Export Assistance Program For Small Businesses

August 3, 2015

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Why Support Exporting?

• 95% of the world’s consumers and 70% of world GDP generation are outside of the United States

• Exporting helps small companies grow and create jobs, often paying higher wages

• Exporting helps companies diversify market risk and become more competitive in all markets.

• Companies that export grow faster and are less likely to fail than those that don’t

• Free trade agreements have opened up markets in Australia, Chile, Singapore, Jordan, Israel, Canada, Mexico, and Central America, creating more opportunities for U.S. businesses.
Exports Drive Washington’s Economy

- Washington is the most trade-driven state in the U.S., with exports accounting for nearly 20% of the state’s gross product.
- Washington exported a record $90.5 billion in goods during 2014.
- Estimated at least $35 billion in services exports in 2014.
Advantages of having a state-based program

We focus on:

• Supporting Washington’s economic development strategy by
  • Branding and marketing Washington
  • Attracting foreign direct investment
  • Working exclusively with Washington SMEs
  • Developing in-depth targeted industry programs – Aerospace Suppliers Summit, Mobile Games Forum, Green Technologies Suppliers Meetings

• Providing a broad range of integrated small business assistance services, tailored to individual business needs

• Providing timely assistance for SMEs in key markets like Europe and India, and for major trade events like the Paris Airshow and Mobile World Congress.

• Have a specific target for assisted export sales results achieved by clients
Export Assistance Strategy Objectives

- Increase the number of small businesses that are exporting
- Help small businesses in targeted industries increase export sales
- Build export capacity among small businesses
Export Support Program Activity Areas

Commerce’s export assistance team focuses on transactions to generate sales growth for Washington small businesses.

We assist 500-800 businesses annually.
Export Assistance Work Flow

**Pre-Qualification**

- Trade shows
- Partner events
- Seminars
- News articles
- Email/phone

**leads from New or Existing Clients**

**Evaluate SR**
- Client Profile
- Product details
- Market potential

**Sales Call Assist**
- Assess needs
- Willingness to go to market

**Lead Generation**

**In Progress SR**
- Three-way conference call to finalize service “brief” details
- Case commences with Foreign office

**Delivery SR**
- Report delivered to client
- Conference call to discuss findings & action plan for follow-up

**Company Follow-up SR**
- Company implements action plan
- Visits market
- Communication & monitoring by Program Manager

**Sales Surveys**
- Check in with Client
- Survey for results at 0, 6, and 12 months
- Salesforce.com results recorded

**Results Documentation**
Our Global Reach: Network of foreign representation

FOREIGN REPS UNDER CONTRACT
• Asia - China, India (2 contracts)
  • Europe - United Kingdom, France, Germany (1 contract)

FOREIGN REPS NOW ON STAND BY BASIS
• Japan
• Taiwan
• Korea
• Mexico
Results Summary

EXPORT ASSISTED SALES VALUE

- FY 2011: $147.5 million
- FY 2012: $156.2 million
- FY 2013: $203.3 million
- FY 2014: $215.0 million

EXPORT ASSISTANCE Company Requests

- FY 2011: 1,174
- FY 2012: 1,038
- FY 2013: 1,793
- FY 2014: 1,043

460 companies assisted in FY 2014

Data as reported by companies. Combines results from Commerce and EFACW.
WA a National Leader in Export Assistance

Commerce’s Export Assistance Program is a National Leader
- Ranked 1st nationally in export sales as part of the SBA STEP Grant
- Recipient of 3rd, 4th and 2nd largest STEP grant awards among all states respectively in 2012, 2013 and 2014
- National board member for State International Development Organization (SIDO), in Washington, DC
- One of eight winners nationally of a MDCP grant for FY 15, (only state to receive an award) to support our aerospace accelerator strategy
Export Success Story – B & G Machine

• B & G Machine remanufactures large-bore diesel engines, primarily for the worldwide mining industry.

• Founded in 1952, $18M in annual revenue, with 19% from exports, mainly Canada, Germany and South America.

• B & G was looking for markets outside the US and chose Germany as a target.

• Joined the WA delegation to Hannover Messe in Germany in April 2012 and 2013

• Commerce provided support with organized B2B meetings and marketing.

• **OUTCOME:** $580K in new business with a German manufacturer.
Global competitiveness for small business directly equates to job growth

Washington State government provides leadership in driving a state-wide economic development strategy, of which export assistance for small business is a long-standing and highly successful component

We identify and assist hundreds of Washington small businesses to increase export sales

Total return on budget: $74:1 on FY14 State General Funds and STEP grant
  • Generated $8.6m in taxes and supported 1,160 jobs

Unique role of government
  • Provide creditability and validation for small businesses
  • Transparent, accountable, no vested interests
Thank You

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