The SBA Office of International Trade

The SBA's Office of International trade's mission is to support small businesses international trade development. The office works in cooperation with other federal agencies and public- and private-sector groups to encourage small business exports and to assist small businesses seeking to export. Through 20 U.S. Export Assistance Centers, SBA district offices and a variety of service-provider partners, we direct and coordinate SBA's ongoing export initiatives in an effort to encourage small businesses going global.

For more information, go to: **https://www.sba.gov/offices/headquarters/oit**.

Take Your Business Global

Office of International Trade

U.S. Small Business Administration

Do you think your business is too small to compete in world markets? If you do, consider this fact—***98 percent of all U.S. exporters are small businesses***.

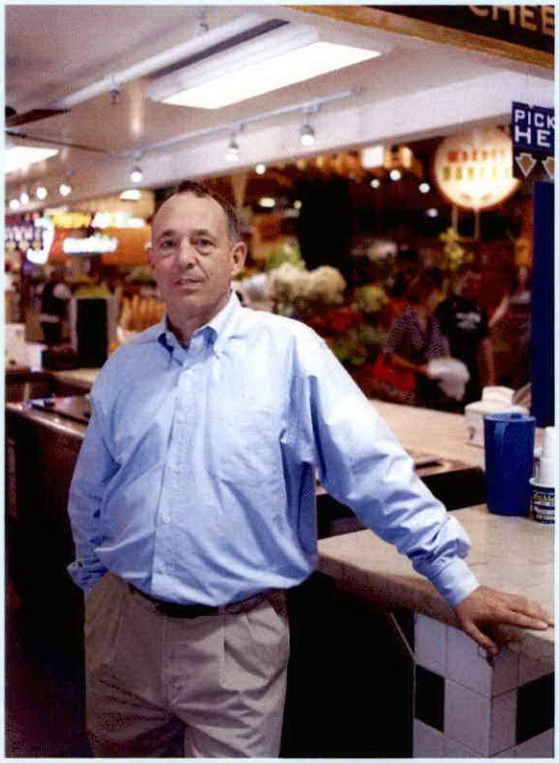
You could be missing a world of opportunity—and profits. The U.S. Small Business Administration can help you get started in exporting, or help you increase your exports through loan programs, education, training and counseling.

Need More Reasons to Export?

Then consider these facts:

- 96 percent of the world's population resides outside the U.S.
- Risk and sales potential can be spread and diversified beyond a single, domestic market.
- Balance seasonal cycles by selling in multiple markets.
- Product life cycles can be extended.
- Tax savings – check with your accountant to see if you qualify for the Interest Charge Domestic International Sales Corporation (IC-DISC).
- Studies show that exporters grow faster than non-exporters.
- "Made in the USA" is highly respected and is in demand.
- Ongoing implementation of free trade agreements make U.S. products more competitive.

If you are ready to begin exporting, or want to grow your exports, we can help.



Michael Strange at the Bassett's Ice Cream booth in the Reading Terminal, Philadelphia. (Photograph: Cameron Davidson)

Export Success Is Sweet for the Oldest U.S. Ice Cream Company

Bassett's Ice Cream President Michael Strange used the SBA Philadelphia District Office export experts as well as his local SBDC when he had the opportunity to sell products in China. Strange learned how to structure foreign receivables, secure export credit insurance and tap into the USDA's Branded Program to fund up to 50 percent of certain overseas marketing costs up to $300,000 per year, building a strong framework for Bassett's Ice Cream's exporting success.

With approximately 2,000 customers in China, Bassett's Ice Cream now exports to the Bahamas and Anguilla, with hopes to export to even more countries over the coming years.

SBA

U.S. Small Business Administration

U.S. Export Assistance Centers

Located across the country, USEACs offer marketing assistance, financial assistance, export insurance and referrals to other federal, state and local export resources. USEAC personnel from the SBA, the U.S. Commercial Service and the Export-Import Bank of the United States can help you through the export process. Please see the USEAC contact insert to locate the nearest USEAC with an SBA trade specialist.

Counseling & Training

The SBA provides free and low-cost export counseling and training through a nationwide network of resource partners—U.S. Export Assistance Centers (USEACs); SCORE—Counselors to America's Small Business; Small Business Development Centers (SBDCs); Women's Business Centers (WBCs) and SBA offices in every state and U.S. territory. To find your nearest office or resource partners, visit::

- SBA District Offices: www.sba.gov/localresources
- SCORE: www.score.org
- SBDCs: www.sba.gov/sbdc
- WBCs: www.sba.gov/tools/local-assistance/wbc

Export Financing

The SBA offers four loan guaranty programs, through private lenders, to help you access the financing needed to sell your goods and services in the global marketplace. All four loan programs require that you apply directly to an SBA participating lender. For eligibility requirements and a list of the SBA's participating lenders, go to: www.sba.gov/international.

Indirect exports qualify businesses for funding under the Export Express, Export Working Capital, and International Trade Loan programs. The term "indirect exports" applies when the customer purchasing the borrower's goods or services, although located in the U.S., exports those purchased goods or services to a foreign buyer.

CAPLines Program

A CAPLines working capital loan can help a small business meet its short-term and cyclical needs. The program provides lenders with a 75 percent guaranty on asset-based working capital loans up to $5 million, with a maximum 10-year term. These lines can support working capital needs related to both domestic and international sales under one line of credit.

Use of Funds: Funds may be used to support all transactional costs related to open account sales. Typically, advances will be made against inventory and accounts receivable. In order to advance against foreign accounts receivable, the accounts receivable must be covered by export credit insurance.

Dallas Steiner • Venture Peroducts, Inc. • Orrville, Ohio

Dallas Steiner's family-owned buisness manufactured innovative custom farm machinery as the Steiner Corporation. After selling the company, the family re-entered the market and founded a new firm, Venture Products, Inc., focusing on manufacturing top-of-the-line Ventrac brand compact tractors and attachments. Ventrac equipment is designed, engineered and manufactured with the most up-to-date technical processes available, making the company the leader in the sub-compact commercial grade tractor market, selling equipment used in a variety of markets: golf courses, hospitals, schools, governments, estates, and by professional contractors.

Using the SBA's CAPline Program for working capital to increase product sales, Venture Products flourished. A new and strong internet presence found dealer requests from around the world. Two SBA Export Working Capital loans helped meet this demand. Between 2009 and 2013, export sales increased 119%, yearly profits out-performed industry standards, shareholder values increased, the company's debt load decreased, and employment increased over 100%.

Export Express Program

Export Express provides exporters and lenders with a streamlined process that expedites an SBA guaranty on term loans and lines of credit up to $500,000. Lenders use their own documentation and credit decision process. The SBA provides the lender with an eligibility response within 24 hours, and can guarantee up to 90 percent on loans up to $350,000 and up to 75 percent on amounts from $350,001 to $500,000.

Use of Funds: Loan proceeds may be used to finance any export development activity including:

- standby letters of credit when required as a bid bond, performance bond or advance payment guaranty;
- participation in a trade show or trade mission outside the U.S.;
- developing foreign markets and product literature translation;
- general lines of credit for export purposes;
- service contracts from foreign buyers;
- working capital to support specific export orders;
- acquisition, construction, renovation, modernization, improvement or expansion of real estate, production facilities or equipment in the U.S. to be used in the production of goods or services for export.

Loans for working capital have a maximum term of seven years; for equipment, up to 10 years; for real estate, up to 25 years.

Applicants must have been in business for at least 12 months and begin exporting, or expand export sales, as a result of the loan. The one year in business requirement may be waived if the lender does conventional underwriting, nor relying solely on credit scoring, and the applicant has valuable business experience and exporting expertise.

Export Express—The Right Chemistry for TLC Products, a Water Purification Company

Cleveland, Ohio-based TLC Products has been providing the solution for live, non-toxic environmentally beneficial bacterial products for water purification in the U.S. since 1996. TLC owners John Wong and Richelle Bell had grown sales of $100,000 in that first year to $750,000 by 2008.

Recognizing worldwide demand for their product, and looking for a way to weather the economic downturn in 2008, Wong and Bell took advantage of the SBA's Export Express Program. With loans of $75,000 and $150,000, the company was able to penetrate the European market and expand exports to Canada, New Zealand, Australia, India, China, Mexico and Japan, among others. Revenues have grown 50 percent per year since 2010.

International Trade Loan Program

The International Trade Loan (ILT) program offers a combination of term and working capital loans to small businesses that plan to start or expand exporting, or have been adversely affected by import competition. The maximum term loan amount is $5 million with a maximum 90 percent SBA guaranty provided to the lender. The maximum guaranty on all working capital loans is limited to $4 million.

Use of Funds: Funds may be used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets; for working capital used to support international sales, as well as for refinancing debt.

Maximum term for working capital is 10 years; for equipment, 10 years or useful life; for real estate, 25 years.

A business must demonstrate through a business plan that they will increase export sales by developing new--or expanding existing--export markets, or that they have been adversely impacted by imports and that the loan will help them modernize, re-tool, or diversify, and that they will become more competitive as a result of the financing.

Photograph: Cameron Davidson

Leah Martin • Fireblast Global • Corona, CA

Photograph: Thinkstock

Fireblast Global, Inc, a woman-owned California-based company, designs and manufacturers advanced live-fire training simulators for fire-service personnel and fire departments. In 2012, Leah Martin, the chief operating officer of Fireblast, approached the CEO to discuss expansion. In preparation for her presentation, she came across the U.S. Foreign Commercial Service/U.S. Department of Commerce office and developed relationships with Commercial Officers and Specialists around the globe who helped find international partners for Fireblast Global's training equipment. Leah also met with an Export Finance specialist at the SBA to discuss SBA-guaranteed international trade financing. Fireblast Global received two 7(a) loans; a 504 loan to purchase real estate and an International Trade Loan to finance long-term export working capital. Fireblast Global now has representatives in Canada, the European Union, India, China and Korea, as well as distributors in Mexico and Russia.

Looking to the future, Fireblast Global is engaged in conversations with representatives in the Middle East, Japan, and Latin America, using the U.S. Commercial Service Gold Key Program to facilitate face-to-face meetings with potential customers, and continues to grow the business' exporting arm.

Export Working Capital Program

Export Working Capital (EWCP) loans provide working capital to support export sales. The SBA can guarantee up to 90 percent of the loan, incentivizing lenders to extend credit against export orders, export accounts receivable and letters of credit. The maximum loan amount is $5 million. While the maximum maturity is three years, most EWCP loans are structured as 12-month lines of credit.

Use of Funds: Loan proceeds only can be used for transaction financing, typically covering all costs related to the sale from purchase order to final collections, viz. inventory, WIP, and accounts receivable. . The loan can be short-term for a single contract or transaction, or established as a revolving, asset-based line of credit that supports ongoing export sales for 12 months. EWCP loans also can support standby letters of credit, frequently used as advance payment guarantees or as performance or bid bonds.

Businesses can apply for an EWCP loan in advance of finalizing an export sale or contract. With an approved loan in place, exporters will have greater flexibility when negotiating export payment terms with their buyers, being assured of adequate financing when an order is received.

State Trade and Export Promotion Grant Program

When U.S. small businesses can access the global market, they can achieve substantial growth. The purpose of the State Trade and Export Promotion (STEP) Program is to increase the number of new small business exporters and increase the total value of small business exports. To accomplish these outcomes, the STEP Program awards federal cooperative agreements to 56 states and territories to fund small busniess export development efforts, including participation in trade missions and foreign market sales trips, international marketing efforts, export training, and export trade shows. These cooperative agreements are awarded on a competitive basis and provide financial assistance to small businesses to help them enter and succeed in the international trade marketplace.

Go to the STEP Program webpage **https://www.sba.gov/offices/headquarters/oit/resources/14315** to see which states and territories have a STEP award, their planned activities to expand small business exporting, and how small businesses can contact them for further information on becoming one of their STEP clients.

Jerry Smith • WishBox USA • Columbia, SC

After selling his export management company, Jerry Smith realized he was not ready to retire. He started another export management company as well as doing consulting work with the South Carolina Manufacturing Extension Partnership. Noticing a need among small manufacturers for overseas distributors, he built an e-commerce site allowing the companies to sell their goods directly to overseas consumers—USAeShop, operating as WishBox. WishBox, an easy, cost-effective way for small businesses to list goods, is the only e-commerce site in Europe that sells all-USA products. The site currently features around 100 manufacturers from 26 states.

WishBox received funding through the State Trade and Export Promotion (STEP) initiative, an SBA program administered in South Carolina by the state Department of Commerce. STEP provides states and U.S. territories grant money to help increase exporting among their small businesses. With STEP funding, WishBox developed an e-commerce website, did in-depth research for the European market and secured a variety of language translations. Jerry says, "We're in the right pond to be fishing. It's a dynamic place to be today.

Photograph: Cameron Davidson

Additional Resources

- *The Export Business Planner* is the SBA's free, customizable template that helps you evaluate your company's export readiness, walks you through the export process and helps you plan next steps. Access to the Planner is at: **www.sba.govexportbusinessplanner**.
- SBA offers a free, introductory export training course, *Take Your Business Global–An Introduction to Exporting*. You can take the course at: **www.sba.gov/takeyourbusinessglobal**.
- The State Trade and Export Promotion (STEP) Program is a pilot export initiative to make matching-fund awards to states to assist small businesses in entering and succeeding in the international marketplace. Find out more at: **www.sba.gov/offices/headquartersoitresources/14315**
- Find other federal government export resources such as market research, financing, trade leads, and trade missions and trade shows at: **http://business.usa.gov/**.

Take Your Business Global

U.S. Small Business Administration

Many businesses think they are too small to compete in the world market. In fact, 97 percent of all U.S. exporters are small businesses. While 96 percent of the world's customers reside outside the United States, most U.S. companies never think of foreign markets and do not realize that foreign sales opportunities are now well within reach.

The SBA can help you get started and succeed in the global market through trade education and international loan guaranty programs.

Why Export?

- Decline in the exchange rate of the dollar, resulting in increased purchasing power in many export markets
- Available productive capacity in the U.S. to handle manufacturing expansion and a ready supply of workers
- Lower costs for transportation and communications
- Reduction in trade barriers
- Increased sales and profit
- Reduced dependence on the domestic market alone
- Extended sales potential and product life of existing products
- Stabilize seasonal market/sales fluctuations

U.S. Export Assistance Centers

United States Export Assistance Centers (USEAC), located nationwide, provide one-stop trade promotion, financing and export insurance programs. Through USEACs, the SBA, U.S. Commercial Service and Export-Import Bank of the United States work together to support small businesses interested in exporting.

To locate the SBA senior trade finance specialist nearest to you, please go to www.sba.gov/international.

Online Resources

The Export Business Planner is a free, customizable tool for small business owners who are exploring exporting. Using the tool, you can work through the critical processes of export readiness assessment and planning. Visit www.sba.gov/exportbusinessplanner to access the planner.

Take Your Business Global–An Introduction to Exporting, is a free, comprehensive training course, found at www.sba.gov/content/explore-exporting.

At www.export.gov, you'll find resources from across the U.S. Government, including market research, trade leads and information about export finance.

American Wind Generators Sell Worldwide – An Exporting Success Story

Southwest Windpower, located in Flagstaff, Ariz., recognized the potential for worldwide distribution of wind generators when it began producing battery-charged small wind generators in 1987.

Andrew Kruse, executive vice-president for business development, discovered SBA resources while looking online for information about exporting. An SBA export counselor advised Kruse on how the Export Working Capital Program could be used to expand his business. Today, Southwest Windpower distributes products to more than 120 countries. Nearly half of its sales of $425 million in 2008 came from international markets.

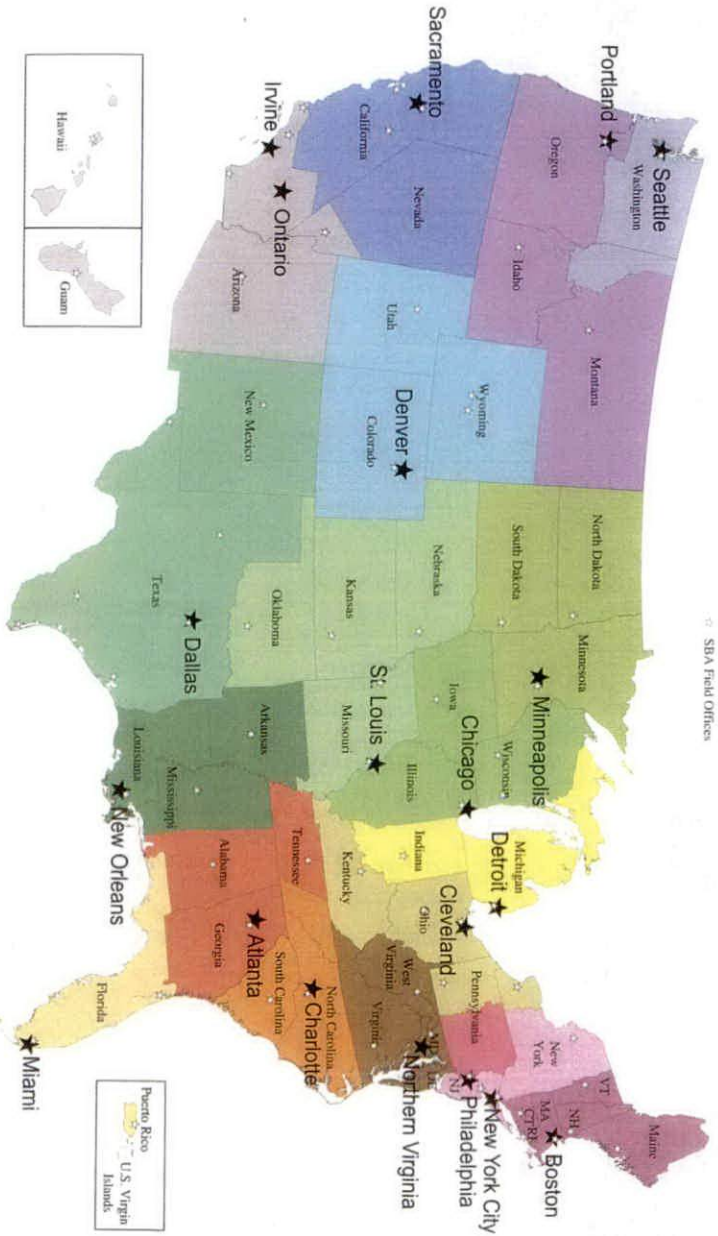
Southwest Windpower was recognized in 2009 as SBA's National Exporter of the Year during National Small Business Week.

Counseling & Assistance

The SBA offers a number of counseling and assistance resources to help you with exporting or other business-related needs. These resources include the SBA's district offices serving every state and territory; nearly 400 offices of SCORE—Counselors to America's Small Business; more than 950 Small Business Development Centers; more than 110 Women's Business Centers and 20 U.S. Export Assistance Centers. To locate offices near you go to:

- www.sba.gov/localresources
- www.score.org
- www.sba.gov/sbdc
- www.sba.gov/about-sba/ and choose from the "Counseling & Training" heading at the bottom
- www.sba.gov/international.

Network of U.S. Export Assistance Centers and SBA Field Offices



★ U.S. Export Assistance Centers (USEACs)

☆ SBA Field Offices

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U.S. Small Business Administration

Trade Financing

The SBA has three loan guaranty programs to help small businesses access the capital needed to provide goods and services to the global marketplace. Lenders participating in SBA loan programs are able to make loans on terms and conditions that would otherwise be unavailable.

Export Working Capital Program

SBA's Export Working Capital Program (EWCP) loans are targeted to small businesses that are able to generate export sales and need additional working capital to support these sales. Since most banks in the U.S. do not lend against export orders, export receivables or letters of credit, the SBA provides lenders with guaranties of up to 90 percent on export loans to ensure that qualified exporters do not lose viable export sales due to a lack of working capital. The maximum loan amount is $5 million.

How Funds May Be Used: EWCP loans are used for transaction financing from purchase order to final collections. EWCP loans also can be used to even out cash flow when exporters have negotiated longer sales terms and cannot carry the resulting receivables with their own working capital. The EWCP loan can be a short-term loan for a single contract or in the form of a revolving line of credit that supports ongoing export sales for a period of 12 months.

Eligibility: Financing is available for manufacturers, wholesalers, export trading companies and service exporters. EWCP loan borrowers must meet SBA 7(a) eligibility and size standards (generally less than 500 employees for manufacturers, less than 100 employees for wholesalers, or meet the alternative size standards of tangible net worth no more than $15 million and average net income over the past two years no more than $5 million) and have been in business for at least one year. SBA can waive the one year in business requirement if the applicant can demonstrate sufficient export expertise and business experience.

How to Apply: A small business applies directly to a participating lender. The lender reviews/approves the application and submits the request to the SBA staff at the U.S. Export Assistance Center location servicing the exporter's geographic territory.

Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility negotiating export payment terms, secure in the assurance that adequate financing will be in place when the export order is won.

International Trade Loan Program

The International Trade Loan Program offers term loans to businesses that plan to start or continue exporting or that have been adversely affected by competition from imports. The proceeds of the loan must enable the borrower to be in a better position to compete. The program offers borrowers loans up to $5 million with a maximum 90% SBA guaranty.

How Funds May Be Used: Funds may be used for the acquisition, construction, renovation, modernization, improvement or expansion of long-term fixed assets, as well as for refinancing of debt and for working capital. The SBA guaranty on working capital cannot exceed $4 million.

Eligibility: International Trade Loans are available to small businesses that are in a position to expand existing export markets or develop new export markets, or small businesses that have been adversely affected by international trade and can demonstrate that the loan proceeds will improve their competitive position.

How to Apply: Interested businesses should apply through any SBA-participating lender.

Export Express

SBA Export Express helps small businesses develop or expand their export markets. The program provides exporters and lenders a streamlined method to obtain SBA-backed financing for loans and lines of credit up to $500,000.

SBA provides lenders with a 90 percent guaranty on export loans up to $350,000 and a 75 percent guaranty on loans over $350,000 to $500,000, as a credit enhancement to encourage participating banks to provide loans that make the necessary export financing available.

Lenders use their own credit decision process and loan documentation. SBA provides an expedited eligibility review and provides a response in less than 24 hours, so exporters get access to funds faster.

How Funds May Be Used: Loan proceeds may be used to finance export development activity, including:

- Standby letters of credit when required as a bid bond, a performance bond or an advance payment guarantee
- Participation in a foreign trade show that takes place outside the United States
- Translation of product brochures or catalogues for use in overseas markets
- General lines of credit for export purposes
- Service contracts from buyers located outside the United States
- Transaction-specific financing needs associated with completing actual export orders
- Providing term loans and other financing to enable small business concerns, including export trading companies and export management companies, to develop foreign markets
- Acquisition, construction, renovation, modernization, improvement or expansion of production facilities or equipment to be used in the United States in the production of goods or services for export
- Purchase real estate or equipment to be used in the production of goods or services for export

Eligibility: SBA Export Express loans are available to businesses that meet the normal requirements for an SBA 7(a) business loan guaranty. Financing is available for manufacturers, wholesalers, export trading companies and service exporters. Loan applicants must demonstrate that the loan proceeds will enable them to enter a new export market or expand an existing export market.

How to Apply: Application is made directly to the lender. Lenders use their own application materials in addition to SBA's Borrower Information Form. Lenders approve the request and then submit a limited amount of eligibility information to SBA's National Loan Processing Center. The SBA provides a response within 24 hours. Interested businesses should contact their existing lender to determine if it is an SBA Export Express lender.

"Indirect exports" is an eligibility criterion for the International Trade Loan and an eligible use of proceeds for EWCP and Export Express loans. The term "indirect export" applies when, although the borrower's direct customer is located in the United States, that customer will be exporting the purchased goods or services to a Foreign Buyer. Visit http: www.sba.gov/content/export-loan-programs for more information.

Photography: iStockPhoto, Thinkstock

United States Export Assistance Center Contact Information

ATLANTA
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ARLINGTON, VA
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Visit www.sba.gov/international for the most current USEAC contact information.

All SBA programs and services are provided on a nondiscriminatory basis.