

U.S. Small Business Administration
Ron Johnson Interview with John Joyce

Ron Johnson: The U.S. Small Business Administration supports small businesses with a variety of programs and services for those companies ready to take their business global.

Hi, I'm Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource* and my guest today is, once again, John Joyce, one of 18 SBA Export, Finance and Trade managers across the country who help small businesses grow through exporting. John, it's good to have you on the program again.

John Joyce: Thank you, Ron. It's good to be here.

Ron Johnson: John, many small businesses think that exporting is too complicated. Now, where should an entrepreneur start who's interested in learning about exporting?

John Joyce: Well, I think that a good start is to contact the local office of the U.S. Export Assistance Centers around the country, which are a combination of the U.S. Small Business Administration, the Commerce Department and, in some cases the Export-Import Bank. They are located on our website which is www.sba.gov/international. There is also a free online introductory course on exporting at www.sba.gov/training. And when a company contacts our offices through the Export

Assistance Centers, they will be able to find out about other resources that are available, including the federal government resources, in their area.

Ron Johnson: Now, as an SBA Finance and Trade manager, how do you help small businesses?

John Joyce: Well, we have a network of offices around the country. There are 18 locations at this time which are expected to be expanded in the near future and we work with companies one-on-one. We meet with the company individually to help them and the SBA's emphasis is in the area of financial assistance so we try to help them understand how they can utilize the resources that we have in order to increase their export business. We also help to put them in touch with other export assistance programs such as the U.S. Department of Commerce or their local Small Business Development Center and SCORE.

Ron Johnson: John, for many small businesses, financing is the key. What types of export finance programs does SBA offer?

John Joyce: Well, we have two primary loan guarantee programs. We also work on general export development and helping companies understand other aspects of, for instance, letters of credit and terms of payment that they would need to know. But the two primary programs that we have are our loan guarantee programs that we work with lending banks to deliver.

Ron Johnson: What are some of those features of the loan program?

John Joyce: The first program is called the Export Working Capital Program and it is an export line of credit and is used primarily to cover the cost of filling export orders. That means that a company, when they receive an export order from an overseas customer, they can draw against the line and cover 100 percent of their cost of labor and materials and overhead upfront and help them get that order out the door.

When the payment comes in from the customer in the form of a receivable, the payment is put against the line to pay it down so that they don't develop a balance on the line and they can reuse it for the next order. So it revolves in that way. So the main benefit is pre-export financing, getting the product out the door or delivering a service.

The second program is for smaller loans but it is more flexible in its use of funds. It's called the Export Express Program. This is very streamlined. The bank, the lending bank uses all their own documentation and so it's very quickly put into place. It can be up to \$250,000. And when I said it's more flexible, what I mean is it could be used for anything that is going to help a company increase their international business. It might be that it is financing a specific sale but it might be for marketing expenses, for developing brochures or

user's manuals or even websites that are targeted for international business. And although it has a smaller amount -- and, as a matter of fact, it can be combined with an Export Working Capital line of credit to give the company the flexibility to use it for marketing, international travel or whatever and then have the larger loan available to cover the cost of delivering the product.

Ron Johnson: John, one final thing. Where can our listeners go to get more information on SBA's exporting loan programs or to contact an Export Finance and Trade manager?

John Joyce: Our listeners should contact or go through our website. The website is www.sba.gov/international and you can find a listing of our offices, they are called or referred to as U.S. Export Assistance Centers, all around the country and there is also a detailed description of each of our products.

Ron Johnson: I'd like to thank John Joyce for being with us today. Make sure you tune in to Part VI of this series and we'll talk to Andy Kruse, SBA's 2009 Exporter of the Year and get his perspective on exporting. And if you're considering taking your business global, SBA is ready to help you succeed. This is Ron Johnson with the SBA, *Your Small Business Resource*.

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