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Nikolaus Kimla

# TRADE: A TIME FOR WAR...OR PEACE?



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# Forward 2025

With the advent of Donald Trump's reelection to the presidency, we are re-releasing this e-book about trade, with a new forward and updated information about Pipeliner CRM. Trade has become a hot topic in the first few months of Trump's second term.

This e-book was written shortly after Trump was elected in 2016 but before he began his first term. We really had no idea how his presidency would go.

Given the nine years since we wrote this book, we can now look back with some insight. In Trump's first administration, we had a very strong economy before COVID-19 hit us. The title of this e-book is Trade: A Time for War...or Peace? We can look back and see that Trump's first administration did not lead to trade wars.

## Understanding World Trade

Nine years later, we can see, as we were able to see then, that few people have an understanding of really technical subjects. For example, many people watch the Super Bowl. They see tens of thousands of fans in the stadium, but then over 100 million watch it on television. Very few understand the technology required to bring that game to all these television viewers. Likewise, most people don't fully understand how a rocket can be launched into space, and then returns safely to Earth.



In a similar way, few really understand how the global economy or world trade functions. The only thing we know today is that all countries are intertwined.

## Unfairness of Trade Agreements

Despite this lack of knowledge, people still become quite emotional when someone points out the lack of fairness in trade agreements. And they're actually right—trade agreements are usually not fair between any two nations.

Our company and our product, Pipeliner CRM, is based in the Austrian School of Economics. The Austrian School most definitely favors free trade agreements—free trade with minimal government intervention. We know, however, that today's reality is quite different and that most countries do not actually favor free trade.

We need to challenge this and ask the question how we can get to fair trade agreements and what is preventing this? Let's say that one country has high tariffs and another country with which the first country is trading has almost no tariffs. I completely understand how people could see that this isn't logical let alone fair. The question, again, is, what should be the right approach in such a situation? And why is it so critical that we come to a non-tariff, free trade agreement standard in the long term? I see this as one of our greatest immediate problems to solve.

The media constantly takes one side or the other when it comes to trade agreements. They don't objectively consider what is the best solution for both sides, for all concerned. And I'll make another assumption here: Artificial Intelligence (AI) would be the wisest mechanism for devising a fair-trade agreement between two particular countries because it would be done without the interference of special interest groups trying to maneuver things one way or the other. AI, I would assert, is fast becoming more intelligent than most humans. Take medicine, for example, AI already can produce faster and more effective treatments.



## Reciprocal Trade Agreements

The current Trump administration has proposed reciprocal trade agreements. That is the only idea currently on the table so that truly addresses the needs of both parties: reducing tariffs on one or both sides in order to achieve a balance.

The Austrian School of Economics supports a reciprocal trade agreement if it leads to Country B lowering its tariffs without requiring Country A to impose any new restrictions, thus moving towards the goal of open markets. Austrian economist Murray Rothbard notes, "Tariffs injure the consumer within the 'protected' area, who are prevented from purchasing from more efficient competitors at a lower price," highlighting the Austrians focus on consumer welfare.

Promoting free trade would be the best solution for all countries. However, there are always some special interest groups that want to prevent certain products from being imported into their country. In their eyes, this protects their country, or more accurately their own interests, because consumers won't pay a higher price for the imported (tariffed) product. Consumers will usually buy the less expensive product, even if they have to settle for lower quality.

Looking back over the last nine years, I believe that the current administration doesn't want to start trade wars but instead wishes to bring parties to the table to negotiate fair, or at least fairer, trade agreements. Therefore, the first step would be a reciprocal trade agreement—bringing parties to the table to work out the details together for their mutual benefit.

What would happen if a reciprocal trade agreement was not possible because, let us say, one country was unwilling to negotiate tariffs with us? The question becomes: Should we lower ours or push it to the same level as the other side who won't lower theirs? This is the difficult decision we are facing right now.

I cannot predict which way it will go, but I will say it needs diplomatic efforts to bring parties to the table and explain the benefits that free trade brings to the economy, efficiency and consumer gains.



## Violation of Principles

The Austrian School of Economics is built on economic principles that cannot be violated without paying a penalty. Free trade is one such principle and is the best way for international trade to operate.

The [Austrian School of Economics is founded on actual economic principles](#). These include subjective value, minimal government intervention, free markets, individual liberty, spontaneous order, and others, which you can read about at the above link.

Do individuals violate principles? Certainly. Someone jumps from a bridge—that violates a principle, and the penalty is severely injury or death. Likewise, if you stop breathing, you violate a vital principle of keeping a body alive.

While reciprocal trade agreements are not optimal, we don't live in an ideal world, so they would be next best option. I believe that Trump is trying to attain these kinds of agreements by imposing tariffs. He is taking a strong position to bring others to the negotiation table. Is it working? Last week, the Argentinian president stated he would seek a free trade agreement with the U.S. in 2025. You be the judge.

If we had free trade agreements throughout the world, we would have unbelievable prosperity. However, not everyone agrees with this because countries seek to protect their own interests. This protection results in tariffs.

With this updated view, the information in this e-book is still quite relevant. See what you think!



# Introduction

Why is trade so important, and why has a company that produces a CRM solution gone to the time and trouble to create an ebook about trade?

Let's take a look at some recent expert comments about trade:

*"Free trade has become even harder to sell to a public perceiving a competitive threat from developing countries. Trump denounced the Trans-Pacific Partnership pact between the US and 11 Pacific Rim countries, and the North American Free Trade agreement with Canada and Mexico.... No one countered that US consumers, including many Trump voters, bought cheap goods at Target and Walmart thanks to efficient global supply chains and cheap labor in the developing world. " Financial Times Weekend, 12/12/2016 Life & Arts Page 1.*

*"The president-elect announced the creation of a new National Trade Council inside the White House to facilitate industrial policy, and named an ardent skeptic to trade with China, economist Peter Navarro, to head it." Wall Street Journal, 12/22/2016 Page 1*

While trade is a very hot topic at the present time, we're certainly not experts on the subject. We can only point out the key issues, state that this is our observation, and indicate that there are some key issues people need to better understand. We also support the idea that the new presidential administration has selected a person from an academic background, as opposed to a political one, to head up the National Trade Council.

In answer to why Pipeliner is creating an ebook about trade, it is really quite simple: Ours is a software solution that empowers sales—and trade is the core of sales, and is the core of economics as well.

## Make Trade, Not War

As many of my readers know, my philosophy—as well as our product, Pipeliner CRM—is based in the Austrian School of Economic Thought. As stated by the Austrian School founding father Carl Menger, trade has a peacekeeping component. This has never been more evident than it is now.

The world has changed dramatically. I truly believe that large-scale war—something we saw far too much of in the 20th century—is not something that is likely to occur again. Unfortunately the reasons are not necessarily humanitarian, but much more practical and financial.

First of all, nobody can afford it. Most countries are so far in debt that there is no hope whatsoever of eliminating that debt in anyone's current lifetime. Wars are tremendously expensive and, as we have all too painfully discovered, have no return on that titanic investment except destruction.



Photo Source › The new Tom Bradley International Terminal at LAX. Source: [Daily Breeze](#)



Another reason we're not likely to see great wars again anytime soon is that they are the direct enemy of something most countries have heavily invested in: tourism. Today there are 49,000 airports worldwide supporting millions of scheduled flights. Countries want visitors to see their natural wonders, experience their cities, sample their cuisine, enjoy their nightlife—and buy their products. There were some [3.7 billion air travelers in the year 2016](#). This figure has grown by an astounding 1 billion travelers just since 2012. This has an increasingly profound impact on trade the world over.



Photo Source › iStock

The first economic fatality of war is tourism. A notable example is Lebanon—before its devastating civil war began in 1975, it was a country of renowned prosperity, centered on tourism, agriculture, commerce and banking. Its capital, Beirut, attracted so many tourists it was known as the “Paris of the Middle East.” The war lasted for 15 years, and Lebanon has never regained its previous highs.

Another more recent example is Turkey. For at least a century Turkey was a major resort destination, with world-class beach resorts and 2 out of 7 wonders of the ancient world. But because of the recent terrorist outrages (including one at the international terminal of Istanbul Airport) plus the coup attempt last year, tourism has dropped dramatically as people are afraid to travel there.

## A Global Economy

Another reason for this ebook is that salespeople, sales leaders and organizations must have a firm understanding of trade because of today's global economy. Many companies are now conducting business in more than one country. The world is headed in this direction and there is no turning back. Between countries there are trade agreements, many

of them quite complex. Without understanding the basic philosophy behind them, and staying current on them and their changes, sales strategies of companies can go adrift and fail.

For example, currently the US and the EU are negotiating a trade agreement known as T-TIP (Transatlantic Trade and Investment Partnership). Another trade agreement has been signed very recently between Canada and the EU and is known as CETA (Comprehensive Economic and Trade Agreement).

These agreements are in a state of flux, however. T-TIP is being protested all through Europe. CETA was not put to a popular vote, and now there is speculation that it will not be ratified by a number of local parliaments and so will in the end be undone. Also, as we'll go into more below, it is becoming clear that President Trump will not be backing these agreements for a number of reasons.

If your company does business with Great Britain, the conditions of that business interaction will be drastically changing in the future. Great Britain has announced its intention to withdraw from the European Union (a move known as "Brexit"), which means that any country that has a trade agreement with the EU will *not* be able to trade with Great Britain under those same conditions.



Photo Source › [Global Justice Now](#)

As if that doesn't introduce enough complication, Scotland has threatened to leave the United Kingdom of Great Britain if Britain follows through with leaving the EU, because Scotland would rather remain with the EU. And several banks headquartered in London have also threatened to leave the UK over Brexit.

If you are a member of a sales force that only operates locally within one country, then perhaps an understanding of trade agreements isn't important. But for anyone else, it is very much in the interest of your company to stay current with trade agreements.

## Why Rules and Regulations

There are those who assert that we don't need these complex trade agreements—we should just be able to freely trade.

There is a simple natural law at work here: if there is to be order, there needs to be regulations. Regulations relate to order in all processes. If someone has an understanding of these regulations, they can work within them and apply them.

Some assert that such regulations actually reduce opportunity, but a closer look tells us that is far from true. When a trade agreement is set up and conducted correctly, it reduces taxes and tariffs that affected goods traded between the two parties prior to the trade agreement. Such an agreement actually broadens the variety of options in opportunities and goods and services traded.

These regulations can be complicated and difficult to understand. An individual or company can of course hire someone—usually at an exorbitant rate—to understand the regulations *for* them. But it is far better that people take the time to understand the subject of trade, and trade agreements, themselves, so that they know when things are being done correctly and when they're not. It is far easier for someone to make decisions with their eyes open and a clear view, than with their eyes firmly shut and relying on some else to see for them.

You could view trade agreements in the same way that railroads were viewed when they were introduced: they greatly speed things up. Before

railroads, it took weeks to simply ship something from the East to the West Coast of the US. Railroads cut this time down to days...and of course air cargo cut it down to hours. Trade agreements have the same impact on trade between countries by eliminating red tape.

## Fairness of Trade

At the same time, however, trade agreements must be fair to both sides of the agreement.

English philosopher and political economist John Stuart Mill said that certain forms of taxes amount to “legalized robbery.” Looking closely at some of the recent trade agreements, they could be said to be “legalized robbery” also, for one side. For example, President Donald Trump will not be moving forward with the proposed Transatlantic Trade and Investment Partnership (T-TIP), between the European Union and the United States, because the agreement contains a back door that allows illegally subsidized products from China to enter the US with no tariffs at all. The US loses in this agreement, both in jobs and in its own products.



Photo Source › [Thomson Reuters](#)

As professor William L. Anderson of the Frostburg State University wrote “Trump’s economic Waterloo, however, is trade. Trump has always prided himself on negotiating and deal making, yet



unencumbered trade does not need the US Government cutting ‘deals’ with other nations. It needs the government to get out the way.” — *The Austrian*, a publication of the Mises institute, Vol 2. 2016, P.7. With all due respect, I would disagree with Trump’s critic here, because we need the state *and* the business world involved to negotiate better trade agreements.

For trade to succeed in the long run, players must be more or less on equal ground. Otherwise it can become a politically complicated situation, such as the one which is currently building between the US and China. Today’s trade situation between these two countries, for the most part, is not fair, as has been pointed out by President Trump—the U.S. imports from China far outweigh exports to China. We’re not necessarily saying that Trump will fix the problem or make it fair—we’re just pointing out that there is a big imbalance.



Photo Source > [truthuncensored.net](https://truthuncensored.net)

Another major argument for fairness of trade is simply to look at what trade has caused in the last 40 years. Some countries have been ruined, and others have been economically damaged. In Bangladesh, a country that relies principally on textiles and garment for export income, thousands of textile workers have been laid off for striking for higher wages—€150 instead of €70 per month. Worker health and sometimes fatal working conditions have been an issue in Bangladesh for many years.

Of course, somewhere in all of this fairness or unfairness comes the consumer. If the consumer refused to purchase illegally subsidized foreign-made goods, or goods that were manufactured with unfair working conditions, the markets for them would soon dry up and it would no longer be an issue.

As we said above, trade has a peacekeeping component. But if one side consistently loses, that peace won't last long at all.

## The Present and Future Cloud

It is interesting that a form of totally free trade has indeed arisen with the evolution of cyberspace—the cloud. The cloud has an innate quality of removing borders. There quite literally are no borders in the cloud, where today an ever-increasing amount of business is taking place. Pipeliner is a cloud-based company, and anyone, anywhere in the world, can download and use our software.



Photo Source > [Bioversity International](#) (by: C. Fadda)

The cloud also has a democratizing effect—it is only driven by the customer, their needs, wants and desires. Any company of any size can enter the cloud and can actually have the same power as a company ten times its size.

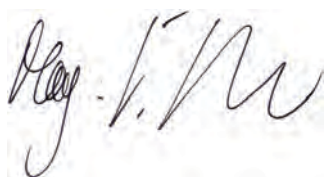
There have been attempts, and will likely continue to be attempts, to constrict the cloud with taxes and other kinds of regulations. But we should all fight for keeping it free—as trade was in the very beginning.

## Importance of the Sales Professional

I have always said that sales is the most important profession in today's world. It is at the forefront any company's effort to do business, to trade. For that reason we produce the world's most visual and intuitive CRM solution—Pipeliner CRM.

We want sales organizations to succeed and thrive. Hence, with this ebook, we are providing an understanding of trade, its importance, and how you can succeed with it.

Since trade is such a forward-facing topic today, we're going to start with looking back into the past, examining how trade originated on Earth, and how it has evolved into the present.



Nikolaus Kimla  
CEO of Pipeliner CRM





*"Freedom is indivisible. As soon as one starts to restrict it, one enters upon a decline on which it is difficult to stop."*

– Ludwig von Mises





## Chapter 1

# A Brief History of Trade

Before we explore what trade means in today's world and economic climate, let's take a brief look at its considerably rich history.

Why do people trade? It is the difference between humans and animals. Everything comes out of human action, as demonstrated by Ludwig von Mises, one of the founders of the Austrian School of Economic Thought. Each action is a form of a decision—a decision to do something or to change something.

Since we obviously cannot cover the entire history of trade in a single chapter, I've provided two links at the end of this chapter for anyone that wishes to explore the subject in more detail.

## Ancient Times

Trade in its most basic form is the exchanging of one kind of goods for another—also known as *barter*. Evidence of this kind of trade exists throughout much of recorded human history. For example, obsidian was heavily traded throughout ancient times, as it was a preferred material for the making of cutting utensils and tools. Another heavily

traded item was lapis lazuli, a deep blue semi-precious stone prized for its color. These items would be traded for goods in exchange.

In any deep analysis of trade, rudimentary times are carefully examined. A common model for the Austrian School of Economic thought is the famous 18th-century novel *Robinson Crusoe*, by Daniel Defoe. This novel is used to illustrate the theory of production and choice in the absence of trade, money and prices. Later in the story we're introduced to the choices of trading, but all of this is the type of trading that was conducted back in mankind's beginnings.

## Medium of Exchange

Very early on it was found that straight barter could be very inconvenient, and subject to a great deal of interpretation in terms of value. Hence mediums of exchange came about—a good or service was worth so much gold or silver. Banks and countries evolved their own currency based on gold and silver as time went on, and trade relied upon these. Paper money dates as far back as ancient China—notes issued based upon quantities of precious metals on deposit at the issuing bank.



Photo Source › [Overhead Compartment](#)



## Middle Ages

Trade played a significant role in the middle ages, especially with the famed Silk Road. For over 15 centuries, this network of trade routes connected the East and West, from China to the Mediterranean.

The Silk Road has a fascinating history, from the first main artery the Persian Royal Road established around 500 B.C. Alexander the Great, and then the Greeks, each played roles in expanding the routes. While many different kinds of merchandise traveled along these routes, the network gets its name from popularity of Chinese silk in the west, particularly in Rome. At its height, the Silk Road routes stretched from China through India, Asia Minor, up throughout Mesopotamia, to Egypt, the African continent, Greece, Rome, and Britain.

It is incredibly ironic that the Silk Road region, once the foundation for peace throughout the civilized world, is now the world's greatest area of social, political and economic turmoil. Everyone involved should take a look back at the Silk Road's roots—it was the first instance in history of international cooperation.

In another interesting turn, China is proposing a new Silk Road, through an initiative called One Belt, One Road, that potentially ties together 56 countries in trade.

## Sailing Ships

The Age of the Sail came about in the late 15th century, and greatly broadened the horizons of trade. Sailing ships began carrying spices from Asia around Africa's Cape of Good Hope, into Europe, bypassing land routes that had become heavily controlled. Ships made it possible to develop trade links across both the Pacific and the Atlantic oceans, and opened up trade with the native peoples of the Americas.



## Into Modern Times

Free trade came to prominence in the 19th century, based mainly on national advantage: a calculation was made to determine the advantage for a country to open its borders to imports.

In the 20th century, free trade was brought almost to a halt by the Great Depression, which lasted from 1929 until the late 1930s. In the US, the effects of the depression were finally halted by the outbreak of World War II.

After the end of the war, the General Agreement on Tariffs and Trade was established. Much of the language of this agreement still exists and is the foundation for today's World Trade Organization. The WTO deals with regulation of trade between 164 participating countries by providing a framework for negotiating trade agreements, and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements, which are signed by representatives of member governments.

## Further Trade Agreements

The European Union was formed beginning in 1992, and ultimately made it possible for 28 member countries to trade freely with each other through an internal single market, a standardized system of laws and a single currency, the Euro.

Other major trade agreements have come about since the formation of the EU. A notable example is the North American Free Trade Agreement, or NAFTA, signed in 1994, which is an agreement between Canada, Mexico and the United States. Its goal is to eliminate barriers to trade and investment between these countries.

In the last few years another agreement has been on the negotiating table, the Transatlantic Trade and Investment Partnership, or T-TIP. T-TIP is being negotiated between the U.S. and the EU. Another, called the Comprehensive Economic and Trade Agreement (CETA), was recently signed by EU and Canadian leaders, and is a tentative free-trade



agreement between those two entities. but has yet to be ratified by member parliaments.

Both T-TIP and CETA have been subjects of heavy protest on both sides of the Atlantic, and there is speculation that some of the member parliaments of the EU may refuse to ratify CETA.

President Trump has already spoken out against many of these trade agreements, so they could definitely see modification or even eradication and replacement.

## Correlation to Pipeliner CRM

What is the correlation of Pipeliner CRM to the development of trade in the world? It's simple: Pipeliner is made for, sold into, and used in the global market. We have a universal tool that we are constantly expanding.

Pipeliner is already part of international trade. Our software is used in 34 countries, and every month, another country is added. Our software makes it possible to calculate and track opportunities in many different currencies in a number of different languages.



Photo Source : [eheraldpost.com](http://eheraldpost.com)

In developing Pipeliner, we strictly [abide by both European and American data protection laws](#).

The trade agreements we are speaking of make it possible for our customers, on both sides of such agreements, to successfully use our product and conduct business. So we have a vested interest in helping people understand the subject of trade.

Now that we've explored the history of trade up to the present, let's take a look at how trade is moving into the future.

## For Further Understanding

To learn more about the history of trade, check out the [Wikipedia article on trade](#), which provides a considerable background.

You can also learn a great deal from [this article](#) that illustrates the inter-relation between trade and the whole subject of economics.





*It is easy to be conspicuously  
'compassionate' if others are being  
forced to pay the cost."*

– Murray N. Rothbard



## Chapter 2

# Liquidity and Currency

Before there was money, there was simply the exchange of goods. This became impractical, especially when it came to large items being traded. It made much more sense to have a medium of exchange.

Money of course came about in ancient times, and was usually made of rarer metals such as copper, or precious metals such as silver and gold. The Roman Empire caused problems with their currency by making it increasingly less valuable by removing silver or other precious metals from its content, yet maintaining its face value.

It was in ancient times that bank notes, based on precious metals deposited in a bank, began being used as a substitute for actual gold or silver. This system eventually evolved into central banking systems, in which a country's precious metal assets are deposited in a country's central bank and paper money is issued against them.

Paper money systems further evolved to where most of them are today: money is no longer backed by precious metals—it is only backed by confidence. Most countries in the 20th century, including all major world economic powers, issue paper money that is not backed by anything except citizen trust. As long as we trust that the money we are using has



value, it will. This issue is the source of considerable debate between “hard-money” advocates such as the Austrian School of Economic thought, who believe that money should be backed by a commodity such as gold or silver, and others who maintain that our current system will continue to work.

But we’re well beyond paper currency today. In addition to bank notes, in the last 50 years, we’ve seen the rise of different types of currency—and more are surely on the way. Of interesting note is that each of these, in their own way, facilitates trade to be even more efficient.

## Credit Cards

Although credit devices, including cards, began appearing as early as 1921, the actual credit card, with which the bearer could charge items or services from different merchants, appeared in 1950 (the Diner’s Club). This card was followed by Carte Blanche and American Express in 1958. 1958 also brought the very first bank-issued credit card, the BankAmericard, issued by Bank Of America.

The many advances in computerization over the years made credit cards increasingly more cost-effective for companies to issue, so today there are many of them available. Banks also began issuing debit cards so that people could simply use them like credit cards, and payment would be immediately debited from their bank accounts.

Today both credit and debit cards have become much more common than actual cash. A card can be used anywhere in the world, and is more convenient—not to mention safer—than carrying cash.

## PayPal

With the proliferation of the World Wide Web in the mid-1990s, it was only a matter of time before an online money transfer service was developed. And in 1999 this came to pass, as PayPal was launched. This meant that money could be easily transferred online, without an additional vehicle such as a check or money order.

PayPal was a huge success. Elon Musk got involved in 2000, and was instrumental in taking PayPal public in 2002. Within a few months of its IPO, PayPal was acquired by eBay for \$1.5 billion.

PayPal has become a “currency” in its own right. In 2014, PayPal moved \$228 billion in 26 currencies across more than 190 nations, generating a total revenue of \$7.9 billion.

## Bitcoin

Probably the most intriguing currency invented in recent times is the bitcoin. Bitcoin is technically referred to as *cryptocurrency*. It is virtual digital currency that is protected by cryptography so it isn't forged and creation of additional units is limited.

Bitcoins have been amazingly successful—as of February 2015 the number of merchants accepting bitcoin as payment exceeded 100,000. Official institutions such as the European Banking Authority have warned that bitcoin users are not protected like the users of government –backed currency would be, with rights such as refunds or chargebacks.



Photo Source › [Freeformers.com](http://Freeformers.com)

What draws many to at least try the bitcoin method is the fact that there is no intermediary such as a bank or central authority: bitcoins are directly traded between individuals. Their value has been incredible—as of this writing, the bitcoin exchange rate in US dollars is \$1,009.29 to 1 bitcoin.

Microsoft founder Bill Gates recently said, “Bitcoin is exciting because it shows how cheap it can be. Bitcoin is better than currency in that you don’t have to be physically in the same place and, of course, for large transactions, currency can get pretty inconvenient.” Gates has also stated that digital currency (but not bitcoin) is an excellent banking tool for the poor. This is because it’s not financially worthwhile for banks to open branches in which only small amounts will be deposited and withdrawn.

Recently I was picked up by an Uber driver who told me that his regular job is trading in bitcoins—it’s actually how he makes his living. He told me that there are now people using bitcoins to make large purchases such as homes and automobiles.

## Future Liquidity

What will the future bring us in terms of liquidity and currency? Time will tell—but it’s certain that the methods which succeed the most will be the ones that facilitate trade.

## Pipeliner CRM

With Pipeliner, we are doing our best to stay current with current methods of liquidity and currency.

We offer every form of payment method for our customers: credit card, bank transfer, in Euros, Pounds Sterling and US dollars. We always have our eye on expanding the types of payment we take—for example we recently began accepting PayPal.

Within the application we support US dollars, Euros, Pounds Sterling, Swiss Francs, Japanese Yen and many more, as we have users all over the world.





*"Money is not an invention of the state. It is not the product of a legislative act. Even the sanction of political authority is not necessary for its existence. Certain commodities came to be money quite naturally, as the result of economic relationships that were independent of the power of the state."*

*– Carl Menger*





## Chapter 3

# Trade and Complexity


As mentioned earlier, there is considerable complexity in today's international trade. But it should be pointed out that despite their complexity, trade agreements are crucially important. Without them, today's global economy would not function. This is the reason why President Donald Trump made trade one of the core themes of his campaign, and why he has created the National Trade Council, appointing professor Peter Navarro as its head.

We cannot go back to some blissful time-gone-by—we have a world economy and must function within it. We cannot solely take the view of the world from one country, as we might have been able to do 200 years ago. There isn't one winner and one loser; there are many, many different entities involved. We are all interconnected, and any effect created either economically, environmentally or otherwise affects all of us across the world.

Let's take a more in-depth look at this complexity, and how we can possibly deal with it.

## Regulations

Much of this complexity has to do with regulations—and it's interesting the measures some companies have taken in trying to either deal with such regulations or work around them.



The most famous recent example of trying to skirt regulations is of course the Volkswagen emissions scandal of 2015. Volkswagen was found by the EPA to have intentionally programmed their turbocharged direct injection (TDI) diesel engines to activate certain emissions controls only during laboratory emissions testing.

There are tight regulations on just about every area of manufacture and production, that directly affect trade. On everything sold we see bar-codes, long lists of ingredients, and even methods of production. These can have a direct impact on who purchases and for how much—and different governmental departments also regulate goods and services based on what goes into them.

As we move into an increasingly global future, labels such as “made in Japan,” “made in China,” or “made in the United States” will have a profound effect, depending on how goods are produced in these areas. For example China is now coming under heavy criticism for the lack of environmental and worker care in their manufacturing, and also for some of the ingredients used in their products.

It should be pointed out, however, that consumer maturity should have an impact on the sale of potentially harmful products. Any consumer that is careless of what they eat or consume only have themselves to blame. In an effort to pay deep discount prices for food or other goods, if a consumer then is adversely affected, they can hardly blame society for not taking care of them. Right in their hands they hold the power—in the form of their own money—to eradicate a market for such goods.

So regulations are correlated to the responsibility of the consumer.

## Over-Regulation

Of course it can also happen that regulations go too far, and make it impossible to function. Regulations should be balanced so that they actually regulate trade, while at the same time allow it to occur as easily as possible.

## Taxes

The most prevalent regulations within trade are taxes—and it is taxes that trade agreements tend to reduce or eliminate altogether. One standout example is the VAT (Value Added Tax) seen throughout the European Union. In countries of the EU, if one company sells a product to another, the company making the sale charges VAT on the purchase, usually in the neighborhood of 20%. The company that received the tax must submit it to its government, and the company that paid it has ways it can get it back.



Photo Source › iStock

This isn't true if the company doing the selling *isn't* part of the EU—the company making the purchase cannot get a refund on the VAT. Hence it can be very difficult for a non-EU company to sell into the EU. At Pipeliner, we solved this problem by having an entity within the EU so that companies purchasing from us can be refunded the VAT.

There is also a tremendous fraud happening with VAT, which again requires regulations. There are criminals that manipulate the system and get 20 percent in exchange for nothing at all.

We're not saying that the 20% VAT rate is right or that it helps businesses—we're just pointing out how it works within the framework of the EU.

There are other ways in which taxes have profound implications on trade, such as import and export taxes.

## The Complications of Brexit

While in some ways Brexit may have seemed like a good idea, as far as commerce goes it could potentially run into difficulties. Currently there is free trade between, for example, Britain, Germany and Austria. Once Brexit actually happens, though, that free trade will be gone. Britain will have to charge Germany and Austria VAT which those countries will not be able to recover. Since Britain is no longer under the EU and as such is not part of EU's trade agreements with other countries, Britain is going to have to negotiate separate trade agreements with countries or economic unions throughout the world.

Of course all of this has yet to come about, so all of the actual economic effects remain to be seen. Because existing trade agreements are so complex, 6 months after formally announcing their intention to leave the EU, Britain has yet to take the first step in actually doing so.

## Need for Stability

Before trading with an entity such as a country, there does need to be some evidence of stability. For example, you would want to think twice about dealing with a dictatorship such as North Korea, as there is no free market there and purchase decisions can be changed on a whim. You might negotiate a shipload of goods to be delivered to North Korea—but after only part of the shipment had been unloaded, the North Korean government suddenly decides not to do business with you. You're out the goods that have been unloaded, and most likely your payment.

So in conducting international trade, be aware of where your customers are located, and if they are in stable or unstable countries.



Outside of countries there are also transport lines, the infrastructure of trade, such as railways and shipping lanes. If they are constantly under attack, such as those of Somalia a few years back, this has a very negative effect on trade. The American Navy has been brought in in several instances to bring stability to physical trade routes.

In another example, President Trump has stated his desire to renegotiate the North American Free Trade Agreement (NAFTA) that is currently in effect between Canada, the US and Mexico, as well as other trade agreements he contends have crippled the US economy. It also appears that the Transatlantic Trade and Investment Partnership (T-TIP), which has been under negotiation for 3 years, will die a quick death under President Trump.

## Difficulty of International Trade

The difficulty and complexity of international trade can be seen in the very low number of American companies that trade internationally. According to the [International Trade Association](#), less than 1 percent of America's 30 million companies export. Perhaps because of the complexity, some don't even want to try.



Photo Source > [TGDaily](#)

According to President Barack Obama, the U.S. is growing in exports. Unfortunately, however, that's only one side of the coin. Imports actually far outpace exports—there is an enormous deficit between them, most pronounced when it comes to China. In 2015, the U.S. trade deficit with China was \$365.7 billion, created because U.S. exports to China were only \$116.2 billion while imports from China were \$481.9 billion. In comparison, while there is still a deficit between the U.S. and Germany, that deficit is only \$6.7 billion.

Of course, there's a real problem in the lack of company participation in trade agreements. Trade agreements are currently negotiated by government bureaucrats, and the people who operate and work in companies are not involved in them. It's no surprise, then, that companies have major issues with trade agreements. We welcome the fact that President Trump has appointed a non-politician, Peter Navarro, to head up the National Trade Council, although the future will obviously show how this decision impacts trade.

## Cybernetics

So how do we deal with all of this complexity?

Fortunately an entire science was developed precisely for the purpose of approaching and understanding complexity: cybernetics. In fact, it was referred to by W. Ross Ashby as the “science of simplification.”

World-renowned management author, expert and consultant Fredmund Malik had this to say about cybernetics:

*“It is not without reason that the name cybernetics addresses a functioning of complex systems and their irregularities. The word comes from the Greek kybernet which translates to helmsman. There is no helmsman who steers his ship using his own physical strength—quite the contrary. A helmsman will always take advantage of the forces provided by the waters and the weather by correctly assessing the power, adapting to them and taking advantage of them for his purpose. In the cybernetic sense, governance means organizing the system in such a way that it can organize and regulate itself as far as possible.”*

Technology today has also become highly complex, and in dealing with that we bring in people who understand it and who can simplify it for us. In a similar way, the subject of cybernetics can assist us in simplifying the complexity in business and trade.

Cybernetic principles can help understanding the issues in bringing about fair trade agreements.

## Pipeliner CRM


What has Pipeliner to do with trade and complexity? Everything—because today we have companies throughout the world that utilize Pipeliner in selling their goods and services. It is crucially important that you have a technology such as Pipeliner in place to assist you in dealing across international boundaries, with multiple currency types and different regulations for every industry.

For example with Pipeliner, we have to comply with data protection regulations in both the US and Europe. You cannot sell a product such as ours to European customers and have data residing only in America—you must have data centers in Europe as well.



Photo Source › [Pipeliner CRM](#)






Pipeliner CRM is the very first CRM solution built upon cybernetic and business principles based in the Austrian School of Economic Thought to help companies throughout the world navigate complexity. With its completely visual, intuitive functionality, Pipeliner helps sales organizations and companies navigate today's complex sales landscape.

Pipeliner provides numerous views of a company's sales pipeline: the list view, the filter view, the compact view, the bubble chart view and the pipeline view. We do this because we believe there is not just one right view—people have different ways of thinking of and considering data, so all must be taking into account.

In trading with other countries and economic unions, a company must utilize extremely flexible processes so that they can change whenever regulations, tax schedules and processes change. It is for this reason that we made Pipeliner CRM extremely flexible so that a company's processes can be easily changed when needed. Both customization and visualization are flexible.



The background is a dark blue field with a glowing, translucent wireframe grid that resembles a mesh or a net. A large, dense cluster of small, multi-colored spheres (in shades of orange, yellow, green, and blue) is positioned in the center-right, appearing to be caught or moving through the grid. The overall effect is one of digital complexity and interconnectedness.

*"The phenomenon of economic ignorance is so widespread, and its consequences so frightening, that the objective of reducing that ignorance becomes a goal invested with independent moral worth."*

– Israel M. Kirzner



## Chapter 4



# What Trade Needs to Be Today

As we went over in the previous chapter, individual companies are not involved in the formulation of trade agreements between countries. This should be reconsidered in the future, as it is businesses that must abide by these agreements. More precisely: There should be a structure in which companies—and not just the big ones—at least have some access to collaboratively participate in the process. Today nobody knows anything about these agreements until they're launched, after years of being drafted behind closed doors, and they must simply be accepted.

Those who do formulate these agreements—government staffers often serving a nation's top leaders who conduct the actual negotiations—may or may not ever have been involved with business. If for some reason the trade agreements are changed, as may well happen with the new US president, it could mean that a company's commerce is entirely cut off.

How should trade agreements be created and negotiated, if not solely by the state? In my opinion, the best solution has been proposed by Mariana Mazzucato in her book *The Entrepreneurial State*. In this book Mazzucato writes: “...we have...a case for a target proactive entrepreneurial state—one able to take risks and create a highly networked



*system of actors that hardens the best of the private sector for the national good over the medium to long-term horizon.*

*“It is that policymakers have not been ambitious enough to demand that such support be part of a more collaborative effort in which the private sector also steps up to the challenge.”*

Mazzucato is proposing that the state and private sector work hand-in-hand—which is the best of all possible solutions. It is a synthesis of the state and private business, and is a collaborative process.

## Backing Up Company Management and Salespeople

But it isn't just the company that's left out in the cold by the high-level government bureaucrats (most often at the presidential and prime minister level) who are negotiating these trade agreements.

Within the company, it's actually management and sales management (which in turn advises sales reps) that must operate within the confines of these trade agreements. For that reason sales management must have total backup, in the form of tools and information, in thoroughly understanding these agreements.

In addition, it takes a new kind of salesperson to truly function in today's global commerce. Just as it takes an entrepreneur to found and run a company, it takes that same kind of mentality to really succeed as a sales rep. Years ago I pointed out that salespeople really need to become "entrepreneurs within the enterprise"—or, the word I coined, *salespreneurs*.

At the end of the day the salespreneur must abide by rules already laid down. They must accept them, with no influence to change them. Their entrepreneurship is limited to the boundaries of the trade agreements, or they break the law. Hence they must have a full working understanding of trade agreements.

## The Global View

Salespreneur, company, and state: *all* require a global view. Trade agreements assist this. The internet has given us a real global view—in many quarters, taxes are not charged on the internet because the internet is global. This concept clearly demonstrates to us that goods and services sold across the world with few to no barriers creates prosperity.

The internet provides us with the view that a system of no borders succeeds best when there are valid rules and regulations. This should be the guideline that helps us to see that with fair agreements, everyone wins.



Photo Source > [reddit.com](https://www.reddit.com)

Shortly before World War I, we had a similar situation to what we have now. The British Empire was expanding, as was Germany, the Netherlands, France, and Austria. In fact, out of Austria at that

time—which existed in the form of the Austro-Hungarian Empire—came the Austrian School of Economic Thought.

All of these countries and empires had trade with other countries, and with their colonies. There was considerable prosperity, at least among those in power (not as much for those that were colonized). It was all brought to a crashing halt by World War I, and the results of that war and its aftermath set the stage for World War II.

## At the Core: Trade

Looking back at the time just before World War I, or any similar time in history, we see that there was a very healthy amount of trade occurring. This leads us to a fundamental truth: *trade is the heart of economic growth*. Without trade, there would be no economics. There would be no GDP. There would be no tourism, because a person travels and trades (spends money at the destination theater, museum, etc.).

Trade is the basis of our human existence, and of the progress of human existence. Without trade there would be no progress. This is why the Austrian School has made trade, and the entrepreneur who is producing something to trade, the center of everything. This is why economist and author Ludwig von Mises writes about the importance of human action, because the human that takes action is, in some form, trading.

Going a bit deeper, human action is the only possibility for change, because human action is not predictable. In the motion of human action, bad can change to good over time. A prime example is the nation of Germany, which was completely devastated after World War II, that became one of the most economically strong nations on Earth. The same could be said about Japan. When people come together in human action, anything is possible.

If I am interpreting Donald Trump's message in his Thanksgiving tour correctly, he wanted to stir people up and say, “You cannot only rely on me. It's up to you, too, to change America for the better. You have to get into action.”



## One Earth

Another fact that the internet has made abundantly clear; we are on one planet, and are all interconnected. Countries engaged in conflict with one another “in the interest of prosperity” are, when seen in this light, ridiculous. For anyone doing the attacking, it’s *their* planet, too. The economic and environmental chaos they are creating is going to come back on them also.

We can no longer be like some institutions in late medieval times when they insisted—despite the fact that Galileo was proving otherwise—that the Sun revolved around the Earth. We now know that there is no life out there, at least within any possible range of travel given current technology. “Solutions” such as traveling to Mars aren’t feasible—there is no air there, no life, no way to really survive. It’s us, right here, right now. We need to make a united stand—and frankly there are still plenty of issues here on Earth, such as universal access to clean drinking water, that need to be tackled long before we try trips to Mars.



Photo Source › [NASA.gov](https://www.nasa.gov)





*"Entrepreneurial capitalism takes more  
people out of poverty than aid."*

– Bono



## Chapter 5

# Pipeliner CRM and Today's Dynamic World of Trade

The true dynamic of Pipeliner CRM is that we basically believe, in the deepest sense, that human action can change everything.

### Fair Trade, Trust and Recommendation

Trade is at the heart of all peaceful interaction—but it must be fair and equal trade. The Network Selling illustration on this page shows exactly how fair trade is conducted, and the real benefits experienced by both buyer and seller.

You can see in this illustration that the most important ingredient for trade is trust. When we buy, we must be able to trust the seller. When we sell, we must be able to trust the buyer. And at the end of that transaction, if it is successful, comes its most crucial part: *the recommendation*. So you can see that there is a vital correlation between *trust* and *recommendations*.



We talked earlier of currencies, and the currencies for the new global economy. I'll go one step further and say that the real new currency for the future is recommendations. It is only *recommendations* through which any business, product or service will succeed.

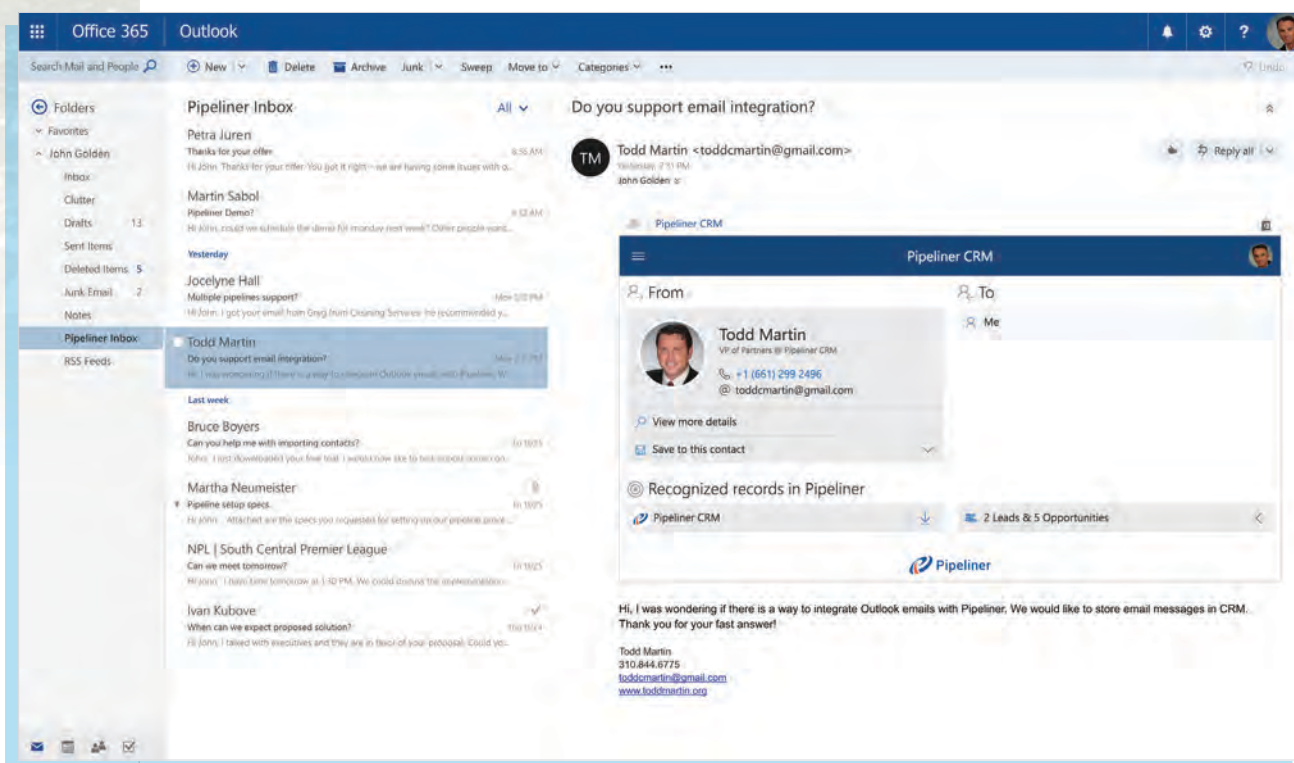
## Technology

But all of these factors today cannot function separately or together without technology. In an interconnected world, you need a technology that helps you trade in a good, efficient, and effective way.

## Where You Are

With Pipeliner CRM, we've gone out of our way to make sure that we provide you the best possible technology, that you can use right where you work. In that most people work in their email, we provide full Pipeliner integrations for the most popular email program: Outlook and Gmail.

With both of these, you can continue working in your email platform, while still accessing Pipeliner contacts, accounts, leads, opportunities, tasks and appointments. Instead of switching back and forth between applications, you maximize the tools you already use.





## With Physical Locations, Too

Salespeople are not only working in their email applications, they're not tied to desks, either. They're often out and about, personally visiting clients, making presentations and closing sales. That is why we make Pipeliner's Instant Intelligence, Visualized available on iOS and Android smartphones—to, again, be available where salespeople are actually working.

Contacts can be called right from CRM. Voice-to-text can be used to save data entry time. Pipeliner Mobile CRM works seamlessly with Pipeliner CRM desktop version.

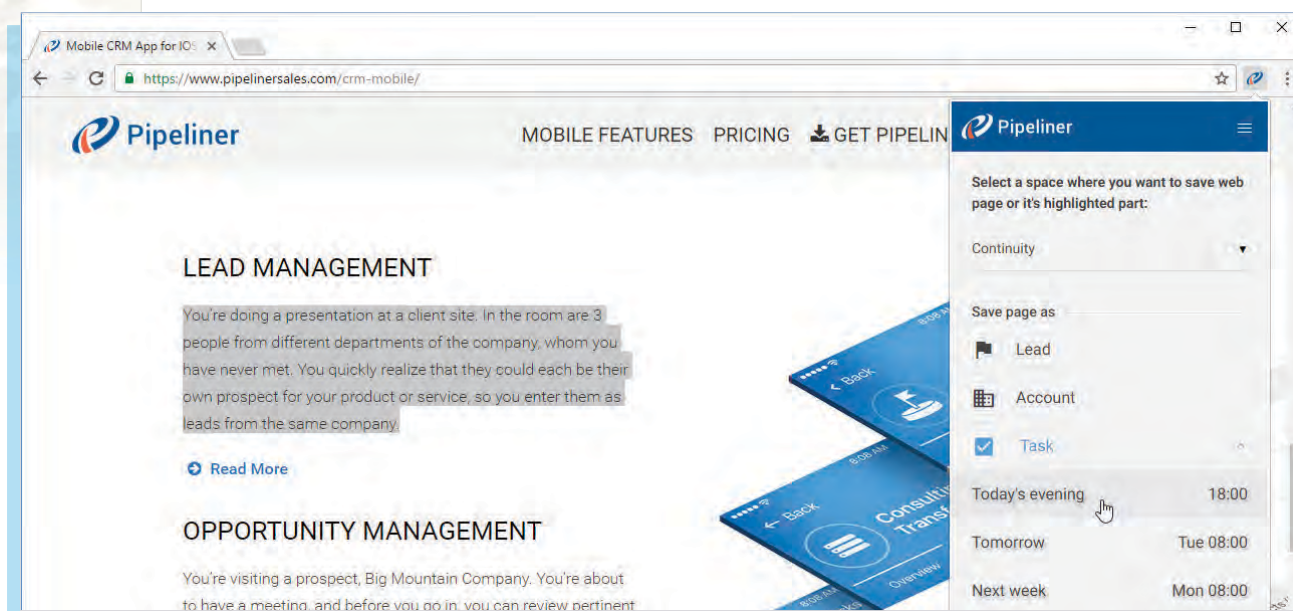
The result: No matter where they are, salespeople are operating with up-to-the-minute information.

## Importing Leads—Rapidly and Easily

Leads are the lifeblood of any sales organization. For that reason Pipeliner makes it possible to import them from right where you're working, eliminating a considerable amount of manual data entry and greatly increasing the accuracy of your CRM data.

*Web Clipper:* Capture leads from web sites, right into Pipeliner.

*Google Docs:* Painlessly add leads, opportunities, accounts or contacts to Pipeliner, right from your company's Google form.



## Empowering Sales with Simplicity

Traditionally, CRM solutions have been complicated and not at all intuitive—to the point that salespeople didn't want to use them. For that reason Pipeliner, from the very beginning, has been designed to empower salespeople. It is *Instant Intelligence, Visualized*.

The brain processes visual data 60,000 times faster than it does text, and most salespeople are visual by nature. Because Pipeliner is completely visual, it is adopted by salespeople far more rapidly than with other CRM solutions. And because salespeople actually like the system, the data entered tends to have a greater degree of accuracy.

The result: Increased visibility, efficiency, productivity...and sales.

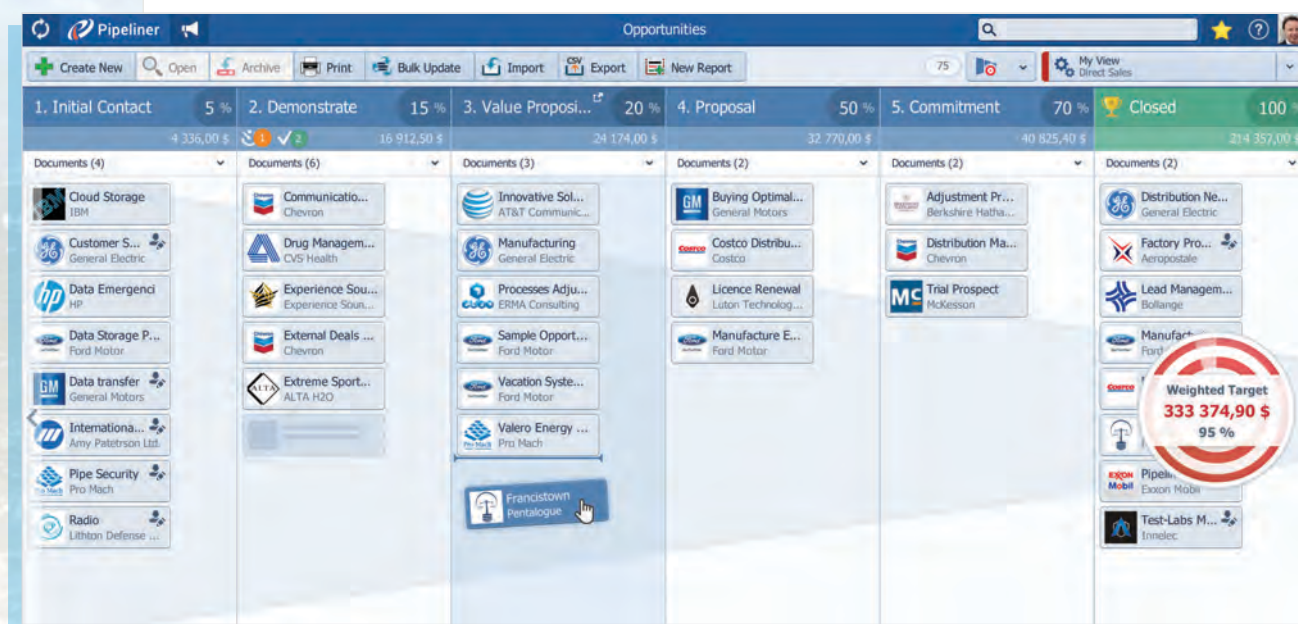


Photo Source › [Pipeliner CRM](#)

## Ease of Implementation and Support

Pipeliner can be implemented and trained on users in a fraction of the time of other CRMs.

Besides its visual and intuitive design which allows users to easily and rapidly understand it, Pipeliner's unique context-sensitive help allows users to find help about the features they're using right now. This means

that Pipeliner actually requires 60 – 70 percent *fewer* support tickets than other CRM applications.

All this adds up to minimal business disruption, fast adoption, few to no support issues and rapid ROI.

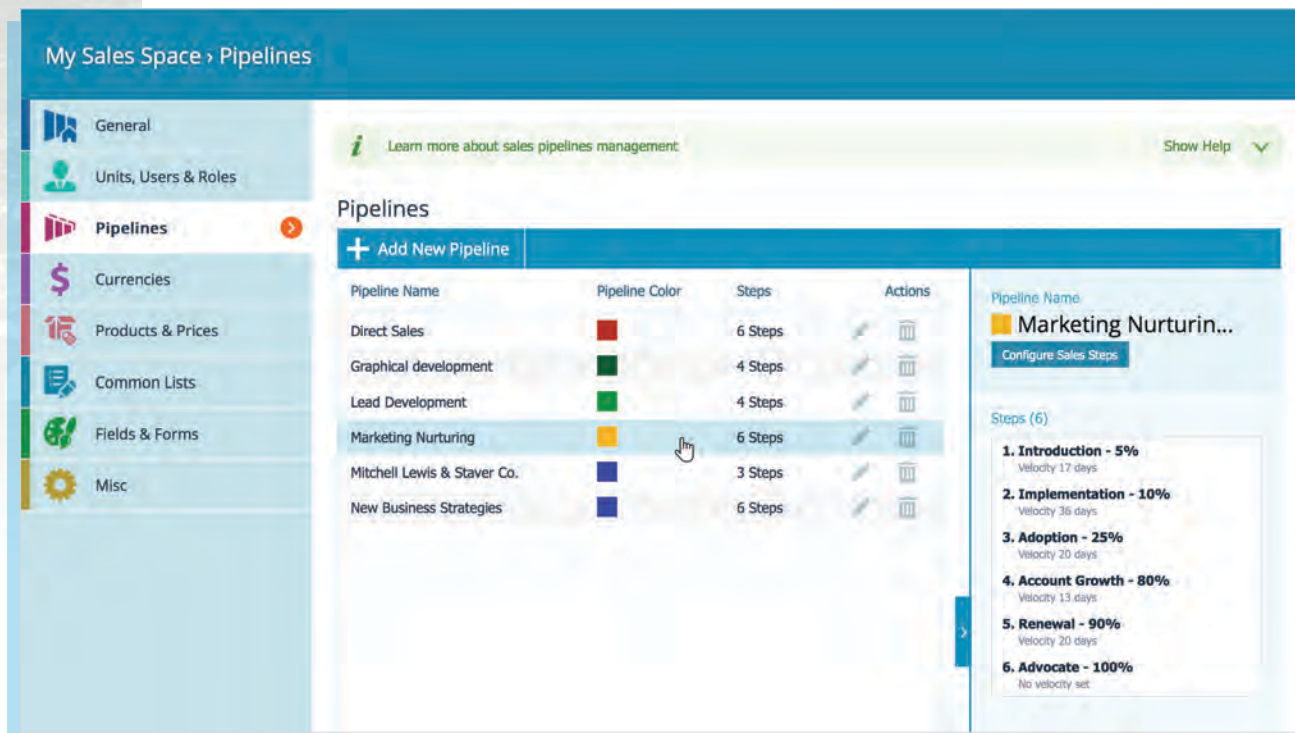
## Administration

Many CRM solutions require at least one full-time administrator. Often administrators must go through substantial training.

None of this is true of Pipeliner CRM. Pipeliner administrators require an average of 5 hours training, and spend an average of 3 – 4 hours *per month* administrating the CRM solution.

This can save companies over \$100k per year in dedicated administrative costs, and removes the stress of being reliant on one full-time administrator.

Pipeliner CRM is the CRM solution for fully supporting trade in the 21st century.



My Sales Space > Pipelines

Learn more about sales pipelines management Show Help

Pipelines

+ Add New Pipeline

Pipeline Name	Pipeline Color	Steps	Actions
Direct Sales	Red	6 Steps	[Edit] [Delete]
Graphical development	Dark Green	4 Steps	[Edit] [Delete]
Lead Development	Green	4 Steps	[Edit] [Delete]
Marketing Nurturing	Yellow	6 Steps	[Edit] [Delete]
Mitchell Lewis & Staver Co.	Blue	3 Steps	[Edit] [Delete]
New Business Strategies	Blue	6 Steps	[Edit] [Delete]

Pipeline Name: Marketing Nurturing

Configure Sales Steps

Steps (6)

- 1. Introduction - 5%**  
Velocity 17 days
- 2. Implementation - 10%**  
Velocity 36 days
- 3. Adoption - 25%**  
Velocity 20 days
- 4. Account Growth - 80%**  
Velocity 13 days
- 5. Renewal - 90%**  
Velocity 20 days
- 6. Advocate - 100%**  
No velocity set

Photo Source > [Pipeliner CRM](#)



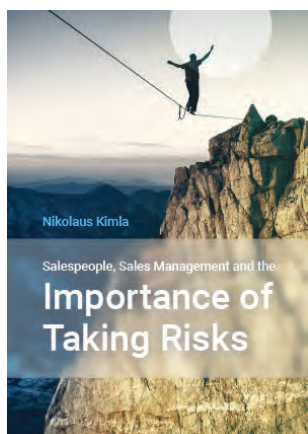


# Afterword

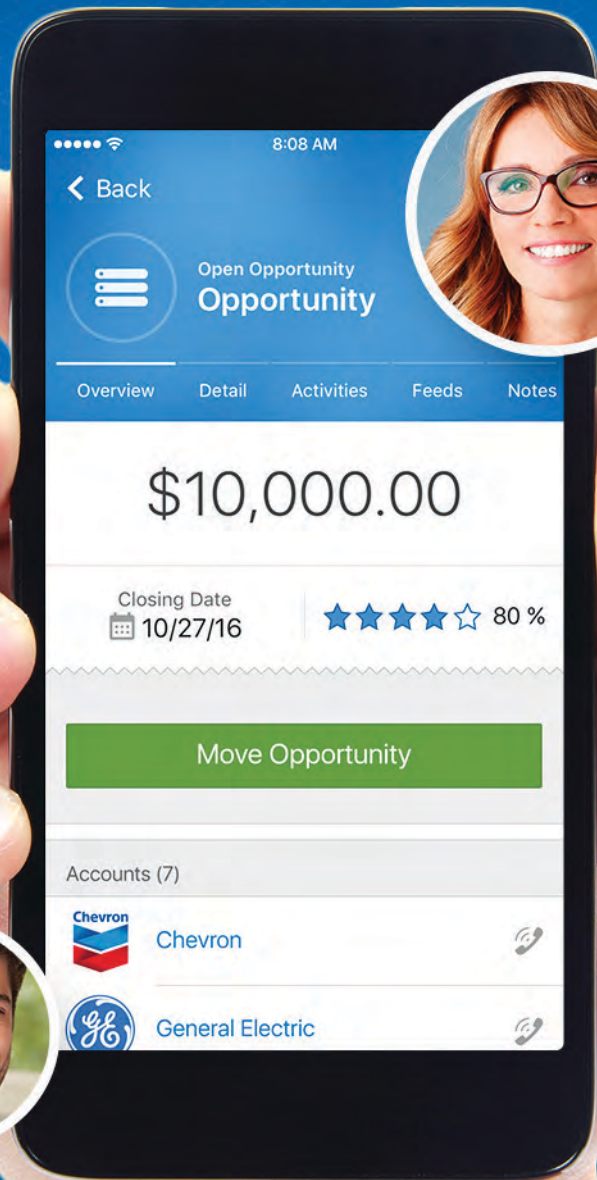
Trade is conducted by people, who are actors in a dynamic global economy. That means you.

*So get busy! Understand trade, get out there, and let's make a better world!*

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