

International Trade Resources

Summary

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Introduction

Welcome to the LA Export Series podcasts brought to you by the El Camino College Center for International Trade Development.

Each Podcast will focus on a specific export topic presented by an industry expert. Our complete series will walk you through all phases of the export process, from getting started to getting paid and delivering the goods.

In this session we will discuss International Trade Resources in the public sector on the federal, state and local level. Our goal is to introduce you to services available to help you be more competitive in exporting.

Presenter: Bronwen Madden

Our Presenter is Bronwen Madden, Deputy Director of the El Camino College Center for International Trade Development. Bronwen is an accredited Certified Global Business Professional with over ten years of experience in international trade and business development. Working with clients in manufacturing, biotech, aerospace and green technology, she has in-depth knowledge of exporting, importing, global customs and cultures with experience in over 30 countries throughout the Americas, Europe and Asia. She has an Executive Master of International Business through the Boeing Institute of International Business, John Cook School of Business at Saint Louis University and a Bachelor's of Arts in Interdisciplinary Studies from the University of Missouri, Columbia with an emphasis in political science, economics and peace studies.

Identify Resources

Most countries have an interest in promoting exports as a means to grow their economy. They support this interest through trade promotion programs. Embassies and Consulates worldwide will usually have a trade advisor to assist with exports from their country.

State, provincial and city governments may also have trade assistance programs depending on the resources and legal environment within their state.

Interest groups have also formed a variety of non-profit organizations and trade associations to help fellow exporters overcome trade obstacles and lobby to create friendlier trade regulations.

The international trade community is great way to connect with people from other countries and expand your global network. We will introduce and go over some of the key resources at each level.

Federal Export Resources

In the United States, the U.S. Department of Commerce is the lead export promotion agency. The top trade advisor in our embassies and consulates is called the Senior Commercial Officer and together with a team of industry and country specialists, they work to be your eyes and ears abroad. Through a vast network of both domestic and foreign offices, the U.S. Commercial Service, part of the U.S. Department of Commerce, is an invaluable resource for U.S. exporters.

Domestic offices are called U.S. Export Assistance Centers or USEACs, and they specialize in helping businesses export once they are export-ready. Additionally, the Foreign Agricultural Service, part of the U.S. Department of Agriculture supports the export of U.S. agricultural products and services.

If your product or service is subject to U.S. export controls, the Bureau of Industry and Security, BIS, also part of the U.S. Department of Commerce, can help you properly identify your Export Control Classification Number and work with you on an international trade compliance plan.

They will also connect you to the U.S. State Department, the Treasury Department, and any other relevant federal regulatory agency, should you require a license or are subject to U.S. export controls outside of their scope.

The Small Business Administration, the Export Import Bank of the United States, and the Foreign Agricultural Service have trade finance programs to support U.S. exports. Their programs make capital more accessible, lowers the cost of financing, and can help finance your foreign buyer. Both pre-export and post-export finance programs work to make U.S. exporters more competitive. Trade financing serves as a marketing tool since it makes it easier for your buyer to purchase your goods. Programs assist with export working capital, loan guarantees, and credit insurance.

The Overseas Private Investment Corporation supports U.S. investment in foreign markets. They have financing, insurance, and investment fund programs to encourage investment by reducing risk.

State And Local Assistance

Most of the states in the U.S. will have an office dedicated to business development and trade promotion. If your business contributes to the state tax base and supports jobs within that state, their trade services are usually available to support your export endeavors, given you have a U.S. product or service. Check with your state trade or economic development office to see what services are available to suite your international business needs.

Since laws and resources vary state to state, it is best to see what programs are available wherever you qualify. Many Mayoral offices,

Chambers of Commerce, and trade ports will have an export promotion program to offer education, training and assistance.

Community Colleges specialize in workforce development to increase competitiveness and support local jobs. Many Port Authorities offer training programs and resources to advance your trade skills and know-how.

World Trade Centers have a variety of resources and their strength comes in part from their vast global network. The key here is to take inventory of what is available in your regional international trade community and take advantage of services offered at little to no cost.

Non-Profit Export Assistance

Common interests in support of international trade has developed a host of groups who come together to learn from each other and lend support.

You may be familiar with SCORE, a resource partner of the U.S. Small Business Administration providing Counseling to Americas' Small Business. For Exporting, there is the District Export Council or DEC for short. The DEC is a volunteer non-profit organization associated with the U.S. Commercial Service. Its members are appointed by the Secretary of Commerce to provide mentoring on exporting. District Export Councils can be found throughout the United States.

Agricultural Trade Associations can help with the international promotion of agricultural products; there are four main associations divided by region—Western, Sothern, Midwest, and Northeast.

Many cities will have world trade clubs and associations comprised of members within the local international business community. These groups are great for networking and keeping current with trade topics. Additionally, industry specific groups help with networking in your field and keeping up to date with industry news.

More recently, social networking has forged new groups such as Meet-Ups and Link-Ups that can introduce you to others with similar international business interests.

International Trade Community

Generally you do not need to travel to a foreign country to meet people with international backgrounds. Many cities have bi-national chambers of commerce and foreign trade promotion agencies.

When you identify your target markets, call their respective consulate and request to be added to their business newsletter. Many members within the expatriate community will offer business after hours events where you can learn how to do business in their market, social etiquette, and learn about business opportunities not widely known.

You may also want to connect with the American Chambers of Commerce in the market of interest as they represent U.S. interests abroad and know what U.S. companies have established a solid presence in their market.

Being active in your international trade community is one of the best networking techniques.

Private Sector

So far we have discussed the resources available to you through the public sector; however, there are many service providers in the private sector who can help your business understand the international market.

Just as your business is built upon unique core competencies, you likewise want to approach the international marketplace looking for opportunities to outsource those functions where you are not competitive. If you lack the skill-set, you may wish to train or hire personnel, or contract with experts. Here is a list of possible service providers with whom you may want to work:

Market Research Providers and international business directories can help you identify businesses with in your industry to help you find suppliers and buyers. To name a few, there is the Harris Selectory, InfoUSA OneSource, Thomas Guide, Hoovers, CenTradeX, PIERS and Kompass. This is by no means a comprehensive list.

Professional service providers such as Translation Services, International Accountants, and International Attorneys will help you avoid major pitfalls when working in unfamiliar territory. It is important to contract with professionals knowledgeable in the market you plan to conduct business.

I always recommend that you know your business partner and conduct proper Due Diligence. A Credit Reports can help you identify reputable partners. Some of the more commonly known providers are Dun and Bradstreet, Coface, Graydon, and internationalcreditreports.com. Every market has different reporting mechanisms so companies may want to request the due diligence services of the U.S. Commercial Service or purchase a report through a private provider.

Many financial institutions work with the U.S. government's trade finance programs and are delegated lenders. It is important to know you have trade finance options and know who in your area offers trade finance services. There are banks as well as brokers that can offer a variety of trade finance and insurance solutions.

Logistics providers do more than simply move your goods—they help with classifying your product, packaging and labeling, valuation, international documentation, and much more.

By teaming up with industry experts who have the respective know-how you will save yourself time and energy.

Efficient And Competitive

Through the assistance of your regional Manufacturing and Extension Partnerships, also known as MEPs, a team of experienced

professionals can offer guidance on ways to implement quality management and production systems to make your business “trim the fat” from Six Sigma and LEAN manufacturing training to getting ISO 9000 certified. They offer a variety of services addressing the needs of manufacturers and small businesses. After reviewing your current systems, they will offer suggestions to increase efficiency so you can better compete and keep manufacturing jobs in the United States. They cover Organization & Staffing, Production Facilities, Processes & Equipment, Quality Standards & Control, Office and Management Systems, Supply Chain & Inventory Control, and Sales & Marketing.

The MEP network spans across the United States. You can locate your closest MEP by visiting the National Institute of Standards and Technology (NIST) website.

Import Assistance

I once had a client call and request assistance to outsource production to India. From a state perspective, it looked like sending jobs to India in which we wanted no part. The CEO explained that we could either help him manufacture in India at a lower cost and retain the management jobs within the company here in the U.S., or not help and force the company to close all together because they could not keep up with their competitors, thus losing all the domestic jobs provided by their company.

Manufacturing at a lower cost of production is a reality for many firms yet there is little to no import assistance available. I am aware of state-level assistance in both California and Texas. On the federal level, Canada and Japan have programs to assist importers. It is quite possible there are more in which I am not aware, however, you will have to do your research.

If you find yourself on the importing side, you may want to contact the export assistance center of the country in which you are buying from. Similar to how the U.S. has programs and services to help U.S. exporters finance the foreign buyer, the foreign government may have a similar program in which you can take advantage. At a minimum, make contact, request to be added to their mailing list, attend social networking events to learn how to conduct business in their market and meet people who are in the industry—they may be a useful asset or they may be your direct competitor. Nonetheless, it helps you to know your environment and be informed.

U.S. Investment Assistance

If your business is growing and it makes sense to invest and relocate or expand operations, then you need to identify which area best fits your business needs.

Economic Developers primarily look at three items—amount of investment, number of jobs created, and wage rates. Incentives such as tax abatement or tax credits, revolve around these three factors.

States may compete for your business if it forecasts a positive net benefit to the economy. Many states offer both formula based and discretionary tax incentives. Formula based incentives are usually transparent—you satisfy specific requirements, then you automatically qualify and it is a pretty straightforward process.

Discretionary incentives are only revealed when in competition for your business. If a local or state economic development office wants your business to locate in their region, but is competing against another area, the incentives may increase. However, any business that bases a relocation or expansion decision based solely on tax incentives is not typically a sound business decision.

Incentives function as a tipping point. The core requirements of the business must first be met. An available skilled workforce, proximity to consumers, and so on, will far greater influence the business location decision.

Some businesses choose to hire a private firm while others contact the state investment office directly to receive a proposal. Be aware that every state has their own unique laws and regulations. You must decipher those differences and identify which location best meets your business needs and strategically positions you to be as competitive as possible.

You Are Not Alone

There is a lot to learn when you begin to export or import and it is easy to feel overwhelmed. The most important thing is to remember that you are not alone. Through the multiple service providers and publically funded export assistance, you have experts and guidance to help you succeed. Begin with your local U.S. Export Assistance Center or your State trade office and they can assist you with your international trade endeavors, or point you in the direction that best suits your needs. The State trade office and the USEACs work together to promote U.S. exports and are in-touch with the international trade community in your area. Both can serve as a conduit. If you do not know your state or local export assistance office, use the SIDO state trade directory at www.sidoamerica.org. SIDO is the State International Development Organization and most states are members. Or, visit Export.gov and go to the link Find a local U.S. Office on the lower left of the screen to find your nearest USEAC office. And, you can always call the trade information center at 1-800-USA TRADE, that is 1-800-872-8723 for export assistance where both country and industry specialists are available to help.

Credits

Thank you for listening and special thanks to Bronwen Madden for sharing her valuable time and international business insights. Check out our full line of LA Export Series podcasts on our website www.ExportAssist.org where you will find information on additional export topics with complementary tools and resources.

This podcast is brought to you by the El Camino College Business Training Center, a trusted resource delivering high-quality training and assistance to help meet your need for a more productive and competitive workforce. The Business Training Center is part of the El Camino College Community Advancement Division and is proud to be part of the state's economic development mission to advance California's economic growth and global competitiveness through quality education and services focusing on continuous workforce improvement, technology deployment, and business development. Funding for this podcast was provided by the El Camino College Center for International Trade Development and a Statewide Collaborative for Business Computer Information Systems Education mini-grant from Coastline Community College.

