



U.S. Small Business  
Administration

# **SBA Tools for Small Business Exporters and Global Supply Chains**

**Office of International Trade**

**October 28, 2020**

# SBA Export Program and Services

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**Business Intelligence  
for Changing Times**

Find a Local Advisor at  
[www.msfdc.org/exp  
ort/](http://www.msfdc.org/export/)

2



**Grants to Reach  
International Buyers**

For STEP grant application  
go to [www.mass.gov](http://www.mass.gov)

3



**Financing for Your  
International & Supply  
Chain Sales**

Contact your local export  
finance manager at  
[Joseph.Raycraft@sba.gov](mailto:Joseph.Raycraft@sba.gov)

# Business Intelligence for Changing Times

## SBA's Fast Track Service

- Meet privately with SBA senior trade and technical staff to discuss unique needs
- Quickly access to accurate information, guidance on eligibility requirements
- Receive introductions and professional referrals to Federal, State or local resourcepartners

## How to Schedule Fast Track Service and SBA's International Trade Hotline?

- Call SBA toll free at (855) 722-4877 or send an email to [international@sba.gov](mailto:international@sba.gov)

# Grants to Reach International Buyers



The **State Trade Expansion Program** or STEP provides grants to U.S. states/territories to help small businesses to go international.

Your small businesses may qualify for a grant and/or training to:

- Cover expenses to:
  - Participate in virtual trademissions
  - International Partner Search Plus Virtual Introductions
  - Website optimization for global sales
  - Obtain services to support foreign market entry including market research and initial market check to determine opportunities
  - Training workshops (e.g. ExporTech)
- Translate websites to attract foreign buyers
- Design marketing media and more



Contact MA Office of International Trade & Investment for more information on STEP in MA. [www.Mass.gov](http://www.Mass.gov)

# What is an export?

- Goods & Services shipped from the U.S. states and its territories to a foreign buyer.
- Services, i.e.
  - Drilling services for hydrothermal resources
  - Consultancy services for an overseas conference
  - Architectural/ Construction/ Engineering services
  - Selling software and related services
  - Unmanned aircraft/ drone services - mapping
  - Logistics services to a foreign company exporting to the U.S., i.e. freight and/or insurance and in-country (USA) transportation services?
- Can be supported by all **three** of SBA's core export loan programs

# Remember: Supply Chain Financing (Indirect Exports)

- Any small business that produces goods or services that is part of an export or supply chain by a U.S. company, even if not directly exporting, is eligible for SBA's Export Loan Programs
  - Examples: manufacturers, distributors, wholesalers, family farms, agriculture commodity firms, professional service subcontractors
- Supply Chain Solutions:
  - Finance extended payment cycles from large OEMs
  - Finance just-in-time inventory
  - Improve borrower margins by reducing reliance on early payment discounts
- Requires certification from domestic customer that goods are, in fact, being exported.

# Overcome Financing Challenges

**SBA can work with your lender to help you overcome financing challenges such as:**

- Reduced buyer credit insurance coverage
- Reduction in lines of credit or working capital financing
- Demand by foreign buyers for advanced payment or performance guarantees
- Supply chain issues: extended payment terms from OEMs

# Financing

## International & Supply Chain Sales

Loan options for direct and indirect exporters (supply chain):

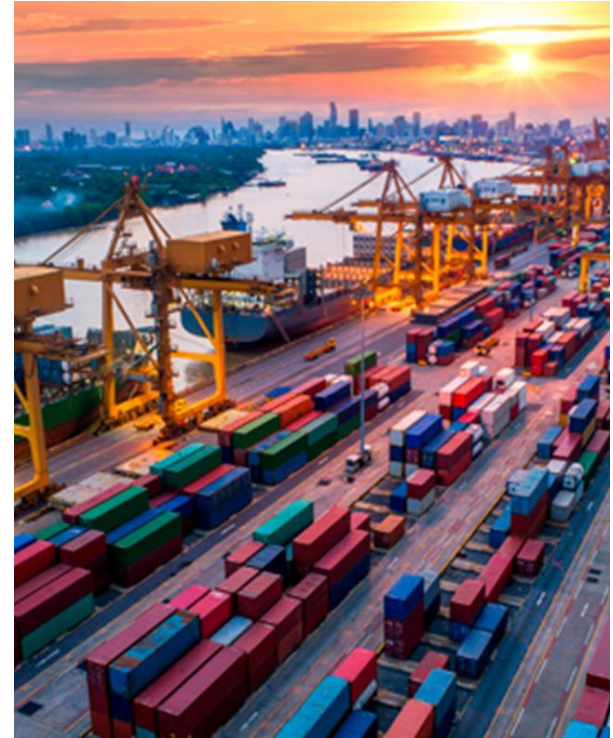
- **Export Express** for any export related expense and business development
  - \$500,000 limit
- **Export Working Capital** to fulfill your international & supply chain orders
  - \$5 million limit
- **International Trade Loan** for expanding your production capacity, re-financing debt, business acquisitions and reshoring
  - \$5 million limit



# Financing International Sales

## Examples of uses:

- Offer **payment terms** to customers to make your bid more competitive
- **Proactive marketing**
- Purchase **machinery or equipment** to meet higher international demand
- Finance **international purchase orders**
- Issuance of **bid bonds, advanced payment or performance guarantees** to secure an international contract.



Contact your local export finance manager at [Joseph.Raycraft@sba.gov](mailto:Joseph.Raycraft@sba.gov)

# Likely Questions from your Lender

- Describe the product or service and if you have prior experience exporting.
- How do you sell internationally? Where do you sell?
- What portion of your business comes from exporting?
- What were export sales in 2019? Projection for 2020 and 2021?
- What type of financing do you need? How will loan proceeds be used?
- How will you get paid from the overseas buyer? What payment terms do you need to provide customers to be competitive?
- Will the overseas buyer require a standby letter of credit as a performance or advance payment guaranty?
- Are you looking to finance a large purchase order or incremental export sales?
- Do you intend to obtain export credit insurance to mitigate customer non-payment?
- Discuss the impact of the Covid-19 on your company, customers and suppliers.



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# Q&A

For more information, please visit  
[sba.gov/international](https://www.sba.gov/international)

Sign up for our export newsletter:  
[sba.gov/newsroom](https://www.sba.gov/newsroom)



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