

U.S. Small Business Administration Georgia District Office

Jorge Valentin-Stone

Economic Development Specialist

233 Peachtree Street, N.E.,

Harris Tower, Suite 1900

Atlanta, GA 30303

Tel. 404-331-0100 / Ext. 609

E-mail: jorge.valentin-stone@sba.gov

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 different International Trade / Export-Oriented Loan Guaranty Programs:

SBA Export Express Loan is the simplest export loan product offered by the SBA

The maximum loan amount is \$500,000

90% SBA Guaranty up to \$350,000; 75% for a loan of 350,001 to \$500,000

Interest Rates; Prime plus 4.5% for loans over \$50K; Prime plus 6.5% for loans under 50K

SBA Export Working Capital Loan is one established for exporters seeking short-term export working capital to prepare for an export possibility

The maximum loan amount is \$5 million w/ 90% Guaranty

SBA International Trade Program is another of our export related finance programs
The maximum loan amount is \$4 million, if combined w/SBA Working Capital 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>