

## REACHING OUT TO SMALL BUSINESS

Ex-Im Bank's growing success in reaching out to assist U.S. small businesses is a story of strategic marketing aimed at attracting and serving new customers, including businesses that traditionally have been under-served by export financing such as minority- and women-owned companies, and businesses in rural or economically depressed urban areas. In FY 2000, the Bank brought a sharpened focus to meeting its congressional mandate to assist small businesses by implementing multidimensional outreach. Initiatives included developing an extensive exporter database and direct marketing effort, working with customers through the Bank's six regional offices, and establishing new strategic alliances with state and local organizations, trade associations and lenders.

Reflecting the Bank's commitment to small business support, the overall dollar value of the Bank's small business financing rose nearly 10 percent to \$2.3 billion in FY 2000, and the number of small business transactions increased 13 percent. Insurance authorizations for small businesses increased to \$1.5 billion. Working capital loan guarantees rose 41 percent to a record \$588 million, and of the 361 working capital guarantees authorized, 94 percent were for small businesses. Working capital guarantees for women-owned businesses increased to \$14.5 million, and the number of insurance policies held by minority- and women-owned businesses increased by nearly 18 percent.



*New Jersey Governor Christine Todd Whitman, former New Jersey Secretary of Commerce Gualberto Medina and Ex-Im Bank Board Member Dan Renberg at the signing of New Jersey's City/State Partnership with Ex-Im Bank in May 2000.*

*Ex-Im Bank Board Member Vanessa Weaver  
addressed a meeting of asset-based lenders in  
Los Angeles in September 2000.*



Recognizing the need to build awareness of its financing among U.S. exporters, Ex-Im Bank developed a targeted exporter database of 127,000 U.S. companies and conducted a direct marketing program and advertising campaign.

Using the new exporter database in FY 2000, Ex-Im Bank's regional offices in New York, Washington, D.C., Miami, Houston, Chicago, and Long Beach, Calif. (and satellite offices in Orange County and San Francisco) contacted more than 29,000 new and prospective customers. The regional offices staff conducted nearly 3,000 office visits with U.S. companies and participated in more than 250 seminars nationwide that helped over 12,000 attendees to learn about the Bank's financing.

In FY 2000, Ex-Im Bank established City/State Partnerships in Wyoming and New Jersey, enabling the Bank to reach out more effectively to companies in these states. Ex-Im Bank now has 36 City/State

Partners – state and local trade organizations with staff trained in the Bank's programs – available to help U.S. exporters in their own communities.

To attract asset-based lenders and small community banks, Ex-Im Bank developed more user-friendly documentation for its Working Capital Guarantee Program. The Bank also reached out to a broader spectrum of lenders through new marketing initiatives, including a strengthened Delegated Authority Lenders Program that allows lenders to give their customers quick approval on Ex-Im Bank working capital guarantees without prior Ex-Im Bank approval. The Bank now has more than 100 lenders in the program. In September 2000, United Pacific Bank in City of Industry, Calif., was the first community bank to process an Ex-Im Bank working capital guarantee under delegated authority.

To encourage more minority- and women-owned firms to export, Ex-Im Bank increased its coverage of working capital loan guarantees for these businesses

from 90 to 100 percent, giving these companies greater access to financing for pre-export costs.

In FY 2000, Ex-Im Bank appointed a business development officer to work directly with minority- and women-owned companies. The Bank also signed agreements with two private business organizations to set up partnerships to market export financing to their members: the National Minority Supplier Development Council (NMSDC) and the Business Women's Network.

Ex-Im Bank enhanced its Trade Association Partners Program (TAPP) in FY 2000 by offering member associations referral fees for connecting their members with the Bank's small business programs. Through TAPP, more than 50 affiliated trade associations disseminate export financing information and refer trade association members to Ex-Im Bank's regional offices and City/State Partners.

*AS&E uses Ex-Im Bank's working capital guarantees to export high-tech cargo inspection systems to foreign countries to detect drug smuggling and other contraband.*



## AMERICAN SCIENCE & ENGINEERING (AS&E) INC.

Billerica, Mass.

Exports High-Tech Cargo Inspections Systems

This high technology small business develops, manufactures and services X-ray cargo inspection systems and sells them to governments worldwide to uncover trade fraud and detect drugs, bombs and other contraband – with the help of Ex-Im Bank's working capital financing. The company has used the Bank's working capital guarantees to sell its products to Taiwan, Egypt and other foreign markets, and has used an Ex-Im Bank credit guarantee facility to export to Mexico. In September 2000, the company's Ex-Im Bank working capital line of credit was increased to \$35 million.

"Ex-Im Bank support has been critical to our company's turnaround and growth. Starting in 1995, we used Ex-Im Bank support effectively to 'bridge the gap' until our permanent financing took hold. The Bank's financing has continued to support our revenue growth and helped to triple our employment. Ex-Im Bank has been and will continue to be a critical partner in our international growth strategy," said Lee C. Steele, AS&E finance vice president and chief financial officer.