



# How the SBA helps small exporters

By Inga Fisher Williams



**F**rom glass to blueberries and microchips to wine - you name it and some enterprising small business has found a way to sell it to overseas markets. The same goes for live animals shipped from Jefferson City, Mo., and titanium-cast parts for the aerospace industry exported from Albany, Ore.

Small exporters prevail, despite daunting obstacles, and account for nearly 30 percent of total U.S. exports, which are expected to approach \$1 trillion this year. Innovative small businesses are finding profitable niches outside the U.S. and can have anywhere from 5 percent to 100 percent of their sales in foreign markets.

Exports are key to the profitability of many small companies and to U.S. economic and job growth. Helping them succeed is part of the mission of the U.S. Export Assistance Center network. These centers help established companies develop an export market and provide occasional exporters the tools to expand their international business. Thanks to the Small Business Administration, access to export financing is part of this assistance.

Nearly two-thirds of U.S. exporters sell products to just one overseas market. Small businesses are more likely to export to only one, two or maybe five countries. This profile has been virtually unchanged in the nearly two decades that I've worked for the SBA, the last 12 in U.S. Export Assistance Centers in Cleveland and Portland, Ore. Far from a static set, however, the number of small and midsize exporters is increasing. Their numbers jumped 228 percent between 1987 and 2002, twice the rate of large companies. There are now about 250,000 small exporters in the U.S.

Providing access to capital and coaching on export financing, the SBA is part of the support team for small start-up exporters and shares in their successes. And the SBA does this with just 0.5 percent of its total work force, co-located with the Department of Commerce in Export Assistance Centers in 15 cities.

Altogether, the SBA has 70 offices nationwide and relationships with 1,200 small business development centers and 12,000 SCORE volunteers. (SCORE stands for Service Corps of Retired Executives.)

In contrast to its well-developed domestic assistance capability, the SBA was relatively late in embracing export finance assistance. An innovative SBA administrator hired the head of California's Export Finance Office in the early 1990s to fine-tune the agency's slumbering export loan program. Today the SBA has two specialized export loan guarantee programs: The Export Express program - [www.sba.gov/financing/loanprog/exportexpress.html](http://www.sba.gov/financing/loanprog/exportexpress.html) - provides loans of up to \$250,000 for exporters just getting started, while the Export Working Capital Program - [www.sba.gov/financing/loanprog/ewcp.html](http://www.sba.gov/financing/loanprog/ewcp.html) focuses solely on export transaction financing with loans of up to \$2 million thanks to a co-guarantee program with the Export-Import Bank that extends financing when the SBA's loan limit is reached.

Working hand-in-hand with trade specialists in the Commerce Department's U.S. Commercial Service, SBA staff contribute the export finance expertise for a seamless delivery of federal export services. They have expertise in the SBA's export loan programs and banking

relationships and are knowledgeable about transaction financing, risk insurance and other trade finance related programs.

Trade finance is not standardized or suited to a mass-produced loan product. Each transaction is unique in its characteristics, export country, payment methods, risk assessment and mitigation options. SBA staff carefully evaluate each loan request and make on-site visits to review the risks with the product, the company's capacity, the foreign buyer, market and payment method.

SBA staff at the Export Assistance Centers are problem solvers. They are highly specialized group with a skill set not readily found within the SBA, the lending community or private-sector organizations.

Aside from their knowledge, expertise and experience, it's the dealmaker aspect of the job that is its greatest challenge and reward - bringing together the right people to make it happen. Whether it's the business owner and the right banker or even different departments within a bank, such as commercial lending and trade services, it's very satisfying to bring them all together and see that the deal gets done.

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