

# Ready to go overseas?

*Resources to explore new markets*



by Veronica Garabelli

**W**hen Newport News-based consulting firm Alliance Solutions Group Inc. wanted to export its services to the United Arab Emirates, its executives decided to do their homework first.

"We had never done that kind of work and knew there were a lot of requirements," says Richard R. Flannery, business development manager for the company, which has about 20 employees.

Flannery enrolled in the Virginia Small Business Development Center Network's Passport to Global Markets program, which helps companies reduce the amount of time businesses need to enter and expand in a global market. "This program provided a good introduction into working in an international market and what you need to know and ... do," says Flannery, who completed the program last fall.

The Passport to Global Markets program is just one of many resources available to companies in Hampton Roads that are interested in exporting. "There is a lot of support, you just have to ask," Flannery says. "Even if you don't know the right questions to ask, just ask, and you'd be surprised how willing everyone is to help you out."

Exporting can lead to additional sales, increased profits and faster growth, says Jordan Watkins, international trade manager for Hampton Roads for the Virginia Economic Development Partnership. Watkins is one of six VEDP trade managers around the state, who help companies through the exporting process.

"I would say that the main reason that Virginia companies should consider exporting their products or services is that they will reduce their local market dependence," Watkins

says in an email. "Virginians cannot depend on U.S. buyers. We need to proactively mitigate sales revenues hit most recently by the recession and now potential sequestration cuts."

A nice perk for Alliance Solutions Group's exporting efforts was a \$20,000 grant it received through the VEDP's State Trade and Export Promotion (STEP) program, a federally funded grant initiative that helps small businesses new to exporting. Flannery says Alliance Solutions Group used part of the money to go on a trade mission to the UAE. The VEDP takes more than 100 companies on trade missions each year. These trips allow businesses to make connections in a country in which they want to expand. "The trip to the UAE has helped us understand the market, the culture of doing business there, and allowed us to refine our strategic planning for this international mar-

ket," Flannery says in an email.

The STEP program also offers the Gold Key Matching Service through the U.S. Department of Commerce, which provides companies with market research and helps them identify potential in-country partners. STEP also offers companies the opportunity to place a free ad in an issue of Commercial News, the official export promotion magazine of the U.S. Department of Commerce that helps American companies find buyers and distributors. The publication reaches more than 250,000 readers in 178 countries.

Additionally, STEP also offers a grant that gives companies a chance to be in the U.S. Export Expo, an online virtual trade show where potential foreign buyers go to find U.S. goods and services. STEP's export compliance grant helps defense companies legally export their products/services by providing as much as \$12,250 per business.

The STEP grant also offers a \$2,500 stipend that can be spent on any approved export-related activity, such as translating a website or participating in a trade mission. "That is not a specific program limited to an industry or target market," says Theodora von Hohenstaufen Noll, STEP grant manager for VEDP. Slots for all grants are limited, so companies interested in them need to contact Von Hohenstaufen Noll as soon as possible. Because of federal budget cuts, VEDP is not sure if the federal government will fund the STEP program past September.

The VEDP soon will have new funds available for defense companies that are affected by sequestration and want to go global. That initiative should be announced this Spring, says Paul Grossman, vice president of international trade at VEDP.

Flannery hopes Alliance Solutions Group will transition into VEDP's Virginia Leaders in Export Trade (VALET) program, which helps Virginia companies expand international sales. The program provides companies with \$15,000 toward export related expenses, helps them develop an international sales plan, increase sales abroad, and enter new international markets.

Although there's no cookie-cutter method for exporting a product, it does help to be established since there are additional costs associated with entering a new market, says Aaron Miller, international trade specialist for the Virginia SBDC Network at George Mason University. Miller, who oversees the Passport to Global Markets program, advises companies to know their customers and be able to fulfill a purchase order. "I try to encourage my companies to have a sustainable approach to exporting," Miller says. "Once you go into a market, to commit to it and be sure you are ready for that kind of commitment."

It's also important to do a little digging on a country in advance. One business, for example, wanted to export to Brazil, but after doing some research, company officials learned there already was competition for their product. In addition, the company faced high taxes and difficult labor market laws. By doing its homework, the firm was able to avoid an unnecessary trade mission and save costs. 🌐

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### Important websites:


**Export.gov:** Valuable information from the U.S. Department of Commerce to help U.S. companies export their goods and services.

**Exportvirginia.org:** The Virginia Economic Development Partnership's comprehensive website for Virginia companies interested in exporting.



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