



U.S. Small Business Administration



Increase Your Company Revenue with Exporting Opportunities



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INTRODUCING OUR SPEAKERS



Glen Roberts

Director, U.S. Department
of Commerce



Bernadette Rojas

Senior International
Trade Specialist



Andy Seeto

Lender Relations Specialist,
District International
Trade Officer



U.S. Small Business
Administration



Gregory Moore

Western Regional
Director





U.S.
COMMERCIAL
SERVICE

United States of America
Department of Commerce

INCREASING JOBS AT HOME BY EXPANDING U.S. EXPORTS

Tulare Chamber of Commerce Webinar Briefing
August 25, 2020

U.S. COMMERCIAL SERVICE OVERVIEW



Our Mission

Grow U.S. exports to increase U.S. Jobs.



We help our U.S. companies compete abroad.

Supporting your
export **growth** every
step of the way.



Central California Impact



<\$13 Billion

Total Central California goods exports in 2019.

Results for Local Communities

For every **\$1** allocated to our U.S. Commercial Service office in Fresno, about **\$200** returns to the U.S. Economy.



We have global relationships and expertise in every major industry sector.



Stay in touch with your existing customers. Now may not be the right time to pitch the next product or close a sale, but relationships matter and your customers – and their families – are likely affected by the ongoing economic changes. Stay in touch.

Stay Current with Major Markets:

The U.S. Commercial Service has taken our market intelligence and business briefings virtual, with several offerings to help you stay current: coffee with Asia, CS-organized webinars, updates on USMCA, China Phase One. And you can check out virtual services and global operational status here: www.trade.gov/virtual-services.

Dust Off Your Strategic Export Plan:

With market conditions and the business landscape changing rapidly, now might be a good time to review both short and long term export goals and strategies. Is digital transformation part of your strategy? Are you maximizing export credit insurance tools? Are you taking advantage of local marketing grant assistance? Your local U.S. Export Assistance Center can help. Find us here: www.trade.gov/contact.

Review Your Digital Transformation:

Your Digital and Online Presence Has Never Been More Important!



Are your websites and other platforms accessible, welcoming, easily findable across borders, languages and markets?



How do overseas customers find you?

Metatags

eCommerce Resources

Virtual Services

Learn How To Export

Research Foreign Markets

Network & Learn at Events

Find Buyers & Partners

Explore eCommerce Resources

Obtain Financing

Negotiate an Export Sale

Navigate Shipping & Logistics

Comply with U.S. and Foreign Export Regulations

Perform Due Diligence

Protect Intellectual Property

Resolve Export Problems



Please take [this Digital Readiness Questionnaire](#) to help your business grow and increase online sales!

Watch [our eCommerce Video Series](#) to help you build a digital brand for successful international online sales.

Business Service Provider Directory

FIND ECOMMERCE BUSINESS SOLUTIONS →

[Trade.gov](#)

Explore eCommerce Resources.

eCommerce Sales Channels

There are 4 main ecommerce sales channels (Your Website, Online Marketplace, Social Media, 3rd Party In-Country Distributor), consider the mix of available sales channels when planning your eCommerce strategy. The ratio of effort spent on channels may vary depending upon the industry, product, and platform. Know who your customers are and which part of the channel mix they are purchasing from.

YOUR WEBSITE	On Online Marketplace	Thru #SocialMedia	Sell to 3 rd Party In-Country Distributor
<ul style="list-style-type: none"> • Own Data & Design • Full Content Control • Full Pricing Control • Must Do SEO • Will Require Service Providers 		<ul style="list-style-type: none"> • Build Brand Following • Connect Directly With Consumers • Promote Thought Leadership • Boosts Website SEO • Results Vary • Local Social Media Rep Recommended • Requires Constant Monitoring • Sales Dependent On Activity 	
ONLINE MARKETPLACE			
SOCIAL MEDIA			




eCommerce Videos

- eCommerce Website Optimization (SEO).
- Choosing the Right eCommerce Channel Mix.
- Build Your Digital Brand Abroad.
- How to Get Paid (eCommerce).
- eCommerce International Shipping Options.

eCommerce Videos

Welcome to the largest collection of resources for U.S. businesses selling cross-border through eCommerce sales channels. Brought to you by the eCommerce Innovation Lab (EIL).

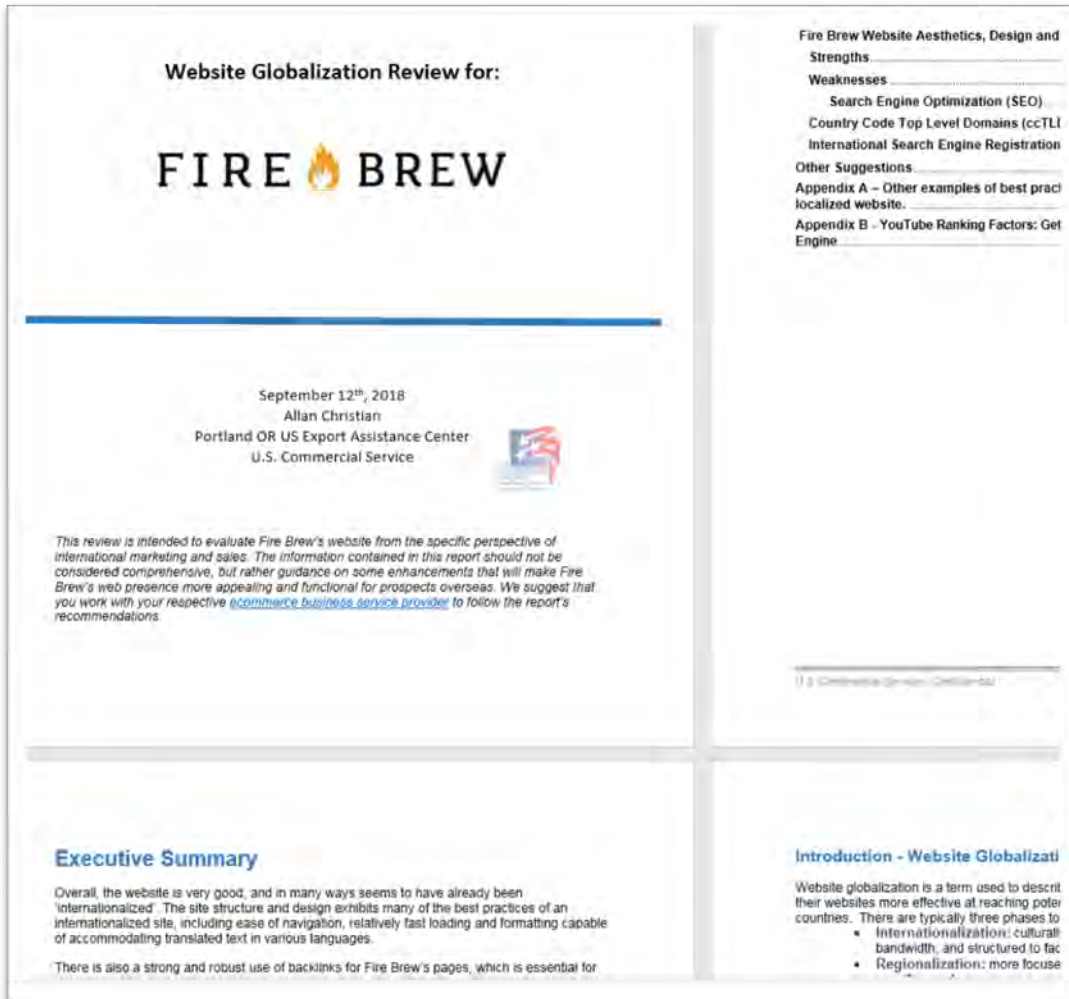
- ECOMMERCE WEBSITE OPTIMIZATION**
- CHOOSING THE RIGHT ECOMMERCE SALES CHANNEL
- BUILD YOUR DIGITAL BRAND ABROAD
- HOW TO GET PAID
- ECOMMERCE INTERNATIONAL SHIPPING OPTIONS



The video thumbnail features a central illustration of two hands holding a red box with a white label that reads 'MADE IN U.S.A.'. The background includes a stylized American flag and a green bag with a 'MADE IN USA' logo. The video player interface shows a play button, a 'Watch later' button, and a 'Share' button. The title 'Website Optimization for International Online Sales' is displayed at the top of the video frame.



Website Globalization Review (WGR) Gap Analysis



- Focuses on Search Engine Optimization (SEO) & internationalizing your business's website.
- Provides technical and strategic evaluation of a business's website from international marketing and sales perspective.

Each WGR Gap Analysis Report by the Local USEAC Includes:

- Executive Recommendations.
- Technical SEO web crawls (2 tools used- Moz & SeoSiteCheckup).
 - Metadata Issues
 - Keyword Issues
 - Backlink Issues
- Website Internationalization Best Practices & Aesthetics Assessment.
- eCommerce Business Service Provider Referrals.
- Follow-on Coaching.

www.trade.gov/website-globalization-review-gap-analysis



eCommerce Business Service Providers

Interested in promoting your digital services to U.S. businesses?



Service Provider Categories

The eCommerce Business Service Provider (BSP) Directory contains basic information on ecommerce service providers, that US exporters contacts for optimizing their digital real estate, in pursuit of increased online sales.

Digital Marketing

Search Engine Optimization, Website Localization Services, Social Media Services, Translation Services

FIND DIGITAL MARKETING AND SEO HELP →

Cybersecurity

Security Software, Data Storage, Data Forensics

FIND CYBERSECURITY AND DIGITAL FORENSICS HELP →

eCommerce Logistics

Fulfillment Centers, Last Mile Services

FIND ECOMMERCE LOGISTICS HELP →

eCommerce Legal & Regulatory

Export Compliance, Data Privacy, Intellectual Property Rights

FIND ECOMMERCE REGULATORY AND LEGAL HELP →

Online Payments

Gateways, Shopping Cart, VAT Tax, Foreign Exchange Rate

FIND ONLINE PAYMENT PROCESSING HELP →

eCommerce Marketplaces

B2C, B2B, Commercial & Niche focus

FIND NICHE-FOCUS INDUSTRY MARKETPLACES →

- Who can help with our content strategy?
- Who can help with site translation?
- Who can help with SEO and analytics?
- Who can help with Channel Management?
- Who can help with an IT security program?
- What online marketplaces exist for us to sell through?
- Where can I find technical assistance for my business issues in the ecommerce sales channel that has been identified through digital strategy counselling?**

www.trade.gov/website-globalization-review-gap-analysis



California State Trade Expansion Program (STEP)

California STEP Individual Company Export Promotion (ICEP) Program.

Receive up to \$5,000 in ICEP reimbursements (updated May 12, 2020) per company per year to support your exporting needs:

What are the qualifying export expenses?

- ✓ Website translations, search engine optimization, localization services.
- ✓ Participation fees for international trade missions that support U.S./California exports.
- ✓ Participation fees for international export trade show exhibitions.
- ✓ Export research tool subscriptions used to assist STEP clients with market research.
- ✓ Cost of compliance testing of an existing product for entry into a foreign market.
- ✓ Fees for shipment of sample products internationally.
- ✓ Other export initiatives determined to be appropriate by STEP Administrators.

NOTE: The following (but not limited to) are not eligible for reimbursement: Travel, lodging, and meal expenses. Additionally, ICEP funds cannot be used in conjunction with any other STEP event.



We're Ready To Assist You.



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

CONTACT US



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Twitter: [Twitter.com/USCommericalSvc](https://twitter.com/USCommericalSvc)

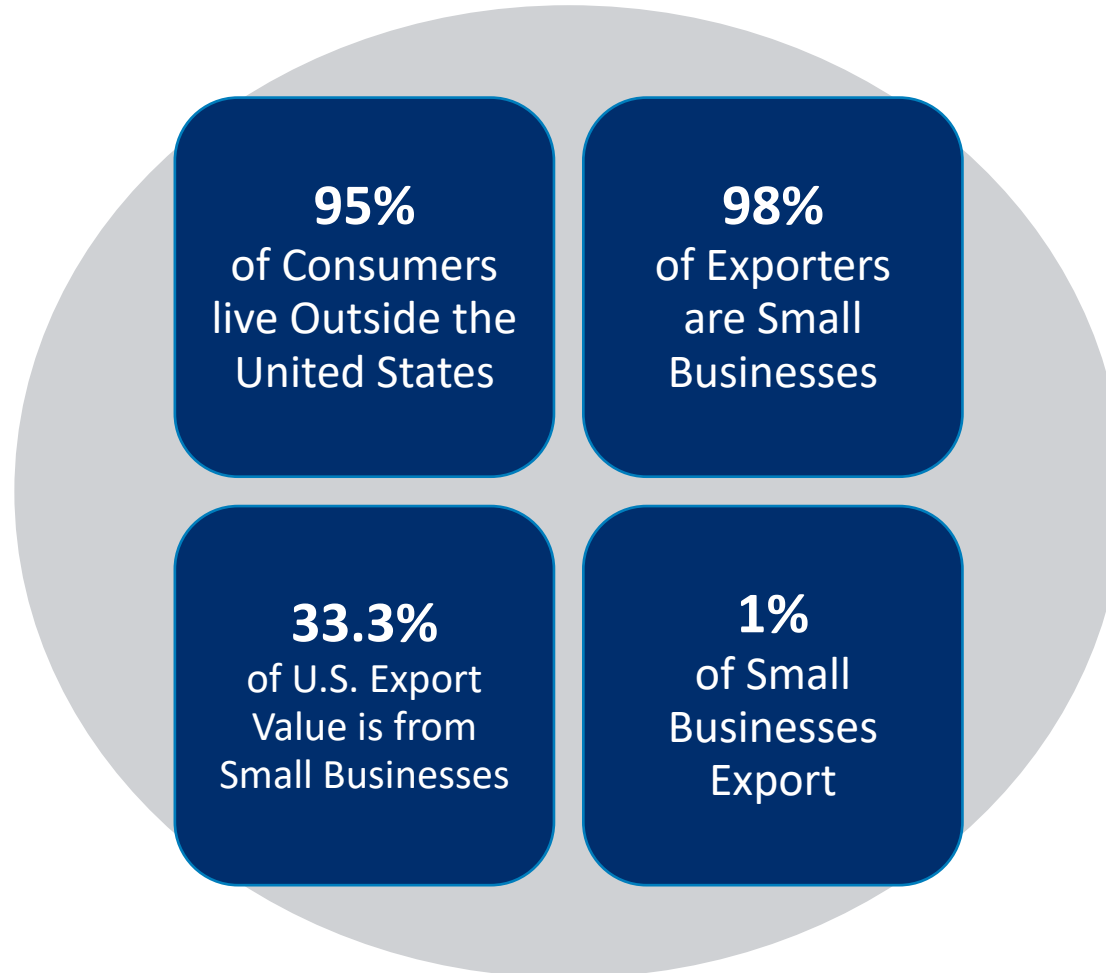


U.S. Small Business
Administration

Office of International Trade

Helping Small Business Go Global

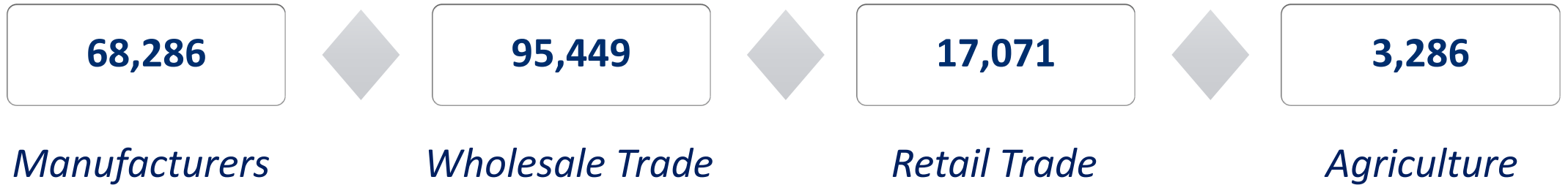
Small Business Exporters are an Untapped Market Opportunity for SBA Lenders



Who are these Small Businesses?

- **Manufacturers**
- **Wholesalers**
- **Retailers**
- **Family Farms**
- **Indirect Exporters**

Nationally: Small Business Exporters in Key Sectors



STEP Grant

- Trade Missions
- Marketing
- Gold Key Services
- Website Fees
- Trade Shows
- Training
- Reverse Trade Missions
- Consultant Services

California STEP Individual Company Export Promotion (ICEP) Program

ICEP program has increased the reimbursement ceiling to **\$5,000**, to provide additional support due to COVID-19.

ICEP program is designed to reimburse eligible California small businesses up to \$5,000 USD for eligible export promotion related expenses.

This is a competitive application, so not all applications will be funded. Reimbursement awards will be granted on the availability of funds, the number of applications submitted and the merits of the application.

To apply for ICEP funding, applicants must complete and submit a STEP registration online at www.californiaexport.org/register.

Companies must select “Individual Company Export Promotion” from the list of activities in the application otherwise the application is incomplete.



Trade Finance

- **Export Express for Export Development**
- **Export Working Capital to Fulfill Export Orders**
- **International Trade Loan for Expanding Exporter Capacity**

SBA Lenders can Serve this Growing Market with SBA's Export Loan Programs

Guarantee of up to 90%, with limits up to \$5 million.

Working Capital for Export Development:

- Secure CE mark (EU), international patent, or trademark.
- Vet potential buyers, agents or distributors, and purchase foreign credit reports.
- Legal fees.
- In-country promotions.

Working Capital to Finance Export Orders:

- Inventory, materials, labor, other production costs.
- Insurance and freight costs.
- Bank fees related to the transactions.
- Standby letters-of-credit for bid, performance, or advance payment bonds or guarantees.

SBA Lenders can Serve this Growing Market with SBA's Export Loan Programs *(cont.)*

Loans to Finance Expanding Production to Meet Foreign Demand:

- Purchase machinery or equipment.
- Retooling expenses.
- Permanent working capital.
- Real estate needed as a result of expanding export sales.

Solution: Export Express

Company:

- Food manufacturer with \$500,000 in annual sales.

Order:

- Various retail web sales to Australia and European Union.

Transaction:

- \$225,000 line of credit with a 60-month term with 90% SBA Guaranty; Max eligible \$500,000, 90% = \$0-\$350,000; 75% = \$350,000-\$500,000.
- 60-month term (Working Capital: 7 years; Equipment: 10 years; Real Estate: 25 years).
- Collateral: 1st UCC on all business assets and first lien on all A/R, inventory, and WIP.

Use of Proceeds:

- \$200,000 to finance foreign accounts receivable and inventory purchases.
- \$25,000 various working capital to revamp company website, increase marketing to support international sales, and attend food trade show with support through.

Solution: International Trade Loan

Company:

- Machine shop with \$2.1 million in annual sales.

Order:

- Contracted work to provide seat brackets and other assembly to Boeing and Cessna. Company has been a provider to these corporation for 8 plus years (indirect exporter). Expansion was required to fulfill addition of Boeing 737 work.

Transaction:

- \$750,000 term note to expand facility and purchase new equipment with a 90% SBA guaranty; \$5 million max, term note financing only (no lines of credit).

Transaction (cont):

- Blended maturity (Working capital and Equipment: 10 years; Real Estate: 25 years)
- Collateral: 2nd UCC on all business assets, 2nd deed of trust on commercial property, and 1st UCC lien on all new business equipment purchased with loan proceeds.

Use of Proceeds:

- \$200,000 to add additional warehouse space to existing facility.
- \$550,000 to purchase new manufacturing equipment.

Export Working Capital: Asset-Based Line of Credit

Company:

- Grocery products wholesaler with \$5 million in annual sales.

Order:

- Sales to distributors in China and Taiwan totaling roughly \$3.5 million annually.

Transaction (ABL Borrowing Base Monitored Line of Credit):

- Seller provides: 60-day terms to distributors.

Working Capital Need:

- Loan Amount: \$500,000; \$5 million maximum (SBA Fee: \$1,125).
- Use of Proceeds: asset-based line of credit, 90% SBA guaranty.
- Term: 12 months, renewed annually.
- Collateral: Foreign accounts receivable - 85% Advance Rate, Export Inventory - 65% Advance Rate (90% max-75% max).
- Working Capital Provided: \$500,000 revolving line used to finance open account terms on sales. SBA policy additionally allows for 75% WIP.

CARES ACT COVID-19 Loan Programs

- **Paycheck Protection Program** currently expired.
- **Economic Injury Disaster Loan (EIDL)** applications from all eligible small businesses, private non-profits and U.S. agricultural businesses. Apply directly with SBA Disaster Assistance website.
- **Community Advantage Recovery Loan (CARL):** technical and financial assistance to assist small businesses located in underserved areas with retooling their business models for the COVID-19 environment and building financial resiliency against potential future disruptions.
 - Must be approved no later than 9/27/2020 and fully disbursed by 10/1/2020.
 - 15 hours of free technical assistance.
 - Veteran owned.
 - Low to moderate income areas.
 - Must be Tailored to the subject business and may include but is not limited to:
 - Retooling the applicant business model for a COVID-19 environment.
 - Shifting to an online presence.
 - Building cash reserves.
 - Expense reduction strategies.

CARES ACT Section 1112

- Loan made beginning on March 27, 2020 and through September 27, 2020, SBA will make the loan payments for the 6-month period beginning with the first payment due on the covered loan.
- Lender may grant the Borrower an immediate deferment on these new loans (in accordance with the applicable SOP provisions) in which case the 6-month period of SBA payments will begin after the deferment ends.
- Revolving lines of credit: does not need to maintain a continuous outstanding balance in the revolving line of credit for a 6- month period in order to be eligible for the section 1112 payments, so long as the first draw on the line of credit is made on or before September 27, 2020.



U.S. Small Business
Administration

Thank You!

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Learn How to Eliminate Risk When Exporting

WHO WE ARE – WHAT WE DO

EXIM Bank is an independent agency of the U.S. Government.

- › Established in 1934.
- › Headquartered in Washington, D.C.

Regional Export Finance Centers:

- *Eastern:* Miami, New York, Atlanta.
- *Central:* Chicago, Detroit, Minneapolis, Houston, Dallas.
- *Western:* Orange County, CA; San Francisco, Seattle, San Diego.

Mission: Support U.S. exports in order to create and sustain U.S. jobs.



OUR SUPPORT MAKES THE DIFFERENCE



Minimize risk



**Level the
playing field**



**Supplement
commercial financing**

EXIM BANK FINANCING COVERS THE SPECTRUM



*Pre-Export
Financing*

*Post-Export
Financing*



**Working Capital
Guarantees**

**Insurance Guarantees
Direct Loans**

EXIM SUPPORTS EXPORTING CHALLENGES



Pre-export cash needed!

- › An EXIM guaranteed credit line may provide the vital funds you need to fulfill new orders.
- › These funds may be used to purchase finished products, raw materials, and supplies to cover labor and overhead costs.
- › The funds may also be used to support standby letters of credit used as bid or performance bonds.



Will you get paid?

- › EXIM's export credit insurance provides payment coverage for both commercial and political risks.
- › EXIM can protect your export sales to a single buyer or multiple buyers.

EXIM SUPPORTS EXPORTING CHALLENGES *(cont.)*



Buyers want credit terms!

- EXIM's export credit insurance enables your company to offer competitive "open account" terms instead of requiring your foreign buyers to pay cash-in-advance, use credit cards, or secure letters of credit.
- Insured foreign receivables may be assigned to a commercial lender, which increases your company's borrowing base and accelerates its cash flow.



Buyer want term financing!

- EXIM can provide your foreign buyers with term financing at competitive interest rates and longer repayment terms.
- Foreign buyers can use these funds to buy U.S.-made capital goods and services, helping your business go global.

ELIGIBILITY REQUIREMENTS



Exporters must:

- › Be in business at least 3 years (*unless otherwise noted*), have financial statements or tax returns, and have a DUNS number.

For Working Capital and Short-Term insurance, exported products and services must be:

- › 50+% U.S. content, including labor, excluding mark-up (*cost basis*).

For Medium-Term Insurance and Guarantees, exported products and services must be:

- › 85+% U.S. content, including labor, excluding mark-up (*cost basis*) for full support of the transaction.



TRADE TERMS AS A SPECTRUM OF RISK



Seller Risk High



Seller Risk Low

Sale Terms

- › Open Account
- › Cash Against Documents and other Documentary Collections
- › Sight Letters of Credit
- › Payment in Advance

Buyer Risk Low



Buyer Risk High

EXPORT CREDIT INSURANCE – BENEFITS



Risk Protection

Protects against buyer nonpayment due to commercial risks and political risks.



Sales Tool

Allows exporter to offer competitive credit terms to foreign buyers, generally up to 180 days, some products may qualify for 360 day terms.



Financing Aid

Obtain additional financing. Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender.

RISKS COVERED



Commercial Risk:

- › Insolvency
- › Bankruptcy
- › Protracted Default



Political Risk:

- › Transfer Risk
- › War, Revolution, Insurrection, Expropriation
- › Cancellation of an Import or Export License



SHORT-TERM EXPORT CREDIT INSURANCE



Coverage Parameters

- › Up to 180 days, exceptionally 1 year.
- › 95%, 98% or 100% coverage, depending on policy selected, products exported, and buyer classification.
- › Insures both commercial and political risks.

Lender Policies

- › Bank Letter of Credit.
- › Financial Institution Buyer Credit.

Export Policy Options

- › Multi-Buyer, Single-Buyer, “Reasonable Spread of Risk”.



SHORT-TERM EXPORT CREDIT INSURANCE



Policies for Small Business:*

Express Insurance

- › 95 % cover, no deductible, pay-as-you-go, EXIM Bank obtains and reviews all credit info on buyers, maximum of 10 buyers.

Multi-Buyer

- › 95 % cover, no deductible, pay-as-you-go, some buyer approval authority may be given to exporter.

Single-Buyer

- › 90% cover, no deductible, pricing published on www.exim.gov.

**SBA Definition*

HANDOUT –COMPARING SHORT-TERM EXPORT CREDIT



EXIM's Comparison: Short Term Export Credit Insurance for U.S. Companies is available in the resource section.

	EXPRESS INSURANCE	SMALL BUSINESS MULTI-BUYER	STANDARD MULTI-BUYER	SINGLE-BUYER
Target Market	Small businesses new to exporting* with ≤\$10 million export credit sales and 10 or less buyers. Must have no more than five years of export credit experience	Small business* with ≤\$10 million export credit sales	Experienced U.S. companies	Any U.S. company desiring to insure only one buyer
Base Coverage	95%. Not all accounts must be covered	95%	95%	90%
Discretionary Credit Limits	None. EXIM approves all buyers	Yes, amount based on U.S. company's experience	Larger amounts for most experienced exporters	None. EXIM approves the one buyer
Deductible	None	None	Yes, amount based on U.S. company's risk portfolio and experience	None
Premium Rate per \$100 (for private sector buyers)**	Same rates for any country risk. Based on payment terms offered to buyers: 1-60 days: \$0.65 61-120 days: \$1.06 121-180 days: \$1.35	Same rates for any country risk. Based on payment terms offered to buyers: 1-60 days: \$0.55 61-120 days: \$0.90 121-180 days: \$1.15	Portfolio tailored rate with discounts for low risk country concentration and many buyers	Premium rates vary according to country of the buyer and length of payment terms exim.gov/tools-for-exporters/exposure-fees/shorttermelcassfinancing
Report Shipments	Monthly	Monthly	Monthly	Monthly
Period Covered	12 months; Renewable	12 months; Renewable	12 months; Renewable	12 months; Renewable
Claim Filing	3-8 months after due date	3-8 months after due date	3-8 months after due date	3-8 months after due date
Policy Issuance Fee	Minimum \$500; Refundable	Minimum \$500; Refundable	Minimum \$500; Refundable	Minimum \$500 for first policy; waived for renewals and repeat small business customers. Refundable if premium paid during the first year exceeds the fee

MEDIUM-TERM FINANCING

Generally used for *buyer financing* of capital equipment

- › 85% financed, 15% cash down payment by the buyer (*may be financed by a lender*).
- › Repayment up to 5 years, exceptionally 7 years.
- › Amounts of \$10 million or less.

Financing can be accomplished through the following EXIM products:

- › Lender guarantees.
- › Direct Loans (few).
- › Credit Insurance.

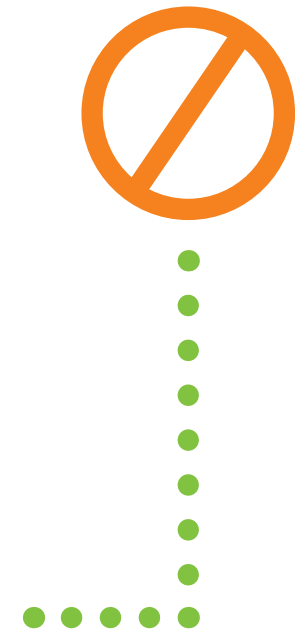


JUST A FEW RESTRICTIONS



Just a few:

- No Military or Defense-related products or obligors,
Exceptions:
 - Products for humanitarian purposes.
 - Drug-interdiction.
 - Dual-use.
- U.S. Content (*Standard-Term: 50+%; Medium-Term: 85% U.S.*).
- Restricted Countries (*Country Limitation Schedule*).
- Economic impact.
- Additionality.



COUNTRY COVERAGE

EXIM Bank supports business in many countries throughout the world.

- › Restrictions may apply for political or economic conditions.
 - Check the Country Limitation Schedule (CLS) at www.exim.gov.
 - › “X” means support is *not* available.



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Questions?



EXPORT-IMPORT BANK
OF THE UNITED STATES



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Increase Your Company Revenue with Exporting Opportunities



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