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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

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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
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
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](http://www.export.gov/georgia)
  - [www.sba.gov/international](http://www.sba.gov/international)
  - [http://www.sba.gov/content/us-export-assistance-centers](http://www.sba.gov/content/us-export-assistance-centers)