



WISCONSIN DISTRICT

SBA's Export Assistance Can Boost Small Business Recovery

Through federal export financing, business advising and other government programs, new and experienced exporters can grow and expand income



by [Eric Ness](#)

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As small businesses work toward continued recovery from the COVID-19 pandemic, many can pivot to international trade to expand income opportunities. May is International Trade Month which is the perfect opportunity for small business owners and entrepreneurs to regain their pre-pandemic momentum by tapping into global demand and international markets. In a challenging and uncertain situation, trade can be key for sustaining revenue with a new or expanded customer base.

By working to enter, or re-enter, the global marketplace, Wisconsin's small businesses are sitting on the precipice of success. Nearly 96% of the world's consumers live outside the United States and trade represents nearly two-thirds of the world's \$80 trillion economy. With exporting as a component of a business' growth strategy, a company can expand faster, create jobs, and pay higher wages – all while contributing to the local economy.

We know this by looking at data. Here in the Badger State, more than 7,600 of Wisconsin's 8,830 exporters, or 86%, are small businesses. Together, these small firms generate nearly 30% of the state's total annual exporting revenue of \$20.6 billion. International trade and assistance the SBA can provide are the vehicles to help Wisconsin small businesses enter or expand their presence in the global marketplace. Further, U.S. trade agreements have recently created more favorable avenues to support small business exporting, especially in relation to some important Wisconsin products, including beef, pork, poultry, wheat, cheese, wine, certain nuts and berries, cherries, ethanol and more, that can be sold outside our nation's borders.

It's an immense and tempting market – and you can tap the U.S. Small Business Administration and its partners for help to expand throughout the world with confidence. Would-be and experienced exporters can access the free SBA network now, including [SCORE mentors](#) and 13 [Wisconsin Small Business Development Center network](#) locations, through modern technology. They offer advising services to small business owners in all business stages and specific international trade consultants to work with anyone statewide. The agency's Export Assistance Center serving Wisconsin can also assist with one-on-one business advice for selling outside of the country.

For international trade financing, the SBA backs three specific export loan options: International Trade, Export Working Capital, and Export Express. With maximum loan amounts up to \$5 million, these can give businesses who export directly or indirectly alternatives to cash in advance terms, reducing risk and improving cash flow. Export Express loans up to \$500,000 can be approved within just a few days. The SBA guaranty of up to 90% makes the risk more attractive to lenders. The

Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, signed into law on December 27, 2020, enabled the SBA to pay the borrowers' principal, interest, and fees on these loans for at least three months starting Feb. 1, reduced lender fees, and gave lenders more flexibility in structuring loan packages. Several Wisconsin-based SBA lenders can make these export loans to help you on your way.

The SBA also supports export business development through the [State Trade Expansion Program](#). The agency has awarded \$3.6 million in STEP funds to the [Wisconsin Economic Development Corporation](#) since 2011. In fact, this year's SBA award of \$429,000 is increasing the global footprint of Wisconsin's small businesses through virtual and some in-person events via WEDC's partnership with the [Wisconsin Department of Agriculture, Trade, and Consumer Protection](#). Past trade ventures have exposed Wisconsin entrepreneurs to markets in France, United Arab Emirates and Australia. Federal STEP funding also supports WEDC's partnership with the Wisconsin Center for Manufacturing and Productivity to deliver ExporTech, a program that helps small businesses develop export strategies; it's already assisting more than 200 local small businesses.

Undoubtedly, international trade can enhance the ability of small businesses to compete. During International Trade Month, Wisconsin firms should consider pivoting and enhancing their customer base and revenues. For more information on SBA's trade financing and assistance, visit www.sba.gov/exporting or contact SBA Wisconsin's International Trade Officer Ellie Berg at elvira.berg@sba.gov.