Could your next Customer be Outside the U.S.?

Last week, my column on taking your business abroad struck a lot of interest. I have been asked to expand on some specific topics related to this business opportunity. As small businesses in Southeast Minnesota consider the question where will my next customer come from, several have considered looking to increase sales and profits by taking their businesses global.

Business data does indicate that nearly 96 percent of consumers and over two-thirds of the world’s purchasing power reside outside the U.S. Companies that export enjoy business success with increased sales and profit potential. Exporting also helps businesses weather downturns in the domestic economy by being prepared to respond to foreign competition and global market trends.

Now, may be an ideal time for U.S. small businesses to start looking at the potential to expand into export operations. Some of the reasons are:

- U.S. businesses have a competitive advantage for producing high-quality, innovative goods and services with sound business practices.
- Advancements in e-commerce and logistics have lowered the costs of doing business overseas.
- Free trade agreements have opened up markets in Australia, Chile, Singapore, Jordan, Israel, Canada, Mexico, and Central America, creating more opportunities for U.S. businesses.

For example, just one testimony of this strategy is the experience of ATC International, Inc. After working in Australia, Amy Frey started her business in a small home office with a fax machine. Today, ATC has warehouses on both the East and West Coasts, distributing a wide variety of consumer products. Frey’s success was recognized in 2004 when she was named the Exporter of the Year for the Washington metropolitan area by the U.S. Business Administration.

Reflecting on her experience with exporting, Frey sees a world of opportunity. “The world is your oyster,” says Frey. “Small businesses can experience great sales and achieve growth exporting to customers outside the U.S. And you don’t have to go it alone. There are federal government programs to help small businesses become successful exporters.”

To begin your path to export success, I suggest that you visit sba.gov/international. “Financing to help expand exports has been one of the greatest challenges for our business. The SBA has been crucial to our success”, reports Andy Kruse, Senior Vice President at Southwest Windpower, Flagstaff, AZ. He was named the 2009 SBA Exporter of the Year.

The SBA is working to help small businesses start or expand export operations. SBA has international trade and finance managers at U.S. Export Assistance Centers who can advise you on SBA export
finance programs and other federal government export assistance programs. Since 2008, the SBA has approved over $2.2 billion in small business export loans.

As one looks at this opportunity, there are many good reasons to export. Among them are reduced dependence on the domestic market; diversified sources of revenue; extended sales potential along with extended product shelf life of existing products; and a potential to fill in and stabilize seasonal markets and sales fluctuations.

Exporting your business products and/or services abroad can be complex. To learn more about importing/exporting for your business, contact America’s free and confidential source of small business mentoring and coaching, SCORE, on our website: [www.score-SEMinnnesota.org](http://www.score-SEMinnnesota.org). We also get great help for clients from the SBA’s district office in Minneapolis because they have international trade specialists who are very connected to key resources.

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