

U.S. Small Business Administration

Georgia District Office

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Are You Ready for Exporting?

- ❖ To assess your export readiness use the SBA “**Export Business Planner**”
 - ❖ www.sba.gov and type “Export Business Planner”
- ❖ Exporting starts from an established successful profitable going concern
- ❖ You need to have a strong company with the capability of jointly meeting current and future local (U.S.) market demand, but likewise prepared and ready to tackle an unknown or little known foreign market
- ❖ The U.S. SBA has financial, as well as technical assistance capabilities to help entrepreneurs venture into new and/or existing international markets

Steps to Access Readiness for Exporting

- PRO's
- Determine the Benefits and Trade-Offs of International Market Expansion
 - Brainstorm a list of benefits, i.e., reduce domestic market dependency
 - Grow and expand your company
 - Hire more employees
 - Diversify and add new products, or services
- CON's
- Consider the 'trade-offs' of expanding internationally
 - Consider the cost to the company by having to hire more people
 - Need for additional financing for your business
- Consider the current state of safety and security of your selected foreign markets

Perform a Business/Company Analysis

- You need to do an in-depth analysis of your existing business to determine the feasibility of growth
- Before you start to export products or services you need to make sure you are doing so from a position of company strengths and profitability
- If you do not plan to be ready for exporting, you are planning to fail because of it

Conduct an Industry Analysis

- Once you have analyzed your company now you need to analyze your 'industry'
 - How strong or weak is your industry in the international marketplace
 - Concentrate on the strengths
 - Center your business operations around these industry strengths
- Determine if this is the time and place (targeted overseas market) for you to launch, and/or expand your business internationally

Identify Products, Services, or Both, With Export Potential

- First, has your product/service, generated profits from your domestic market sales?
- If so, can these domestically generated revenues help jump-start your international market outreach plans? (self-financing opportunities)
- Have you considered new, as well as existing overseas markets, for expansion or business entry? Ex. **El Salvador, C.A.**
- Consider selecting those products or services you distribute or provide that have a strong international market appeal for exporting

Match Your Product / Service With a Global Trend or Need

After determining your capacity to deliver a product or service, or both, can you adopt to whatever global trends or needs exists for same?

Ask and answer for yourself these questions:

- Which countries are best suited for your products or services?
 - Which of these markets will be easiest to penetrate?
- How does the quality of product/service compare with competing in-market goods?
 - Are you price/quality competitive?
 - Who could be your major customer(s)?

Define Which Markets to Pursue

- Once your research has revealed the largest, fastest-growing and simplest markets to penetrate for your product(s) or service(s) the next step is to define which market(s) to pursue:
 - Test one market, first, before going after another
 - Upon resolving any issues with this first export market, then,
 - Consider expanding into a secondary market, and beyond
- Consider limiting foreign market sales to two or three, solidify them before expanding
- Also, consider focusing on regional geographic clusters of countries, vs., choosing markets scattered all around the world for more control and cost-effectiveness of your international market operations

What's Next?

The SBA has three Export-Oriented Loan Guaranty Programs. Common eligibility requirements for all three programs are:

- **Business must be small.**
- **Exports must be shipped from the U.S.**
- **No content policy.**
- **Tourism is eligible.**
- **Licensed military sales are eligible.**
- **Indirect exports are eligible.**
- **Sales in Ex-Im Bank prohibited countries are ineligible: Bolivia, Cuba, Iran, North Korea, Sudan, Syria.**
- **Generally not for startups.**

What's Next?

1. **International Trade Program (ITL)** term loan does not require 100% UOP for export purposes. Export business plan required for eligibility. Community Advantage lenders can approve. Can be used to finance owner occupied commercial real estate, equipment, term working capital and refinance business debt.
2. **Export Express Loan (EE)** term or line of credit loan up to \$500,000. In addition to same purposes as ITL can used for Standby Letter of Credit.
3. **Export Working Capital Program (EWCP)** transaction based or asset based loan set up as a single purpose or revolving 12 month working capital loan (self liquidating loan).

Technical Assistance/U.S. Export Assistance Centers

UGA Small Business Development Centers in Georgia:

- There 17 such offices in the State of Georgia
- SBDC Counselors provide technical assistance in many areas involved with business development and growth
- They provide most of their business expertise to existing small businesses (80%)
- There exists a small handful of **SBDC Counselors** who have amassed many years of market knowledge and experience in the sphere of international business
 - Atlanta also is a national city that has a **U.S. Export Assistance Center**
- **Here are some websites for your use in exploring opportunities in exporting:**
 - www.export.gov/georgia
 - www.sba.gov/international
 - <http://www.sba.gov/content/us-export-assistance-centers>