in India, I can tell them how the country works and how the government works. If a Northeast Ohio entrepreneur can find a foreign-born individual who has a business background, they can be a tremendous resource. It might be a good idea to bring that person into the company on a retainer basis. ✦

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