

**NWX-US DEPT OF COMMERCE**

**Moderator: Gregory Pewett  
October 3, 2019  
1:00 pm CT**

Coordinator: Thank you for standing by. At this time, all participants are in a listening only mode until the question-and-answer session of today's conference. At that time, you may press Star 1 on your phone to ask a question. I would like to inform all parties that today's conference is being recorded. If you have any objections, you may disconnect at this time. I would now like to turn the conference over to Omari Wooden. Thank you, you may begin.

Omari Wooden: Thank you very much, and good afternoon everyone. As stated, my name is Omari Wooden from the US Census Bureau Economic Management Division. I'd like to welcome everyone listening in on their phones and following the webinar on their computer for today's webinar Celebrating Manufacturers and the Resources they use to Grow Global Sales.

So today's webinar has a dual purpose. We are celebrating manufacturers and small businesses, but we're also highlighting successful business strategies and the government resources available to help you grow and expand your business into international sales.

Hosted by the US Census Bureau, today's webinar was created by your Federal Trade Partners, US Small Business Administration, Export Import Bank of the United States, US Commercial Service, and again the US Census Bureau. This in-depth webinar will have three manufacturers share their stories and best practices in working with their federal trade partners. We hope this will be an excellent learning opportunity for you to hear some companies similar to yourself learn about some of their successful steps that they have taken, and how they learn to expand abroad. Please remember to go to [export.gov](http://export.gov), where you can learn many more of the available resources that we have to again help businesses expand.

One last piece of housekeeping. Today's webinar will be recorded and will be available sometime in the middle of next week. So if you have any colleagues or you'd like to hear the information shared again, this will be recorded and available free of charge in the middle of next week at the same place that you logged in.

After today's webinar, our goal is for you to walk away with the following, the ability to discover some of the online tools to access data and help find new markets. We hope that you can also learn about ways that we can assist you in finding new buyers, also learn about the support to help with finance deals, and then also ways to minimize nonpayment risk.

Lastly, throughout today's presentation we will be taking your questions through our chat feature. We will do our very best to address all of the questions that we receive. We will also share some of your questions with today's presenters to make sure they have an opportunity to answer your question. However, if there are any questions that we can't answer, we will provide contact information at the end of the presentation to make sure you can have your questions answered.

At this point, I would like to introduce David Glaccum, the Associate Administrator of the US Small Business Administration, and then also Kevin Scott of the National Association of Manufacturers. So without any further delay, I'll turn it over to David who will provide opening remarks and introduce our speakers.

David Glaccum: Thank you very much, Omari, and thank you to the Census Bureau for having us out here and hosting this and thank you to our other federal partners that came together to collaborate and make this a successful event. I want to quickly get to the panel because I think the questions will be most helpful, but before I turn it over and introduce them and get to some of the Q and A, I do want to acknowledge the importance of manufacturing to our country's prosperity. Specifically, why this day, why this topic, and why this sector is so important for our economy.

So in the fourth quarter, just to highlight a couple of facts, in the fourth quarter of 2018, manufacturers contributed \$2.38 trillion to the US economy. Compare that to the second quarter of 2009 when manufacturers contributed \$1.67 trillion to the economy. So as you can see multiple billions, hundreds of billions of dollars in growth. In 2018 manufacturing accounted for 11.4% of GDP in the US economy.

As is the case across all sectors, the majority of manufacturing firms in the United States are quite small. 2016 statistics from census identified nearly 250,000 firms in the manufacturing sector, less than 4000 of those were large businesses. In fact, three quarters of those firms had fewer than 20 employees. So again, fairly small businesses out there contributing to a massive part of the United States economy.

But so why are we here? We're here to discuss, as Omari mentioned at the top, to discuss exporting opportunities for small business manufacturers and all manufacturers and how it's essential to manufacturers' growth. Over the past 28 years, US manufactured goods exports have quadrupled. In 2017 and 2018 US manufactured goods exports were up 4.7% and 5.6% respectively.

And the SBA, along with our federal partners, are here to help manufacturers, and we'll talk about some of that later. Specifically, we have finance programs that can help with export development, export working capital, and expanding manufacturers export capacity. Just to highlight the impact we can have for fiscal year 2018, SBA guaranteed export loans to manufacturers was \$236 million, supporting over 560 million export sales. So we have the tools to help you reach international markets along with our federal partners, and that's what we want to talk about.

But without any further ado, let me introduce the three panelists we have who are small business manufacturers. First we have Tasha Jamaluddin from Epcon Industrial Systems, LP out of Texas, we have Bill Scott of AirFixture LLC in Kansas City, Kansas, and Julie Detmering out of Equilibar, Fletcher, North Carolina. So we'll get to the panel in a moment, but first I'd like to invite Kevin Scott of the Manufacturing Institute to tell us a little more about Manufacturing Day. So Kevin, thank you for joining us.

Kevin Scott: Great, thank you very much, and thank everybody for coming online and taking some time out of your day. Manufacturing day is an exciting component, of course, of what we do. I am the Senior Director of Youth Engagement and Education at the Manufacturing Institute, and the institute is the workforce and education partner of the National Association of Manufacturers.

So as you might imagine, Manufacturing Day is a big part of what we do for outreach, and really the primary objective of the day is to raise awareness and change the perspective of careers and manufacturing. That goes for teachers, for students, for their parents, educators, really the entire community. It's a chance for manufacturers to throw open their doors and showcase what they're doing in their community, really to show what they make, and the problems that they solve, and what they create. And also to give a lens into what the impact is that they may have on their community.

So Manufacturing Day started in 2012. It really is a relatively new thing. It is the first Friday of October every year, but we have events that are going on throughout the month. In fact, there's been events all week long around the country showcasing what's going on in the manufacturing community. And it's a great chance to really tie in what schools are doing and the connection from schools and work. So that might be something related to a STEM career. We hear a lot about that in the education community. Parents certainly have a lot of thoughts and pressure to put on their children and students to talk about how to connect the things that are going on in the classroom into what, you know, the real work looks like in a manufacturing environment.

So there are other skills that are critical, and we hear this over and over again, workforce issues and skills gaps are some of the biggest challenges that manufacturers face. So Manufacturing Day also allows individuals to see, you know, elements of teamwork and other skills to show what employers are looking for when they're going out to hire.

It also is a great opportunity for employees, especially younger employees, to engage at their companies to talk about why they got into manufacturing and maybe talk about what interested them in the first place to get into the manufacturing career that they're in. So we hear over and over again from

companies that they love to get younger employees that have been with the company just for a few years to go back and kind of give back to their community, and tell a high school student, you know, I was just in your shoes just a few years ago, and I can tell you what I was thinking when I was on that side of this conversation. And then showcase, you know, where they are now and say, you know, five years later, seven years later, now I'm, you know, doing this and I'm making a good living, and I have a new car or whatever it is that may entice high school students to think about a career in manufacturing.

So to date, we have over 2800 events registered for manufacturing days, which will kick off, like I said, in earnest tomorrow. We have events all over the country. Even if you're not registered or just hearing about Manufacturing Day for the first time today, I encourage you to go to the Web site. It's very simple, [mfgday.com](http://mfgday.com). You can see if there are events in your area. You can see if your company is already participating perhaps.

And there's also a great way to follow along online. We have a really heavy social media presence. The hashtag is #MSGDAY19, and we encourage everybody to kind of tune in tomorrow. We expect to trend nationally. We did that in 2018, and we expect to do that again tomorrow. And you can see some of the success stories firsthand. You can see the photos and the videos. We'll be on Twitter and LinkedIn and Facebook, and you can kind of just see what the day looks like to get your feet wet if you're not already participating.

So that's the long and short of what we cover with Manufacturing Day. We'll be launching a creators wanted campaign, you can see on the slide, which is something that will be going on throughout 2020. And that, again, is to really try to inspire the next generation and get those students and parents interested in a career in manufacturing and seeing the opportunities that exist there. So

again, I just want to thank everybody for paying attention and listening in, and I look forward to the rest of the panel.

David Glaccum: Right. Thanks, Kevin, and thanks for helping to put this together and all the work you do, and thanks for being a partner in this as we try and help grow our manufacturers in the United States.

I have a few questions for our panel that we're about to get into before we open up questions for the audience, but for convenience sake and to avoid confusion, for each of the questions I asked I'd like for each one of our three panelists to answer, and the order will go in is we'll first do Tasha from Epcon Industrial Systems, followed by Bill from AirFixture, and then Julie from Equilibar.

So with that I'll start and then again, each question will have all three of our panelists answer. So first, if you wouldn't mind just telling us about your company, what you make, and how long you've been in business. Tasha?

Tasha Jamaluddin: Sure. Absolutely. Thank you very much. This is Tasha Jamaluddin with Epcon Industrial Systems. First off, thank you for the opportunity to speak. A great honor and, you know, in sake of Manufacturing Day. So Epcon is a custom engineering and manufacturing company that designs and builds air pollution control systems. Essentially different types of thermal oxidizer technology, as well as process heating equipment. Essentially industrial ovens and furnaces of different types and sizes as well.

We do do other specialty systems; however, our real core is utilizing and tying together the air pollution control system with the process heating system for different applications. We find that if you do this, that we're able to really make very efficient systems that have quite a bit of heat recovery, the primary

and secondary heat exchangers that can really fuel the operations with the energy recovered from the air pollution control system.

So in a nutshell that's what we do, and we provide equipment to many different industries. Essentially any industry that requires heating and, you know, produces emissions. So just to name a few, automotive, composite materials, aerospace, petrochemical, you know, so many, many industries.

The company was actually founded in 1977 by my father, Aziz Jamaluddin, and he's still active today, which is great. And he's grown the company from a one-person organization to a full service company with everything, 250,000 square feet manufacturing, 4000 systems worldwide, and everything in house turnkey, from engineering to sales and after service support. So that is our company kind of in a nutshell. With that, I will pass it on to the next speaker.

David Glaccum: Thanks, Tasha. Bill?

Bill Scott: Yes, this is Bill Scott. I'm with AirFixture LLC in Kansas City, Kansas. We're a manufacturer of under-floor heating and air conditioning equipment. What our equipment goes under a raised floor, like, you think of it in the old computer rooms, but now we do this in Class A office building. And what we're doing is that we're able to sell in these office buildings and banks that allow us to actually be much more energy efficient than a traditional system.

We also can have configuration changes. Every time that you're in a raised floor environment you think of many cubicles, and how many times do those cubicles get changed over the year, over the month. We are able to actually reconfigure the heating and air conditioning and the distribution of that air under the floor very easily and very effectively. So we've been in business

since 2001. We are currently in 29 countries selling this technology, and it's a very intriguing operation.

David Glaccum: Yes, thanks, Bill. And I've actually had the good fortune of being able to come out and visit Bill when I was in - and just take a look around at some of this manufacturing and technology when I visited Kansas City recently. So thanks, Bill. Julie? You.

Julie Detmering: Well good afternoon. I just want to say thank you for inviting me to participate, and I hope what I have to say and share with you today is informative and helpful. I work for a coal bar, and we manufacture custom pressure regulators.

Each customer of ours gets one on one support and time with one of our engineers to design a regulator that is built specifically for their application. Regulators are used in biopharma applications, catalysis, oil, and gas. And we're currently selling to the three largest fuel cell testing companies in the world.

The coal bar started in our owner's basement in 2006. He sold to whoever and wherever. He would actually - he actually kept his day job, and he would answer emails and phone calls during his breaks. And at night, he'd go home, and he built and test regulators, and he'd leave a box on his back porch for a UPS guy to come pick up.

Quickly in 2007, he added two more employees. One to build and test the regulators and then myself to do everything else as far as answering phones, to shipping our product. And today we now have 25 employees, and we're exporting almost 50% of our sales, which are now over \$7 million a year.

David Glaccum: That's great. That's the growth stories we like to talk about, especially for small businesses that are involved in international. Selfishly running the international office of the Small Business Administration, I love to hear that.

In the same order, if you all wouldn't mind, could you please describe your export experience, including how long you've been selling internationally, how you got started in it, and how many markets you're currently selling into. And so we'll start with Tasha. We'll start with you again.

Tasha Jamaluddin: Sure. Epcon has been selling internationally for quite a while. I would say almost about 40 years. Our first customer was actually - Saudi Aramco reached out to us in the late 70s, early 80s. So I'm not sure if they found us in a directory or word of mouth, but that was our first international project.

Currently, about 30% of our business now is overseas, and we are pretty predominant in about 15 to 20 markets. I would say Mexico's really been a strong one as well as Brazil, Argentina, Canada, quite a bit in Europe. Essentially all over Germany, Finland, et cetera, as well as the Middle East, Egypt, quite a bit in Saudi Arabia and the Emirates, as well as India, Russia, and quite a bit in Asia, China, Indonesia, Malaysia, Japan, South Korea. Yes, we're in quite a few different markets as well. I would say over the past five years, we've had quite a bit of activity in the Middle East, China, and Brazil, and as well as Mexico. Maybe a little less activity in Europe.

And in addition, I would add that about of this overseas business, I would say about 50% of that is American companies with foreign operations in those locations. So that has actually been a great way for us to expand internationally is doing a project. You know, for example, we did a pipe coding operation for (unintelligible) who's here locally. Several years ago,

decades ago, and then from there we built systems for them in Argentina, Russia, Indonesia, Singapore, you know, Abu Dhabi.

Similar story with the printed circuit board company Nelco. We did some systems here in the United States, New York, Texas, California, Arizona. And then from there, you build the trust relationship, and we've built several systems in France, China, et cetera, all of those for them. So I think, yes, it's definitely a great way for us to expand our business has also been through American companies building that relationship initially, and then helping them expand as well.

David Glaccum: Yes, that's great. Bill, I think you said earlier 29 markets?

Bill Scott: Yes, we're in 29 markets at this point. We've been selling internationally for about 15, 16 years. And it kind of started off by my partner who loves to travel and is a great air conditioning engineer, went overseas and started hitting some different countries and bringing our product to the market.

Today we have four salespeople that handle different pieces of the international market, as well as a piece of the domestic market, but then we also have local distributors in many of the countries. And we have a terrific, terrific Web site that has over the last year, too, has really brought a lot of customers to us with questions and saying we're interested in your product, a lot of it being international. And so that's another great avenue for us to get opportunities for customers through the Web site.

Our Kansas City factory support the customers through our engineering, our design, and our manufacturing capabilities, and we work very closely with our customers that way.

Also as an addition, because of our work internationally, we source a lot of products in China, India, and Mexico that we put into our final designs and assembled patented products that we source, and then we do all final assembly here in the US in our operations in Kansas City. When we started 15 years ago, obviously our international sales were less than 1%. And last year, our international sales are up to 50% of our total \$10 million worth of revenue.

David Glaccum: All right. That's excellent, Bill. Thanks. Julie?

Julie Detmering: Well we ship mostly small package. So just to let you know that all of this is relevant to small packages, not just containers and large pallets. Our owners sent his first export to a guy he knew in Charlotte, North Carolina because he had said that he had export it before. And then when I had started, I was told the horrific thing of just click this box and just put this right here because that's how we've always done it. And at the time, we were shipping to three markets in Canada, Germany, and the Czech Republic, and it just baffled me trying to fill out these documents online through the web portals for UPS and FedEx why Canada have required another document then other countries, and that would be the NAFTA. Or why certain orders were asking for an ITN, which I had absolutely no clue what that was.

So we would just ship our orders and say a little prayer that we wouldn't get a phone call or email from the customer or from the carrier saying, hey, these aren't documents we need, we need something different. And then we'd also be holding our breath from the moment UPS picked it up to that, you know, we'd be praying that we'd get paid because, like I said earlier, we would ship to anyone, anywhere in the world and you never knew.

Now we're shipping and selling to over 70 different countries, and thankfully, because of US Commercial Services and the Small Business Administration

and EXIM Bank, I now know what forms are needed and how to fill in those blanks. So we breathe a whole lot easier here because we also can ensure that we're going to get paid.

David Glaccum: No, and that that leads perfectly into my next question for all three and that's, I think you all clearly highlighted how getting into international markets can really help your business, your manufacturing facilities, take off. But what, and I know this is on some of it - it's touched on in the slide that everybody was able to look at, but how have you all been able to utilize federal services to support your sales growth, be it EXIM, Small Business Administration, or the Commerce department? And again, I'll start with Tasha.

Tasha Jamaluddin: Great. So we have actually participated in several of the Gold Key Programs. We found them to be very beneficial for introductions in new markets. Most recently, we went to Saudi Arabia, but in the past we've done Gold Key one on one program with Argentina, Italy, Czech Republic, Russia, and I believe Mexico as well. So those have been extremely successful, and you really get the, you know, hands on and very close, you know, contacts there on the ground in local markets, and it's just amazing what can be set up ahead of time for those Gold Key Programs. I highly recommend them.

In addition, we have participated in a couple Trade Missions with the USTR, I believe to Vietnam and Malaysia which has, you know, those were great as well. You can see in small groups, about 10 or so, whether they were, you know, around an industry or specific application, and those have been very successful as well those, you know, organize Trade Missions.

Similarly, we've done some B2B matchmaking with the Department of Commerce hosted with an industry association that we're a part of, the Institute of Clean Air Companies. So they brought in several companies from

China, and so that was an interesting B2B. So we've done several kinds of programs like that here locally as well. It's just one example.

And recently, a couple months ago, we participated in a Korean roundtable discussion put on by the – hosted by the USTR for them to learn more about environmental products, and we look forward to doing more of those. And there's just, you know, a plethora of different events being put on, you know, all the time, I think, in addition that are relevant to whatever industry you're in. And I would highly recommend the Gold Key Program and Trade Missions and keeping an eye out for those as well.

David Glaccum: No, thanks, Tasha, and then for anybody who hears a service that they're interested in, you can find more at [export.gov](http://export.gov), as Omari mentioned earlier. And I would just say, before I turn it over to Bill, you don't know what a Gold Key services is, it's a service out of the Commerce Department. The US Commercial Service will actually put you as a potential seller in front of foreign buyers. So they'll do some of that matchmaking for you, and of course, Small Business Administration offers a grant program that can help cover some of the costs both to get the Gold Key service, but also to cover the cost of a trade mission or other trade show participation.

So thanks very much, Tasha. Bill?

Bill Scott: I'd like to say that before we got involved with the SBA, the only way we would sell internationally was cash in advance, or 50% down with the order, 50% prior to shipment, which a lot of times turns some of your customers off. But when we met Larry Creswell, the local SBA rep, he worked very closely with myself and our bank to get the SBA lines of tetra set up. Once that was all done, our bank suggested that we work with an SBA representative, one in

Minnesota called Trade Acceptance Group to secure credit insurance through EXIM Bank to support our accounts receivable of foreign customers.

With this credit policy in place, we were able to borrow against the foreign AR and inventory. Prior to that, the bank would not loan any monies against our international receivable or our international inventory. And so that became a great opportunity. The insurance gave the bank comfort, as well as giving my company comfort to know that we are going to get paid on all of our foreign retrievable.

With this in place, rather than being able to borrow zero on our receivables, we're able to borrow 90% on our receivables, and instead of zero for inventory, we were able to borrow 75% against our inventory. Obviously, this offers good cash flow for us to be able to manufacture the products that we need to manufacture for these customers.

Secondarily, by having this policy - these policies - these SBA policies in place, we're able to give open terms to our foreign receivables customers. This is a big plus for our salespeople to be able to give open terms where a lot of our competitive people are not able to do that. So the big thing is it gives us the cash flow, and it gives us in our bank security that the customer is going to pay their bill, which seems to be pretty important in today's market.

David Glaccum: Yes, thanks, Bill. And just to touch on that, both through EXIM products and certainly through the Small Business Administration finance products, we can take what is an asset on everybody's balance sheet, which are the foreign AR and inventory, and turn that into an asset that you can borrow against through some of our guarantee programs. And we do have experts in the field with EXIM and the Small Business Administration like Larry Creswell, you mentioned Bill, who works for us out of the SBA that can help you sit down

and go through these things with your lender to put this type of structure in place. They help you with your cash flow, help you offer better sales terms, and increase your competitive position as you're making bids on foreign contracts or trying to win foreign business. So again, great resources.

Thanks, Bill. And, Julie, I'll turn it over to you.

Julie Detmering: Equilibar, once again, is just a little bit different. We had a company invest in the owner early on, which helped him keep his day job for a little while until things kicked off, and then eventually he was able to leave that. So with that other company, we had the financing that we needed. So SBA and their financing options wasn't a good fit.

And then same thing with marketing with the Gold Key Services, not really beneficial to us because our product that into a very specific niche with our customers. And so our Web site and word of mouth are our biggest asset and biggest advertising. So that's why we would ship and sell to whoever, wherever. Because we needed their business as much as they needed our product.

And early on, you know, we felt better selling to Bosch because everybody had heard of Bosch. So if Bosch in Germany contacted us and said, we'd like to buy \$20,000 worth of regulators, we'd feel pretty good about it because they're a large company, everybody's heard of them, and we'd give them that 30-day payment terms right away.

Colleges and Universities started contacting us and we figured, well, you know, they're pretty reputable that they would pay their bills, we figured. But then we'll have those companies that we had never heard of, and they were kind of keeping us lying awake at night because we couldn't guarantee

whether or not we would get paid. And we thought about it. We said, well we can accept credit cards for some larger international orders, but we've run across the experience of three months later, there's a chargeback from one of them. And it's like, well, what do you do now? They have your product, and they have their money, and there's not much we could do.

And then we had many international customers that the only way they would work with us is if we offer them net 30 and net 60-day terms, or if they would provide a little letter of credit, which at the time, I knew even less about than I did international shipping, which at that time was a total disaster.

So when I learned about EXIM Bank, it was just a brilliant idea. It's basically a federal program that provided insurance for us. They promised us that we would get paid for the products that we sold. We pay a small premium rate to the federal government based on the value of our invoice, and the federal government would ensure that invoice. So even if a customer didn't pay us, we'd just file a claim with EXIM Bank and government would pay us 95% of that value. And then the federal government would go after that company that chose not to pay us, which is a whole lot more intimidating than me giving you a call at the collection office saying you owe so much money.

So in the long run we looked at it, and we said we'll either get 100% out of what we deserve from the company that we sold to while paying a very reasonable premium cost to ensure the order with EXIM Bank, or we get 95% of our invoice amount from EXIM, and the collections become there. So now we do business with hundreds of companies globally that are big, that are small, that we've never heard of, that are startups, regardless of what their purchase amount is, and we have no problem sleeping because we know we're going to get paid either way.

And right off the bat when you tell an international company that sure they can have net 30 days, everything is great, it shows a lot of trust and faith with new customers, and it just helps to start a very long business relationship with them.

David Glaccum: Yes, thanks, Julie. And another benefit that you kind of talked about on EXIM Credit Insurance is EXIM and the agency, you know, they'll help vet the buyer as well when they put that insurance policy on your - on the product. So it's not only protects you against the risk, but hopefully it limits - really limits that risk because they're doing some of that initial vetting for you, taking the guesswork out of it. So, again, the services they provide are great for people looking to export or grow their exports.

So I have one more question for the group before we're going to open it up to some audience Q and A, and that is what is your best advice for manufacturers looking to enter or expand sales in the global marketplace in addition to anything you've already mentioned regarding your experiences, good or bad, what do you think they can learn from? And I'll start with you again, Tasha.

Tasha Jamaluddin: Sure. Great. Well, I think there's obviously no silver bullet to this question. I think every manufacturer, every business, every industry is slightly different. But I think the first advice I would say is go to the Department of Commerce Web site and learn a little bit about all the different services there, whether it's through the SBA, USTR, commercial services. You know, as a small business, we just don't have the resources that some of the larger companies have to do the due diligence, vetting, and to make these contacts et cetera. So there's just so many different avenues for assistance that I would really advise looking into.

The second thing I would say is, if you don't already know your local commercial services rep, get to know them. Ours has been great in letting me know when there's, you know, opportunities, local people are in town, there's a trade event that I can be part of. So that is a great first resource and contact to know if you're not already tapped in with your commercial service rep. They're a wonderful kind of boots on the ground contact to have as well.

They've also coordinated, for example, conference calls in different countries if we have questions with the local service rep there. So they can be a great point of contact.

Also, the US Commercial Services newsletter is great. If people are not already tapped into that, it's a way to kind of see what's going on. Again, there's just so many different events that that can be relevant in addition to that Trade Missions.

So I would say in general, the Department of Commerce is great at facilitating introductions and conversations in different ways of building relationships. And I think, as Julie mentioned, this is all about relationships and trust long term. Especially when you're dealing with international business. And, you know, the internet can only get you so far and, you know, it's really a great facilitator of these relationship and connections. So whether it's through Gold Key Service or Trade Missions, I think you have a lot more clout when you show up to the table with the Department of Commerce supporting you in some form or fashion. You know, there's just - people really enjoy doing business with American companies and US government backing is one of the best things that you can have on the table.

David Glaccum: Perfect. Thanks, Tasha. Bill?

Tasha Jamaluddin: Mm-hm.

Bill Scott: Yes, I think the - for me, if I were starting off again down this path, I would want to get to know my local SBA rep, as I mentioned Larry earlier, and also find a bank that is willing and able to work with the SBA and what they have to offer the bank, putting that in place. And then secondarily, finding your SBA representative company, like Trade Acceptance Group and Minnesota, that can get you through to the EXIM Bank Insurance.

With those two things in place, you now have the comfort and security to know that you're going to be able to finance and build the product that you're trying to build. You know that you're going to get paid the majority 95% that was noted earlier. And it allows you then, to have some comfort between yourself and your bank that you can borrow the 90% plus on receivables and 75% plus on inventory, to know that the cash flow is going to be there and that you're going to get paid to be able to pay that borrowing back.

I think the other thing is by doing this, you now also open yourself up and help your salespeople to give open credit terms to customers internationally, which a lot of your competitors are not able to do or don't do. And it just gives you that one leg up against your competitor in getting your product out and into this market today.

So I again, I just think that I'm very grateful that we've had the relationship with both of our CSBA people and the representatives in the Trade Acceptance Group. We know that if there's an issue out there for collection or whatever, we have their support and the customer can easily be told that, look, you're not going to be collecting, I'm not going to be collecting it, EXIM Bank is going to be collecting it. And that's going to be more difficult for them than if you or I are trying to collect.

David Glaccum: All right. Thanks, Bill. And to his to his - to Bill's point, if anybody out there is interested, we don't expect you or want you to have to figure out the lenders out there that will help you with this financing, rely on the Small Business Administration or rely on EXIM field representative to work with your lender or other lenders in your area to put some of the financing in place ahead of time so you have that comfort, Bill mentioned, that you know you can meet the sales needs whenever you get one of those contracts, and then are protected against that international contract.

So thanks a lot, Bill, and Julie?

Julie Detmering: Well my suggestion to participate. Attend as much as you can, programs in place from the US Census Bureau and SBA and US Commercial Services. They put so much time and effort in preparing webinars and classes and seminars, and a lot of them are at no cost. So I just encourage you to go and learn everything that you can and just be like a sponge.

I mean, I started out knowing absolutely nothing about international shipping. And I told my UPS rep who happened to stop in, I'm struggling with the list, and she said well here, we're having an export university that many of these programs and participants were putting on locally and I went.

And it's a joke around here, but I literally called my boss at the first break, and I told him, I was, like, stop what you're doing. Don't ship anything, don't do anything. We're going to jail is what I thought because none of the things that I was learning in this class was things that we were doing. You know, taking a guess, obviously, on how to fill out international customs forms is a huge no, no, but doing denied party searches and knowing how to do them, those were huge mysteries. And I was like, we don't know who we're shipping to.

We don't know what they're doing with our products, and that was just huge and monumental. And so now I listen in on the webinars. I go to training classes. I've taken the same training class several different times because I learned something new every time I go.

In fact, during this webinar I just learned something new from Tasha about the US Commercial Services Newsletter. I have to get on that mailing list because that way I can learn even more. And those takes very little effort. I don't have to leave the building to participate and learn, and that way I'm still here and available for the employees that we have, but when it was only three of us, I'd still be able to listen to a webinar and be here.

So I just - I encourage you to contact your US Commercial Services rep, SBA rep, and find out what's going on, what webinars, what seminars, and attend as many as you can. Because the more you know, you'll find things like EXIM Bank, and it - I mean, it's helped us tremendously.

David Glaccum: Thanks, Julie. I appreciate that. So now we're going to - we receive a good number of questions from the audience. So thanks for your alls participation, and we're going to turn to some questions that I'll kind of open these up to the panelists. So feel free to step in. Some of them all direct based on maybe some comments you've already given.

Again, we won't be able to get to all the questions, but we're going to try and respond to everyone that we can't get to on this call as appropriate within the next two to three business days. So please do submit your comments and questions, and we will try and respond even if we can't do so in this setting.

So the first question we have, and I'm actually just going to address this before I turn the next question over the panel is, what are the steps that businesses

new to exporting can take when exploring international opportunities? And the only reason I'm going to dress it is because I think it's been touched on by our panelists, and that is go to export.gov, go to your local SBA office, go to your local Commercial Service office, and ask where to get started. You don't need to - have to navigate all of the federal resources. That is why we are there. That is what we'll do. So if you're - if you have interest, if you want to learn more about any of the programs, or any of the other things we're about to talk about, you can certainly please do go find your local SBA office where we do you have international staff across the country, you can go to your local Small Business Development Center, your SBDC networks, or your local Commercial Service in addition to export.gov and learn more about how you take next steps.

So with that, if I could open it up, and I think this has been touched on a little bit for any of the panelists, but for those folks out there listening that want to do this and are new to exporting or considering exporting, what are some of the barriers to entry into international market, and how did you all overcome them? And I'll turn it over to any of the three.

Bill Scott: Well this is Bill Scott, Bill Scott. I think the key for me is that when my salesman comes to me and say, you know, we're struggling in being able to do some of the international shipping because we can't give open terms. And as a small business, you just cannot take the risk in most cases to open yourself up. You have no lien rights in a foreign country, et cetera. So for me going back and finding a way through the SBA to borrow against receivables, to offer credit terms, that was the key for letting our sales guys go out there and be successful.

David Glaccum: Tasha or Julie, anything to add?

Tasha Jamaluddin: I, you know, I would say one of the things that we've done is we've gotten more involved with ETTAC, which is the Environmental Technology Trade Advisory Committee, where we're able to advise directly to Secretary Ross Department of Commerce, with other businesspeople directly on a lot of these issues that we have. So this has been a great outlet for us, and I think that there's - I think other committees and organizations where you can have a voice and really, you know, if there's not a policy in place or, you know, to really make those deeper changes, if there's not a program or, you know, there's something they're already in place that your local commercial services rep can help you with.

So I think that there's definitely - the Department of Commerce wants to hear your input. So if you are having challenges that aren't being met, there's a lot of avenues for also working together with them to resolve those long term and changing policy essentially down the line.

David Glaccum: Perfect, thanks, Tasha.

Julie Detmering: Julie, Equilibar, the biggest challenge that I've had is the language barrier. It's hard to speak to people on the phone if there's big language barrier. If you go back and forth with emails it's easy to get frustrating. I've contacted my US Commercial Services rep on several occasions where I've asked (Charles), like, I'm having this problem. We're arguing over this document. They say they want this. I keep giving him that and we'll just not reading eye to eye. They'll contact the commercial services rep in that country, and they'll talk to them on our behalf and let me know, and boom. We've got everything worked out.

David Glaccum: Perfect, and to that point, Julie, if you had - how do you start finding out the global markets that have interest in your product? And how do you determine appropriate pricing?

Julie Detmering: Well, see that's a little bit harder for Equilibar to - for our model to be used by others because as I said, we don't have an off the shelf or a catalog of regulators. They're all custom built for a specific application. So they contact us after finding us on the web and, you know, our engineers will give them a quote. They'll build, you know, build a regulator, test it, and get it out to them, and it'll show up in my office and say, okay, ship this to Russia. And then I have to, you know, go to export.gov and find out everything that I need to have to export it correctly and make sure that I do, and if I have any questions, definitely I hit US Commercial Service Rep to help me out, and they get us through.

David Glaccum: Perfect, and I know, Bill, you also mentioned that your Web site is a source of interest for people purchasing your product. Anything you or Tasha want to add? How do you price your product or how do get entered -

Bill Scott: Yes, this is Bill. We've spent about \$100,000, in the last 12 months updating, improving our Web site, and I can tell you the amount of hits that we get on a daily basis are more than sometimes what we were getting on an annual basis. So having a good Web site that people can go to, understand, and get information and request to you, I think is critical because we are in a global market. And if you can increase your sales as we did, 50% by getting the international market really cooking, it's well worth it to a manufacture.

David Glaccum: Yes, I'd say on the Web site and then as you mentioned, it can be expensive. You can - and it's sometimes tough to get lending for a soft cost like a Web site improvement, but through the programs that the SBA, some of the finance

export programs, we can help with Web site upgrades. So for anybody out there looking at that, I'd certainly reach out to one of your local SBA reps.

Tasha, for you, I know you mentioned this. So how have you been successful going on trade shows? How have you use that to grow your business internationally?

Tasha Jamaluddin: Yes. So I think trade shows is a great way to, again, it's just building those relationships. So we've done quite a few trade shows internationally as well. For example, there's a large one in Hanover and - in Germany, and so there's quite a bit of conferences internationally that you can tap into. And there is a US Pavilion at a lot of these shows as well that will offer a lot of services and give you quite a lot of work on the front end to make those connections that you need to speak to.

So I think that the most important thing with trade shows is, of course, not just being there, but really doing your homework and due diligence before you get there with your, you know, again, working with local Commercial rep and people organizing the show to get you those contacts with the companies or, you know, maybe with the other visitors of the show. And then you have a presence, like I said, like being with the US Pavilion or, you know, with Commercial Services, you know, Representative at a US Pavilion is quite, quite impactful, I think so.

David Glaccum: Yes, and for - no, that's exactly right. And for those out there again, as I mentioned before, if you're interested in the trade show or in Gold Key, kindly reach out to learn about it, but the SBA has a step grant program through 48 of - right now currently 48 active in the United States. So those can help cover some of those costs. So reach out your SBA rep and see if your state has those grant dollars available.

But staying with Gold Key Services and getting into these trade shows, whenever you go into, and Tasha or anybody who's using Gold Key Program, whenever you go into use those resources, do you know in advance which countries you want to pursue or regions? Or do you receive - do you receive support from Commerce Department to identify countries and regions that are good for your products?

Tasha Jamaluddin: This is Tasha. I'll just comment that we typically know where we see interest in a market. So we typically will reach out knowing what markets. However there is - for anyone that maybe doesn't know, I know that there's the, I think, Top Market Report put out with different countries as well for, you know, environmental technologies. So there's definitely resources and research done by Department of Commerce to let you know that information as well.

So I think for us it's both. We kind of already have an idea, but it's good to see a lot of that data comes back that's collected that maybe there's an opportunity or market that we weren't - we were overlooking, for example, and then we see quite a bit of research that tells us otherwise.

David Glaccum: Thanks. I think we have Pam from the Commerce Department on. Do you want to weigh in on how Gold Key can help businesses find countries and regions that can buy their product?

Pam Plagens: Sure. Thank you. And this is Pam Plagens. I'm the Advanced Manufacturing Team Leader here in Houston, Texas, and so thrilled to be talking to you today.

We would say that talking to your commercial service specialists to help identify top markets reports, resources guides on particular industry sectors, I think of, you know, the health care, environmental, agribusiness. Also, we work closely with our colleagues in INA to tap their resources that will help companies identify the right market.

We have some services that help canvas several markets at a time to see if a US company has a good opportunity in those markets, and we clearly and always work closely with our colleagues in the US Embassies and Consulates around the world to validate as well. Because as Tasha said, you know, they have an idea where they want to go. And our job is to, you know, respect that they, you know, they know their business well, but to help - for our colleagues in those markets to validate that information and talk to some local companies to see that this is a good market, or perhaps our value is saying that's not a good market. So starting with talking to your Commercial Service Representative in over 100 cities in the United States is a good place to start.

David Glaccum: Thanks, Pam. And another thing, the Census Bureau has a resource called the global market finder where you can type in your business codes, your AICS code, and it will also pop up opportunities for where - what markets out there are right for your product or service. So for the panel, this is a question that I know I get a lot, and I talked about a lot whenever I'm on the road, but how do you protect your intellectual property when you're selling into international markets? And we could start with Julie.

Julie Detmering: Well, I know - I'm not in engineering or design so I'm not exactly sure how they do that, but I know we do have patents on our regulators. So that's helpful. And a lot of our business success isn't just a regulator. It's our customized engineering assistance that we give each and every customer. They contact us and we work through their entire application. What are they

trying to do? What results are they trying to get, and the guys here they sit and work with the - with their customers and build something that's going to work specifically for them. So if somebody did try to replicate it, that's great, but there's so many different variations to get different results and do different things that it may or may not work for them.

So we're pretty confident that with our engineering attentiveness and our various combinations, as well as our customer service, that they may just be the regulator, but as far as anything else, we're going to be the best ones for them to work with.

David Glaccum: I agree. US services are the best. Bill, how about you? How do you all protect your intellectual property selling overseas?

Bill Scott: Well, we obviously - all of our products that are patented people can knock them off. We're close enough in our market, you know, like even in the foreign markets where we're selling a lot of products, we keep our eye out. Our representatives in the local markets keep their eye out, and if a competitive product comes up and if it is going to interfere with our patents, we have to actively go after that customer or that person and make sure that they don't continue.

And we have found in the recent years that most of these countries, even China, is doing a much better job of supporting patents that are either Chinese patents or US patents, that they're supporting it and going after the customers. So we've not had an issue today.

David Glaccum: Thanks. That's good to hear. Tasha?

Tasha Jamaluddin: Yes, I think this is a topic that I think, you know, addresses a lot in the E-Tech committee with a lot of these trade deals and negotiations is tightening with IP protection, but I would agree with what Julie and Scott - Will just said about, you know, really people can always reverse engineer and rip things off, and it's difficult, quite honestly. Even with patents to defend them internationally sometimes. But I think that you have to be ready and able to stand out with your customer service as well as we also do custom engineer everything. So almost none of our products - we have a lot of patents, but almost nothing is the same. We don't think that, you know, no two processes are the same. So for us, we just have confidence in that we are doing everything custom.

And that's pretty hard to beat quality service and, you know, custom engineering, and so they might be able to rip off the patent or a system, but you can't really replicate the service that you get. So I think it's really being forthcoming with that.

David Glaccum: Thanks, Tasha, and I also want to mention to everybody out there The Stop Fakes Roadshow, the commerce runs, and you can learn more about it at [stopfakes.gov](http://stopfakes.gov) to learn about protecting your intellectual property.

We've come up on our time. It is 3 o'clock. So I want to thank the panelist again for taking time, and before I turn it back over to Omari to close us out, I do want to just mention if you would like more information, if you've heard something on this again in addition to resources, you can always go to [sba.gov/international trade](http://sba.gov/international-trade). Or you can send us an email, we have a monitored email inbox at [international@sba.gov](mailto:international@sba.gov), [international@sba.gov](mailto:international@sba.gov).

So again, thank you, and I'll turn it back over to Omari.

Omari Wooden: All right, thank you very much, David. I'd like to also take this opportunity to thank all our speakers. Thank you, Kevin, Tasha, Bill, and Julie for sharing your expertise and your company, and what I hope today for all those that were listening in to the webinar that you were able to pull some pieces of information from what these successful manufacturers were able to do in their business to bring some of those same strategies into your business, to again help you expand abroad.

So again, we've taken a lot of questions through the chat feature. We've been responding to some of those questions as well. If you didn't have any - or you weren't able to hear your question answered, the site that we have up now is what we're referring to as our government resources page. We'll keep this up as we begin to close out today's webinar. It's got all of our contact information. You saw the contact information for the different companies that were represented today, but just quickly this just gives you an overview of some of the resources available at each of our different respective agencies.

So as was mentioned, David mentioned, the global market finder as a part of the one of the US Census Bureau tools. Someone was speaking about appropriate pricing for different countries that you're exporting to. As David mentioned, you enter in your classification number at this site, and then you can find out where this product is being exported around the world, and they can also give you a sense of the unit price given that particular country. So it can help you make a more informative decision based on those metrics that we received from information that you all report.

I appreciate Julie mentioning also some of the training that we offer at the Census Bureau with some of our other webinars governing export regulations, classification assistance. She mentioned the IT and the internal transaction

number. A lot of those resources we have available in free webinars that you can access at any given time.

Again, we talked about the US Commercial Service, finding buyers and distributors, talking about all of the different resources they have around the country and at Embassies and Consulates around the world in over 70 different countries. Again, servicing small and medium sized companies to help you find best market sales channels, opportunities, to even overcome some of those barriers in foreign countries.

We talked about some of the services available with the US Small Business Administration. Again, some of their financing and trade programs to help covering short term and long-term costs associated with you selling your products abroad.

We talked about the step program, which provides grant funding to state governments to some - again to support small business participation in Trade Missions, and then other global sales promotion strategies.

And then lastly, a part of this discussion today we've been talking about Export Import Bank of the United States, commonly known as EXIM. Again, empowering exporters of US goods and services to win fair that in some cases, they might go to foreign competitors. This again helps you learn about how you can make sure that you can get paid through credit terms and through different options that you have to make sure again, the importance of getting paid abroad with foreign sales and transaction.

So as we begin to close out today's webinar, I'd like to remind everyone that has been dialed in today, today's webinar will be recorded and available probably at the middle of next week through the same location that you

logged in today at [census.gov/outreach](https://census.gov/outreach). You'll see this webinar is going to be posted there, and our recording will be available probably sometime in the middle of next week.

Again, if you have any questions or anything additionally, that came out today, again I'll leave this site up here. You can always contact us through email or go to any of these Web sites listed to get more information on a lot of these wonderful resources available.

Again, I would like to thank our speakers for all the valuable information that they shared with you today, and I would like to now conclude today's webinar. Thank you again for dialing in, and we look forward to hearing about your success stories as you look to go global. Thank you very much.

Coordinator: Thank you. That concludes today's conference. Thank you for participating. You may disconnect at this time. Speakers, please stand by for your post conference.

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