

COMPETE AND WIN SALES

A QUICK GUIDE TO EMPOWERING
YOUR EXPORT BUSINESS

American businesses are increasingly turning to the international marketplace for opportunity and diversification. But competition is stiff and obstacles abound. Here are three ways EXIM can equip your export company to compete abroad and win sales on the quality of your product.

1. EXIM empowers your company to take on sudden growth opportunities without putting its balance sheet at risk.

Automation Solutions was partnering with a buyer 8,000 miles away instead of ten minutes down the road. On top of that, in order to make the sale, the company had to extend credit terms to the buyer. "I had huge trepidations about that," said Kip Johnston, President of Automated Solutions. "I didn't know who these people were. I didn't want to offend my customer and it was huge exposure for a company of my size."

Continue reading to find out how Automation Solutions was able to increase sales by 15% while decreasing risk.



[Automation Solutions](http://www.automationsolutions.cc)¹,

based in Oregon, provides systems integration, programming, control panels and field support to manufacturers in the automation machinery industry.

In 2012, the company was asked to evaluate equipment produced by a nearby original equipment manufacturer (OEM) of laser

machinery. Automation Solutions identified areas of improvement and built a power distribution component prototype, which exceeded the customer's expectations. The OEM was enthusiastic about the solution's potential and that enthusiasm resulted in an order of 40 components.

To fulfill the sale, Automation Solutions found itself dealing with

the OEM's contract manufacturer—in Malaysia. Suddenly, they were partnering with a company 8,000 miles away instead of ten minutes down the road. On top of that, in order to make the sale, Automation Solutions had to extend credit terms to the buyer.

"I had huge trepidations about that," said Kip Johnston, President of Automation Solutions. "I didn't know

¹www.automationsolutions.cc



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“I don’t think I would’ve taken the order without credit insurance from EXIM”

- Kip Johnston, Automation Solutions

who these people were. I didn’t want to offend my customer and it was huge exposure for a company of my size.” Johnston had previously been introduced to the Export-Import Bank of the United States (EXIM) through the [City of Beaverton](#)², his local EXIM [Regional Export Promotion Program \(REPP\)](#)³ Member; he followed up with EXIM to discuss options for support. Automation Solutions used EXIM’s [Export Credit Insurance](#)⁴ to safely offer credit terms to the buyer and capture the sale.

The company took out a Small Business Insurance policy with EXIM,

safeguarding the credit terms it extended. If the buyer defaulted on its payment, Automation Solutions’ receivables would be protected at 95% of the invoice value. The policy required no advanced premium, allowing the company to pay within 30 days of the month of shipment. EXIM credit insurance provided the protection and peace of mind Automation Solutions needed to take on the deal.

Insured against nonpayment, Automation Solutions took on and fulfilled the order. As a result, the company was able to deliver a quality

product and significantly increase its revenue. By leveraging export credit insurance, Automation Solutions expanded its sales overseas. “It was probably a 15% increase in sales,” Johnston said.

Automation Solutions is now planning to expand its footprint into other countries and is looking to utilize EXIM again for additional export credit insurance and financing support. ■

²www.beavertonoregon.gov/1246/Export-Assistance-Program

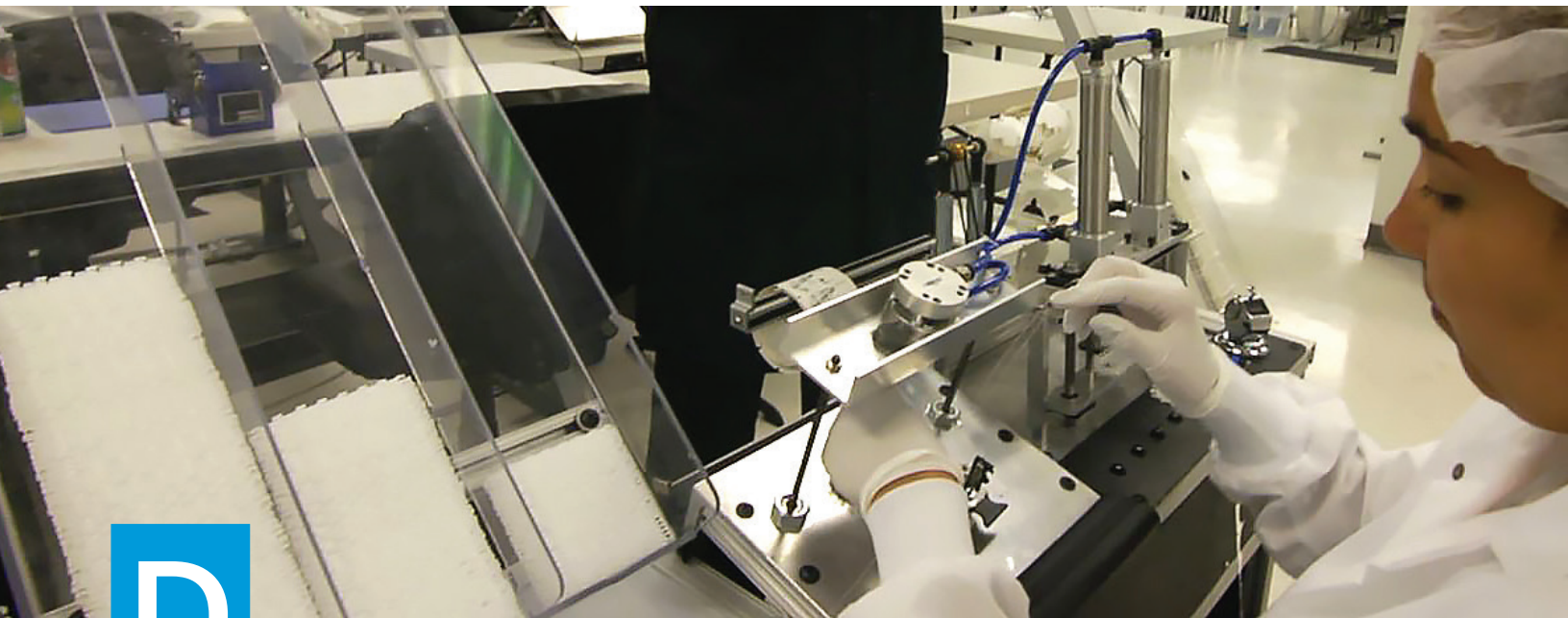
³www.exim.gov/who-we-serve/repp

⁴grow.exim.gov/export-credit-insurance-video

2. EXIM empowers exporters to finance production, forge stronger relationships, and leave no good deal on the table.

"In international sales, a distributor can only grow with the financial capital they have," said Luis Arguello, Jr., Vice President of Demetech, a Florida-based manufacturer of surgical sutures. "So they rely heavily on the manufacturers to provide credit terms to grow their sales. EXIM allows us to extend those credit terms with an insurance policy to back up in case anything goes wrong."

Continue reading to learn more about how Demetech increased its sales 400% while leveraging EXIM support.



[Demetech Corporation](https://www.demetech.us)¹

is a Florida-based manufacturer that produces and exports surgical sutures and blades to more than 100 countries around the world. However, DemeTech did not always sell its sutures and blades internationally. Before partnering with the Export-Import Bank of the United States (EXIM), sales were flat and overseas orders were small. DemeTech

was unable to provide credit to its international clients, preventing it from procuring large orders.

Faced with the hurdles of growing its business, DemeTech turned to EXIM for assistance to access business financing. EXIM introduced DemeTech to [export credit insurance](#)², a tool to insure its accounts receivable, allowing the company to secure financing from

its bank. DemeTech discovered that export credit insurance was critical to securing deals with international distributors.

After insuring its foreign accounts receivable using export credit insurance, DemeTech was able to access working capital from its bank, which improved its cash flow and liquidity. This, in turn, equipped

¹www.demetech.us

²grow.exim.gov/export-credit-insurance-video



"Our partnership with EXIM is a win-win situation."

- Luis Arguello Sr, DemeTech Corporation

DemeTech to start offering more flexible credit terms to its international customers, allowing them to make payments over a longer period of time for DemeTech's goods.

With EXIM certifying 99% of its clients, DemeTech was able to improve its ability to offer international clients credit, and secure larger orders essential for growth. Export credit insurance resulted in more customers and bigger deals. With export credit insurance, DemeTech expanded

its market line, purchased new equipment and automated many of its production methods, allowing it to compete with other international manufacturers. The automation of its production not only lowered costs but increased productivity.

DemeTech has leveraged export credit insurance to reach new markets, expand its workforce and meet international client credit requirements. Since first partnering with EXIM in 2000, DemeTech

Corporation has quadrupled its workforce. Expanding its 'made in America' business to more than 100 countries opened the door to revenue growth of over 400%. Today more than 80% of its revenue comes from international exports to buyers in the Middle East, Europe, Asia and Australia. ■



3. EXIM's credit management expertise frees you up to focus on creating value for your business.

The use of export credit insurance has helped Slade streamline and improve its own back office operations. Export credit insurance has simplified Slade's credit reporting process and has simplified how the company establishes credit lines for foreign customers. In particular, the EXIM Export Credit Insurance application allows Slade to download a ledger that quickly populates and processes a foreign customer's credit line. This in turn allows Slade to process new sales more quickly.

Learn more about how Slade leveraged EXIM's expertise to enter new markets and win new customers.



Did you know there are nonprofit economic development organizations across the U.S. that offer free or low-cost trade counseling, export outreach, and technical assistance to U.S. businesses looking to export?

The Export-Import Bank of the United States (EXIM) has established relationships with over 75 of these entities through our [Regional Export Promotion Program \(REPP\)](#)¹. If a business needs advice on export-related issues, EXIM's REPP members can provide the information and services that it needs to succeed. The North Carolina Small Business and Technology Development Center

(SBTDC) is one such organization that enables North Carolina businesses to become export ready, furthering the export of "Made in North Carolina" goods and services.

SBTDC offers North Carolina companies free and confidential international business advice and assistance. SBTDC works with EXIM and other federal partners such as the Small Business Administration and the U.S. Department of Commerce to equip North Carolina businesses to gain access to financing such as export credit insurance and working capital, and to facilitate participation in programs that provide market research and help find qualified

foreign buyers.

[Slade Inc.](#)² is a company that SBTDC has worked with to increase their international market share. Based out of Statesville, NC., Slade Inc. is a manufacturer of fluid-sealing products for industrial equipment, specifically pumps and valves that serve the steam, nuclear and water hydro-electric plants, pulp and paper mills, and petrochemical and oil and gas industries.

With assistance from SBTDC, Slade took advantage of U.S. Department of Commerce's [Gold-Key Matching Service](#)³, which it used to begin the process of identifying foreign customers and potential distributors

¹www.exim.gov/who-we-serve/repp

²www.slade-inc.com

³www.export.gov/salesandmarketing/eg_main_018195.asp



SLADE Patented Sealing Products



By working with EXIM, Slade has been able to expand its export sales to more than 65 countries.

in the global marketplace. As Slade’s export business grew, it worked with the SBTDC to manage the risks inherent in exporting to unknown markets. With help from EXIM Working with SBTDC, U.S. Commercial Service and EXIM, Slade has been able to expand its export sales with confidence, growing from just one export country in 1997 to 65 and growing today. Specifically, Slade has benefited from using EXIM’s [Export Credit Insurance](#)⁴ product, an insurance policy for a business’ foreign accounts receivable.

Since 1997, Slade has made credit insurance a cornerstone of its business operations and has used

EXIM’s [Short-Term Multibuyer Credit Insurance](#)⁵ to offer open account terms to its international customers (rather than requiring cash-in advance). Export credit insurance allows Slade to export to foreign customers with confidence, knowing that should a foreign customer default, EXIM will reimburse Slade for 95% of their export invoice. With “getting paid” never being an issue for Slade, it is able to better focus on business development.

The use of export credit insurance has also helped Slade streamline and improve its own back office operations. It has simplified Slade’s credit reporting process and

has simplified how the company establishes credit lines for foreign customers. In particular, the EXIM Export Credit Insurance application allows Slade to download a ledger that quickly populates and processes a foreign customer’s credit line. This allows Slade to process new sales more quickly. If Slade has a question about a foreign customer or a credit insurance application, it can receive timely feedback from EXIM, which vets all of Slade’s foreign customers. The use of EXIM credit insurance has equipped Slade to become a successful exporter with a proven strategy for entering new markets and finding new customers. ■

⁴grow.exim.gov/export-credit-insurance-video

⁵www.exim.gov/what-we-do/export-credit-insurance

Request a Free Consultation

EXIM has experienced export finance professionals throughout the United States. A local EXIM Export Specialist can help determine whether you qualify, and get you started on your path to growing your business abroad!

Fill out our short questionnaire and an EXIM Export Specialist will respond shortly!

grow.exim.gov/contact-a-trade-finance-specialist

This is a descriptive summary to be used only as a general introductory reference tool. The complete terms & conditions of the policy are set forth in the policy text, applications, and endorsements.



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