What’s Next Move for World Trade Center S.D. After Relocating?

TRADE: Amid Financial Strain, Move to University Keeps Organization Open
By MIKE ALLEN

Friday, February 21, 2014

World Trade Center San Diego is moving to a new home at San Diego State University, but how long it stays there or continues is unclear.

The nonprofit organization that connects businesses with global trading partners, provides research on international markets, conducts trade-oriented seminars and leads foreign trade missions will transfer its operations to SDSU’s Center for International Business Education and Research, or CIBER.

That nonprofit, a part of SDSU’s College of Business Administration, provides international education and research, does language training and partners with other organizations on trade seminars.

Stephen Austin, chairman of WTCSD, said the move is the result of an evaluation on ways the organization can improve.

“The reality is that there has to be more efficiency in the way that we’re delivering services,” said Austin, a partner at Swenson Advisors, a local accountancy. “It’s like everything else in the United States. It’s time to re-evaluate and reposition it.”

That change cost the jobs of seven full-time staffers and a few part-time employees when the group closed its office at Lindbergh Field. Austin said the staffers are being assisted by the group’s board of directors and license holders to find new jobs.

Management by Committee

Samuel Kephart, WTC’s interim CEO who was appointed in November, resigned in January, and the organization is now run by an ad hoc committee of board members, Austin said.

Under the new arrangement, the WTC will be managed by Mark Ballam, the managing director of CIBER at SDSU.

“We’re going to provide leadership and oversight [to the WTC] over the next few months,” Ballam said. “The details of this are still being worked out.”

While the WTC board of directors approved the move Feb. 13, formal approval from all the entities has yet to be granted. A news statement on the arrangement said the move should be completed by March 1.

The organization’s license, granted in 1994 by the World Trade Center Association, is held by the city of San Diego, the Port of San Diego and the San Diego County Regional Airport Authority.
Ballam said the WTC board, of which he is a member, decided the organization’s business model needed to change in light of the way business is conducted globally today.

“The model for the organization is based on how business was done 20 years ago, and that’s changed dramatically,” he said.

Asked whether the WTC may be shuttered, Ballam said it’s unlikely that it will dissolve.

“The license holders and the board all have indicated how much they believe the World Trade Center is an asset to the community,” he said.

**Move Prompted by Finances**

Ballam said that the WTC intends to conduct two trade missions to Australia and Germany this year, as well as engage in activities related to the Global San Diego Export Plan.

The latter plan, involving a consortium of local government agencies, is an effort to increase the San Diego region’s exports. The plan was funded by JPMorgan Chase and the Brookings Institution, a Washington, D.C., think tank.

Matt Andersen — director for the San Diego office of the U.S. Commercial Service, part of the Department of Commerce, and a WTC board member for 12 years — said the WTC’s move was prompted by its financial situation.

“It’s been struggling, like many nonprofits,” Andersen said. “And there’s been struggles on the city side.”

“With this solution, we’re keeping the World Trade Center in San Diego,” he said. “If the organization had to file for bankruptcy, it would have lost its license.”

WTC’s roughly $1 million annual budget comes from about 60 percent private funding and 40 percent public funding, Austin said. The WTC has about 300 members who pay annual fees ranging from $500 to $5,000, depending on each business’ size.

SDSU’s CIBER was founded in 1989 as one of the first such groups aimed at helping U.S. businesses in international trade research and education. The local program is one of 33 centers nationally, all of which are based at universities’ business schools. The center’s funding comes from the U.S. Department of Education.

“The overall mission [of CIBER] is to improve the United States’ competitiveness overseas and do it mainly through educational programs,” Ballam said.