

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

Ron Johnson: U.S. small businesses looking to grow need to think outside the box by thinking outside of the U.S. borders. In this series "Where Will Your Next Customers Come From?" we'll explore what it takes to become a successful exporter and the vast array of U.S. government services to help you grow.

Hi, I'm Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource* and today, my guest is John Joyce, SBA's Export, Finance and Trade Manager in Boston, Mass. How are you, John? It's good to have you on the program.

John Joyce: Thank you very much, Ron. I'm glad to be here.

Ron Johnson: John, what are the primary reasons small businesses should consider exporting?

John Joyce: Well, one of the main reasons is that most of the world's consumers and some statistics show 95 percent, actually live outside the United States and they represent two thirds of the world's purchasing power. For consumer products, that's pretty relevant and for other products, it's probably less of a percentage but it's still significant and let's just say that there's a significant sales potential that is not tapped if a business is not exporting.

Ron Johnson: Is there a way to determine what types of small businesses become say, successful exporters?

John Joyce: Any industry really -- most manufacturers or service providers that make a product that can be sold in a foreign market and that covers most companies. It is a good idea that they've already been established and have a good track record in the domestic market as a starting point.

Ron Johnson: John, I know you've heard of some of the myths and realities about exporting that might deter a small business from getting into exporting. What are some of these myths?

John Joyce: Well, there are several and they're true in some degree and truly myths in others. For instance, exporting is considered too risky by some companies and there are additional risks involved, but they are identifiable and you can mitigate those risks using affordable export assistance that's available. And in some cases, that myth is completely untrue. For instance, in the Canadian market, there's really no more risk from selling in the U.S. domestic market.

Another myth might be that the domestic market is secure and companies can depend on it and that's really not true any longer. Globalization has made it easier to buy and sell products in multiple markets and that's a two-way street so that means it's easier for U.S. companies to export but it's also

easier for their overseas competitors to come into their domestic market and sell. So I think that it's advisable to meet them in their territory than vice versa.

A third myth is that exporting is too complicated and similar to the idea of riskiness, the complicated part of it is that there is additional paperwork. Yes, there are things that you have to be aware of but there's a lot of assistance to find what those issues are and deal with them and make the move into exporting.

Ron Johnson: There are many advantages to exporting, John. Can you share a few of those with us.

John Joyce: Well, the primary one is the primary goal of most businesses which is to increase sales and profits. As we talked about earlier, there is a sizable market outside the United States that is untapped if you're not exporting. It also extends a product life cycle. If you have a product that's fairly mature and may be losing market share in the United States, in foreign markets there might be much more potential.

And also there are seasonal differences. A product that is seasonal, for instance, sold mainly in winter weather, well, South America's winter is our summer. So that extends the sale season for those kinds of products.

Also there is the issue that "Made in America" or "Made in the U.S.A." is still a good marketing tool and it gives a U.S.

company a competitive edge in foreign markets. There is a perception, and a true perception, that U.S. products are high quality and represent innovative goods and services.

There's again, a lot of resources available to help companies deal with the issues that are involved in exporting, from the U.S. government and from state governments, as well.

Ron Johnson: Where should our listeners go for more information on exporting?

John Joyce: I would encourage our listeners to contact the SBA through our website which is www.sba.gov/international and that will link them to our international part of our website and also the government-wide website is www.export.gov which will connect them to all the other agencies, including SBA, with export services.

Ron Johnson: John, I'd like to thank you for being on the program and sharing some valuable information on exporting.

John Joyce: Thank you very much, Ron.

Ron Johnson: In Part II of the small business series on exporting, we'll explore how to develop an export strategy. Until next time, this is Ron Johnson with the U.S. Small Business Administration, *Your Small Business Resource*.

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