

**U.S. Small Business Administration
Ron Johnson Interview with Paula Murphy**

Ron Johnson: In Part III of our series, "Where Will Your Next Customers Come From?" we'll explore preparing for global markets. Paula Murphy, Director of the Massachusetts Export Center, a part of the Massachusetts Small Business Development Center, counsels small businesses that want to grow by exporting. Small Business Development Centers partner with SBA to provide counseling and training to entrepreneurs. Hi, once again, this is Ron Johnson with the SBA, *Your Small Business Resource* and I'd like to welcome Paula Murphy to the program. How are you, Paula?

Paula Murphy: Thanks, it's good to be here, Ron.

Ron Johnson: Paula, once a company has already determined that it is ready to export, what are some of the internal organizational factors that it needs to consider as it prepares for global markets?

Paula Murphy: Well, exporting is not a venture that a company does entirely on its own and the exporter really must rely on partners to perform certain functions. So the business is that -- the company doesn't need to be an instant expert on exporting in order to start. But what they do need to do is identify potential external partners that can help.

Banks are very important. They need to be able to facilitate payments from overseas so they need a bank that has global trade banking capabilities. The good news is that it doesn't necessarily have to be a large bank. Small banks these days often outsource global trade banking capabilities to larger partners. They also need to work with a freight forwarder who can facilitate international shipments. Law firms need certain expertise with distribution contracts, intellectual property protection. They may need translation firms to help with their packaging or their documentation and there are also a lot of consultants out there, if necessary, although it is not always necessary for a company to hire a consultant but there are certainly many qualified consultants available.

They also need to identify in-house expertise and assign responsibilities so who's going to be responsible for international business development within the sales and marketing department? The engineering and product development department probably need to get involved for any product modifications or standards compliance. Accounts receivables people are probably going to be processing international payments, supply chain management people are going to be involved with international shipping, documentation, export regulatory compliance. So they definitely need to identify who is responsible for what, in-house. And then create a written

export plan with everybody's input, including a budget and timeline for implementation.

Ron Johnson: Paula, can you tell us, is there anything a business needs to do in order to prepare or adapt its products for export markets? And are there any regulations or laws that the businesses must consider?

Paula Murphy: Yes. For many companies, this is an important issue. There are often several technical issues that will need to be addressed. Many companies have technical products that need to be installed, training and support need to be provided so will this even be possible? Are there any special shipping or storage requirements for the product as it is going overseas?

Many products are subject to safety standards overseas so a company needs to assess what those standards are and whether the products -- they probably need to get the product tested to make sure that it complies. Many products that are regulated are also required to be registered with different ministries. For example, we work with many medical device companies and a lot of times, those products need to be registered with the ministry of health in whatever country an exporter might be selling to. Also there are certain industry standards that need to be complied with.

And then, virtually every product will have some sort of modification, whether it's labeling, packaging, product documentation or even the product itself, whether consumer preferences need to be met or if there are also technical modifications needed like electrical voltage. So virtually no product goes straight out of the box, as it is, to an overseas market.

There are also U.S. export regulatory requirements. There are certain countries that we are not allowed to do business in. And then certain products, especially when you get into technology types of products, can sometimes need licenses to be sold to certain countries and certainly anything that falls under the International Traffic in Arms regulations which would be military and defense technology types of this, there are certain countries where those products cannot be sold. So because of these different factors, companies and products that are flexible are often the best suited toward exporting.

Ron Johnson: Now, how can a company acquire the expertise or knowledge it needs on all of the processes and procedures that it will need to implement in order to export?

Paula Murphy: Well, this is often one of the biggest areas of concern for many new exporters and fortunately it's also one of the easier challenges to resolve for many businesses. There are free counseling resources on the export process throughout

government. Small business development centers provide a lot of one-on-one assistance in this area. And, again, it's free export counseling in technical assistance. Oftentimes different states have their own trade offices that can also be of assistance. And certainly the U.S. Department of Commerce, through the U.S. Export Assistance Center network can also provide assistance in this area.

So there's a lot of one-on-one counseling that's available, either over the phone, through email or even where you can have representatives go out and visit companies onsite. There are also a lot of seminars and training across all aspects of exporting and, again, SBDCs get very involved in this area but even private sector providers get involved in this area. Banks do training, freight forwarders do training, law firms and then, of course, there are loads of webinars and on-demand training. There's an online resource called [globalEDGE](#) out of Michigan State University which has fabulous on-demand export training, [export.gov](#) also has some training and, again, there are other government resources.

So, in addition to the counseling and training, there are also lots of publications put out by these same organizations. So there's really no shortage of information and, in fact, it can be overwhelming once a business discovers all the resources that are available to them.

Ron Johnson: Small businesses interested in exporting can find more information at www.sba.gov/international or www.sba.gov. I'd like to thank Paula Murphy, Director of Massachusetts Export Center for the Small Business Development Center Network for providing valuable information for entrepreneurs on taking their businesses global.

Join us in our next segment with Paula as she and I discuss market research. So until next time, this is Ron Johnson with the Small Business Administration, *Your Small Business Resource*.

[End of Transcript]