

**U.S. Small Business Administration**  
**Ron Johnson Interview with Andy Kruse**

Ron Johnson: Many small businesses think they aren't large enough to compete in the world marketplace. Well in fact, 97 percent of all the exporters are small businesses. To grow your business you need to think outside the box and outside of the U.S. borders.

Hi, I am Ron Johnson with the U.S. Small Business Administration, *Your Small Business Network*. And we're talking today about small business exporting and with us today is Andy Kruse, Executive Vice President for Business Development at Southwest Windpower located in Flagstaff, Arizona. Southwest Windpower recognizes the potential for worldwide distribution of wind generators when it began producing battery charged small wind generators in 1987. Today it exports to more than 120 countries. In 2009, Southwest Windpower was recognized as SBA's National Exporter of the Year during the National Small Business Week.

Hi Andy, it's good to have you with the program.

Andy Kruse: It's my pleasure. I am happy to be here.

Ron Johnson: Now Andy, exporting is getting a lot of attention with the President's National Export Initiative. But you're an experienced exporter and I have heard you say, looking

into where your customers are located made you interested in exporting. Tell us about that.

Andy Kruse: Well, sure. You know, we started Southwest Windpower back in 1987 and this is the time when our market, our industry was really on the decline. And really a lot of it started out, out of desperation and to try to keep our start-up business going. We saw that the market wasn't very large for our small wind generators here in the United States so immediately I thought, well, the world's a big place and why not start looking elsewhere as well and try to find opportunities there.

Ron Johnson: Some small businesses may be concerned about language or cultural barriers. Now Andy, how did you overcome these challenges.

Andy Kruse: Language barriers are not an issue really. Most people, especially in the business world, recognize that English is the international language and communication has never been a problem. I mean, I've travelled to some 70 countries and only in maybe two or three instances where I was in a situation where it would have been nice to have known that language. It's really just about knowing the right people and if you're going to export to somebody there -- it's one of these requirements I've always had to say, to be able to speak English with us.

Ron Johnson: Now Andy, financing an export program presents different challenges than financing a domestic business. Can you explain to us how you were able to use SBA's Export Working Capital Program to finance your exports.

Andy Kruse: Well, we used a number of programs and SBA was essential -- we were able to demonstrate that here are orders that we have coming in and we just don't have the capital in order to buy the inventory and to be able to finance the business internally in order to fulfill those orders and just demonstrated that, hey, have something here that is viable; we've got an opportunity. We made it very easy. And we used other agencies within the government to help us with the other side later on, like the Export-Import Bank, to actually finance to the actual customer. We have line of credits for our customers overseas as well. So it helped us be assured that we're also going to be reimbursed.

Ron Johnson: What techniques did you use Andy, in the beginning, to market your product overseas and how do you market today?

Andy Kruse: A lot of how we market today is not much unlike how we did it back in the late 80's with the exception of course of the web and various types of banner ads and things like that that are offered. In the early days, it was the fax machine. We began with searching out in different markets who

might want to buy our products. We tried to get to understand the customer. Specifically our products are sold in a number of different areas, for example, sailboats, or telecommunication systems, or offshore platforms or remote homes. And we looked for the companies that would best fulfill our needs for those particular customers. So we used -- for example in the Commerce Department area there's the Gold Key programs that they offer to help you find people there. SBA is the one that was so critical to us, just learning about this stuff.

Ron Johnson: And finally Andy, what is the best thing about taking your business global?

Andy Kruse: Diversification. You are -- all of a sudden you're not held to one particular downturn of a market, say, just in the United States. Right now, for example, Australia is on fire, we see that the concerns that we have here in the U.S. still we're trying to pull ourselves out of a very deep recession. We have even some global concerns over in Australia or over in Europe, but Australia and Asia Pacific regions are doing very well economically so that was what we target so it's all about diversifying your markets in order to help balance out your sales.

Ron Johnson: I'd like to thank Andy Kruse of Southwest Windpower for sharing his exporting success story. If you like more information on exporting go to [www.sba.gov/international](http://www.sba.gov/international) or

www.export.gov. Until next time, this is Ron Johnson with the  
U.S. Small Business Administration, *Your Small Business*  
*Resource*.

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