**NWX-US DEPT OF COMMERCE**

**Grants for U.S. Small Business to Sell Overseas**

**December 15, 2020**

**1:00 pm CT**

Coordinator: Today's conference is being recorded. If you have any objections you may disconnect at this time. I would now like to turn the conference over to Wendy Peebles. Thank you. And you may begin.

Wendy Peebles: Thank you, (Melinda). Good afternoon everyone. My name is Wendy Peebles, Lead Outreach Coordinator, Census Bureau Economic Management Division. The Census team is happy to host the webinar today, for the Small Business Administration. Thank you all for joining.

A few points to cover before we begin - the webinar today is being recorded. And for confidentiality reasons, we ask that during the question-and-answer period that will occur at the end of today's webinar, that you submit your questions via the chat.

We also ask that you do not disclose any company's information or any other sensitive information. Please submit your questions to “all panelists” via the chat. The chat box will be monitored during the webinar. Understand we have a large number that have registered for this event today. Please rest assured that the recording, PowerPoint presentation and transcript will be provided to all those that have registered, within about 7-10 business days following today's webinar.

Also, please complete the evaluation. We value your feedback and it assists in planning future webinars. SBA has an informative webinar planned. We will have Eddy Mayen, SBA's National STEP Director, along with interviews with business owners, Debra Dudley of Oscarware, Inc., and Jonathan Szucs of Advanced Superabrasives, Inc., to share their challenges and success stories in operating their businesses.

So at this time, I'll turn it over to Eddy.

Eddy Mayen: Thanks, Wendy. Hi everyone. Thank you so much for joining us today. We're very excited for today's webinar. And judging by the registrations, so are you. We increased the capacity to make sure we could get as many people in as possible. So let's get started. Our main goal today in this webinar is to make sure that you are all aware of STEP, which by the way, stands for the State Trade Expansion Program.

STEP is a grant program offered to companies that are either new to exporting or are experienced exporters wanting to expand into new markets. We understand the challenges businesses have faced this year. And as we all begin to plan for the days ahead, we want to make sure that everyone who can benefit from STEP, also knows how to apply and knows of the positive changes made to the program to further opportunities in finding buyers.

I will share more in a little bit, but first let me take a moment and introduce myself. I'm Eddy Mayen and I’m the new National STEP Director in the Office of International Trade here at SBA. While I'm new to the SBA, I'm a veteran of the STEP program, which by the way, I’m also a veteran of the US Army.

But most recently, I served as the New Jersey STEP Director for the past nine years. And I am proud to say that in New Jersey our STEP program reached thousands of new to expert companies and experienced exporters. And we helped hundreds of them become successful exporters. I was able to see firsthand the impact that the STEP grants and STEP opportunities had, to many of our New Jersey clients.

I'll tell you, anybody that knows me, STEP and the success of exporters, are near and dear to my heart. We know that small businesses play a significant role in our country and especially now as we emerge from the current crisis. I want everyone to know that SBA is committed to being a valuable resource for US exporters.

But let me point out the real success from the STEP program comes from you, the exporter. Companies that apply, receive grants, have export success and then share that success with everyone else. I hope to feature one of your companies in the future.

And that is a great segue into the agenda for today. I'll serve as your host and presenter for today. In a moment I'll introduce Ms. Loretta Greene. Then we'll interview two small business owners who will share how STEP grants have helped them to export. After that I'll also share with each business and can - I'm sorry. And also I will share how your businesses can also apply for a STEP grant in your state or territory.

And finally, we'll have a question and answer segment. Please pose your questions as Wendy said, to the panelists via the chat function and we'll address them at the end. Now let me introduce SBA's Office of International Trade Associate Administrator, Ms. Loretta Greene. Loretta?

Loretta Greene: Eddy, thank you for that introduction and for inviting me to speak on international trade. And we are so lucky to have you as our new STEP director. And Wendy, thank you and the Department of Commerce. We are so lucky, also, to have you as such a great partner. Welcome everyone and thank you for joining us today.

Exporting provides an excellent opportunity for US small businesses. My Office of International Trade or OIT, can help you get into the market. COVID-19 presented several challenges to small businesses and OIT wants to provide support to keep small businesses open and help them grow. We firmly believe that this is the time to pursue exporting.

Our State Trade Expansion Program or STEP, offers small businesses grants to reach the global markets. Companies that look for opportunity in the face of adversity will have a competitive edge by using STEP. We know that businesses who export are more successful than business overall. They are more resilient because they are less dependent on one market. They can reach more customers and they report higher annual sales on average, compared to non-trading businesses.

Ninety-five percent of the world's consumers and 2/3 of all purchasing power, is outside the United States. In 1960 trade accounted for only 24% of the world's GDP. In 1980 it was 38%. In 2000, 51%. Today it's 58% of the world's $80 trillion economy. Even with this tremendous growth, only 1% of US small businesses are exporting.

The opportunity for growth through trade is excellent, and that's why we have STEP. Since its creation in 2010 STEP has helped more than 12,000 businesses achieve $3.8 billion in exports across 141 countries. In the last six months, STEP has helped small businesses adapt to COVID by translating and optimizing Web sites, developing marketing strategies, and designing international marketing products or campaigns.

Advancements in eCommerce and logistics, have lowered the cost of doing business overseas. The Free Trade Agreements rigorously pursued at an unprecedented pace by the Trump Administration, have opened new markets and created more opportunities for US companies. Thanks to the internet, even the smallest producer of goods and services, can go global today.

COVID-19 requires that small companies look for new revenue streams. OIT has the resources and tools to keep - to help you to explore international trade. Thank you for joining us today. And we look forward to helping your business to succeed. I wish you a happy holiday season. Now I'll hand the presentation back to Eddy.

Eddy Mayen: Thank you, Loretta. That's great. Okay. Let's move onto our first interview, it will be conducted by our Senior International Trade Specialist in the Office of International Trade, Mr. Steve Sullivan. Stephen, over to you.

Stephen Sullivan: Thanks, Eddy. Hello everybody. Thanks for joining us. We're going to hear from a couple of great small businesses today, that have used STEP in different ways. I'll be interviewing the first and then I'll introduce the Director of the North Carolina STEP program, to interview the second. So let's get to our first interview.

I'm really excited to welcome Debra Dudley, President and Owner of Oscarware of Bonnieville, Kentucky. I met Debra after I heard her story as an honoree and featured speaker, at the 2020 Mid-America Trade Summit. Really the best part of my job, is meeting and working with dynamic small business exporters. And I can tell you that Debra is one of my favorites.

So I hope you enjoy meeting her as much I have. Welcome, Debra and thanks for joining us. Debra, are you there?

Debra Dudley: Yes. I'm here. Thank you, Steve and hello to everyone. I’m looking forward to telling you my story.

Stephen Sullivan: All right. Great. So I have a few questions for you. But before we get started, can you tell us a little bit about your company?

Debra Dudley: Absolutely. In 1989 my late husband and I invented a product we would call a grill topper and started a company that we would name Oscarware. Little did we know that a product we invented would change outdoor grilling forever because back then in the '80s people were mostly grilling burgers and hotdogs, which are still very popular today.

But the grill topper allowed people to grill all their favorite foods from pizza to pancakes. Fast forward to today and we're the leading domestic manufacturer of outdoor cookware and we have a full line of over 17 products that lend themselves to all sized grills and anything possible that you want to grill.

We're in a small town of Bonnieville, Kentucky close to Mammoth Cave National Park. It's home. It's where it all started. We do all the manufacturing right here and we ship them to all of our customers across the USA and into Europe. And we're still a family-owned business, made in USA. And if you ask anyone who knows us, we do make outdoor grilling delicious.

Stephen Sullivan: All right, thanks. I know you shared a couple of pictures with us. So Wendy can we go onto the next slide and Debra, can you describe what we're looking at?

Debra Dudley: That's our gourmet product line. It's a steel topper with our signature porcelain coating that's scratch resistant, very durable and dishwasher safe. But as you can see by the food that's on there, you can really grill some fantastic fish, seafood, vegetables. It just makes everything delicious.

Stephen Sullivan: Wow. Next slide, Wendy.

Debra Dudley: And this is our disposable version of the grill topper. If you're grilling something really messy or if you're going camping, it's a disposable type topper. It's 100% recyclable. It's inexpensive. But again, you can grill burgers, hotdogs, fish, veggies, anything that you want.

Stephen Sullivan: Great. Looks delicious. All right. Next slide. So now onto the questions. So first question, when and how did you get into exporting?

Debra Dudley: Okay. This whole webinar is on the STEP grant and I can honestly say that taking my first step in exporting was also possible through the STEP grant program. And I’m going to tell you how it helped me to do so. In 2014 I was invited to be part of the Kentucky Governor's trade mission to the United Kingdom. And being a participant in that trade mission was a huge opportunity for me, because I guess I needed that poke to just kind of "knock on that door" to introduce my product to another country. But I really didn't know how.

So the team of business leaders and all of the Kentucky export team members that were part of that trade mission, introduced me to the STEP grant. So all I had to do basically, was decide to go and then make my air travel reservations, my hotel reservations, and other expenses for events that I would be able to be part of. And the STEP grant paid for all of that.

Stephen Sullivan: Wow.

Debra Dudley: Also the resources that went along and came through the other teams involved, I had so many meetings arranged for me to meet with business leaders there and ten events that I would be introduced to very important people that could explain to me how things worked there; how my product would fit there; market research that was going to help me identify what - would my product fit there; would I have to change anything?

But also what markets were the markets I needed to go to in order to get my product on the shelves in stores.

Stephen Sullivan: Great. And STEP is what got you headed that direction.

Debra Dudley: It sure did.

Stephen Sullivan: Awesome.

Debra Dudley: And it's kind of ironic because as I took my first step in exporting, the STEP grant, get it, you know, is that why you named it the STEP grant because it actually does give you the opportunity to take that first step because there's just so much that it does and has done for me. But what was an - what really helped me get that success in exporting there was the mission itself and the people that I got to meet with and again, this was all arranged for me.

I didn't have to do anything but get on the plane. I had a matchmaker that matched me with these meetings and helped me travel to the actual locations of them. So I felt very special, but I also would have not known how to do that by myself. But the trade mission was going to make two stops. One of those was in London and one of those was in Manchester.

What was interesting to me was Manchester was only about 45 minutes from Leeds. And when you look at the top four big retailers in the United Kingdom, there was a company located in Leeds by the name of ASDA which is part of the Walmart family.

Well Oscarware had been very involved with Walmart for - since the day - since the very beginning of our business. And in doing business with Walmart we had a tremendous relationship with them and our buying team. So how could we make that connection because I wanted that meeting. Out of all the meetings I had that's the one I wanted the most.

I thought if I can just get in front of that buying team in ASDA and pitch my product, maybe, just maybe I could be successful in getting my products on their shelves. So I reached out to my US buying team here and I asked them if they could help me make that connection with the buying team at ASDA. And they were able to help me make that connection.

And after getting into Manchester for the second stop of the trade mission, I was able to travel up to Leeds, sit across the table from the buying team there, and have that meeting. Today we're still exporting ASDA. We've been in their stores since 2015.

So I'm one of those success stories that I can honestly say STEP got me - they got me there. They got me to the United Kingdom and it all worked out because of resources I had and resources that the whole SBA team and STEP gave to me in giving me that opportunity to open a door.

Stephen Sullivan: Yes. Great. And, you know, that's as good lead into my next question. How have you utilized STEP to continue to grow your international sales?

Debra Dudley: Well let me just back up. From 2014 up to now they didn't - the STEP grants have not just helped me explore new markets and expand my distribution in exporting, it has helped me sustain the business that I've had because it pays for things that I didn't even know it would pay for, such as customer required audits or packaging changes; of course expenses in travel but you also have product testing. There's freight on shipping product samples to the customers that you're pitching to or customers that you're currently selling to.

So I'm going to shock you here by saying all of the past seven years are the STEP grants that I have applied for and the expenses that these - I just spoke of, add up to - STEP has reimbursed me over $30,000 over the past seven years, which is amazing. That's a lot of money.

But STEP has also gave me the opportunity to look at other places I want to go. There's market search. They have resources by reaching out to the US commercial team. All you have to do is just tell them I want to look at Chile or I want to look at Argentina or I want to look at Australia. And you tell them what they need to know about your product and they can help you find that fit.

And if you can travel which has not been a good year for travel, you've got the STEP there to reimburse you for those expenses. But you all have - you also have STEP there to help you find new ways with some of the opportunities they can help you with, setup Zoom meetings or if you want to just simply send some product samples again to that customer there, to look at.

If you want to update your Web site which is something that we're definitely looking at doing, to make us a little bit more, you know…

Stephen Sullivan: Yes.

Debra Dudley: …to really fit that market. But there are so many ways STEP can be used and they change from year to year because they listen to the small business people they're working with and they find out where they really need to help them…

Stephen Sullivan: Yes.

Debra Dudley: …(get) that business.

Stephen Sullivan: Yes. So that also kind of reminds me of the next question. How has the COVID crisis affected your business?

Debra Dudley: A lot more people have been grilling because a lot more people have been staying home. So outdoor grilling has been very hot this year. So our business has been fine and we're very blessed and thankful for that because there's been so many other small businesses that have really suffered and my heart goes out to those people.

It's just we've had a good year and that's - I - that's really almost - I'm almost afraid - I'm ashamed to even say that. But there is no travel so how do we expand our market? I know domestically it's easy because we're Zooming, we're doing that. But working with my US commercial team and their trade specialists there, there's a new platform I learned about just a couple of weeks ago called their (B2) platform.

And what they're doing which we're all hoping we can travel again here, soon, is they're facilitating face-to-face meetings with the same resources they are using when you want to travel there, to help you set up those meetings, you know, without having to travel face to face. And I'm working with my team right now, just last week we're filling out surveys for different markets so they can do the market research for me.

And I'm also working with my Web site people to make my Web site more global because eCommerce has been such, you know, that's been the place everybody's been going with COVID because you can't go shopping; you can't go anywhere. So you have to look at those, you know, those places to go and I don't think a lot of that's even going to change. I think people are learning to do more of that.

So STEP pays for all of that. You know, and I just, you know, I can't talk about it enough. You all have even increased the amount that you allow for me to use on my current grants, towards my eCommerce and my Web site. And the (B2) platform, I’m really excited about.

Stephen Sullivan: Okay. Great. All right. So we've got to wrap up, but I wanted to ask you real quickly, last question, what advice do you have for other small businesses considering pursuing global market opportunities?

Debra Dudley: Do it. I never thought it was going to be - I was going to have such a team of people around me. And, you know, I can't say enough about the small business development centers because they're my 9-1-1 call no matter what I do. But that would be the first call you can make if you don't know who to talk to about exporting because they know all the resources and they are out there.

And you're going to find, just like I did, that they're there to help you. They want to help you make that STEP by introducing your product to another country. That's how I did it. And that's how you can do it.

Stephen Sullivan: Great. Thank you, Debra. Great advice. SBDCs or small business development centers typically housed with institutions of higher education. But we appreciate the insight.

I want to - Debra gave me some great advice before Thanksgiving, to grill the turkey and I have to admit, it was a big success. And my wife was extremely happy that she had plenty of room in the oven for other stuff. So think about that next year and go out and get your Oscarware stuff to help with it.

So thanks for sharing your story, Debra. Please stay around for any questions that come in from the audience.

Debra Dudley: Okay. I will. Thank you so much.

Stephen Sullivan: Thank you. So again, for those listening in, please direct your questions to all panelists so we can see them and get to as many as we can. We already have a ton coming in. So due to timing we've got to stay under an hour, we won't get to all of them, but we'll get to as many as we can.

So now I'd like to welcome and introduce Mike Hubbard, Director of the North Carolina STEP Program. Mike, thanks for agreeing to join us today and introducing us to your STEP client, Advanced Superabrasives. So I'll turn it over to you to introduce and interview the company.

Mike Hubbard: Thank you, Steve. Hi. I'm Mike Hubbard from the Economic Development Partnership of North Carolina. Today I'd like to introduce all of you to Jonathan Szucs, President of Advanced Superabrasives in Mars Hill, North Carolina. Jonathan, thanks for being with us today.

To start off, would you please just tell us a little bit about the company and about the products you make, and the markets you typically serve?

Jonathan Szucs: Thank you, Mike. Thank you everybody, for having me on this call. Really Advanced Superabrasives, it's - it's a company that everybody needs but nobody thinks about us. We make grinding wheels. So when people mostly think of grinding wheels they think of the old pictures of somebody sharpening a knife with a grinding stone.

And ours has evolved tremendously over the years, obviously from those times, to wheels that we're now making with resins or melting metal at high temperature to hold manmade cutting materials, such as diamond or cubic boron nitride. And these materials are used for - on five axis CNCs to make anything from medical devices to tools for automotive, aerospace, woodworking. The production of semiconductors. You know, even the printing industry.

And so, you know, we joke that, you know, Advanced Superabrasives, we're on an island here in Western North Carolina. Nobody really knows what a superabrasive is. You know, we're full of abrasive people in our building and everything. And what do we do? We make wheels, grinding wheels that actually make the world turn, so to speak.

You know, and like I said, we're in so many different markets from energy and everything else. And, you know, we actually ship to 28 countries around the world. And also we ship interplanetary. So we actually have a grinding wheel on the Rover up on Mars. So we hold the record for the furthest export of a North Carolina company currently. We would love to get one on an asteroid next so we can continue that mark to infinity and beyond, so to speak.

But that's Advanced Superabrasives in a nutshell. Just a small family-owned business here in Western North Carolina. You know, about 40-ish employees in 36,000 square feet.

Mike Hubbard: Well can you tell us a little more how you first got into exporting? I mean has it always been a part of your business or is this something that you've gotten into more recently?

Jonathan Szucs: So that's a good question. And like most exporters, we started out as an accidental exporter. Meaning that a company from outside of the US contacted us, Canada actually. And they said hey, we would like to buy your product. And we said hey, you know, we can sell our product in the US; we have the toughest consumers in the world, why not look outside of the US?

So we started looking into Canada and started making headway there, working with a lot of different agencies, you know, in the state of North Carolina, because as a new exporter what we found is we made a lot of mistakes in the beginning, as most exporters do. And when you're an accidental exporter and you're not looking to export from the beginning, a lot of times you make a lot of mistakes that you look back and you go man, I can't believe we did that.

And then after we started exporting and started working with agencies inside of North Carolina, and that would include yours, Mike, which is the Economic Development Private Partnership of North Carolina, that helps promote trade for the state of North Carolina, we also use the Small Business Technology Center which Debra already mentioned.

Also US Department of Commerce who has SBA actually in their office in Charlotte. So it was nice that we actually had SBA, Commerce, you Mike with your team, and SBTDC all trying to help us. And so we expanded form Canada into many other countries.

Mike Hubbard: Great. And that's great. Just so and as Jonathan said, my group is a group here in North Carolina that's tasked with assisting existing - helping existing industries export to other countries. North Carolina has participated in STEP ever since it first began. And you've participated in it a few times over the last couple of years. Can you tell us about your experiences using STEP?

Jonathan Szucs: Yes. Absolutely. So because most of our business is face to face, the beginning of our relationship with you guys using STEP, was in the translation of materials. So we had a lot of our brochures translated into German, Polish, many other different languages. Most people don't know this, there are actually different dialects of Spanish so you can't just say hey, we're all going to do this one dialect of Spanish.

If you have different countries you may have to change the translation slightly. But we started out with translations, then we actually went to a trade show. We went to Tradewinds, which was put on by US Department of Commerce in South Korea. And most recently, is Web site globalization is what we've used STEP grant money for.

And I think Debra touched on it already, that she's looking at upgrading her Web site and this is one thing that we definitely looked into because of COVID and because of, you know, your guidance Mike, through your team, we should be doing outside of just, you know, meeting face to face. How can we change the way we do business?

So we've used all of these things. And just to give everybody a quick idea of in the translation of materials, I had my staff go back and look. We could not actually quantify how much we got in orders from places like Poland, Germany, Italy. It was just so much that we could not actually quantify. I would just say this - 25% of our business is exports annually. And if we did not have those translated materials we probably would be down to about 3% exports of our annual revenue.

The trade show that the STEP grant paid for us to go to in South Korea, we received $100,000 in orders within 18 months of that trade show. That really opened South Korea for us and then, you know, to the Web site globalization. And I think we have an example of the Web site globalization here, next slide, yes we have our US Web site on the left and our Web site in Mexico on the right. And that has led to tremendous feedback from our distributors and reps.

Mike Hubbard: Well, you know, you're talking about Web site optimization. You know, this is a little bit - this is actually much more evolved than even just translating your Web site. Can you go into a little bit more detail for the audience on what that means, what does it entail and how you've been able to use that?

Jonathan Szucs: Yes. Absolutely. So Web site globalization and optimization for us isn't just translating your Web site. What a lot of people have a misconception of is they think that Google Translate is a good translator and it's not. I'm sorry. But when you take technical terms and you try to translate them you cannot translate them in different languages properly.

You actually have to have somebody look at it and translate it; somebody who speaks that language fluently; somebody that understands what you're trying to do, what you're trying to say. So that's a big part of it. The other part of it is how do you reach your customers outside of the US? If I were to ask most of the people on this call you would say hey, Facebook, Twitter, LinkedIn, you know, these are things.

Well what about outside of the country? You know, some companies like WhatsApp, some countries like LinkedIn, some countries like Facebook. And how do you reach them? So we started this Web site globalization project. And what we actually incorporated was a digital social media marketing plan to go with our Web site.

So every month we have different social media marketing strategies that go out across the social media channels for the specific country. So we picked Canada and Mexico as our first two markets. And we have social media marketing going along with it. And Canada it's LinkedIn, with Mexico it's more Facebook and WhatsApp.

Just to give you an idea of where we've been, we've only been live with the Canadian and Mexican Web site. And I mean they're dot MX and dot CA. This is not a dot com. Okay? When your customers and your distributors and reps see that you have a dot MX or dot CA or if you want to do it in another country, you know, like Brazil, dot BR, it means you're vested in that country and they take more heart to going to these Web sites.

But just to give everybody an idea, just for our Mexico Web site, we're seeing 2200 to 2300 average visits a month to that Web site. And Canada, over 1000 visits average a month. We also have actually seen some very interesting things. On our Canadian Web site we're actually seeing people from India, Pakistan, the UK and Australia looking at our Canadian Web site.

On our Mexica Web site we're actually seeing people from Brazil and Colombia and we've actually received requests for quotes from Brazil and Colombia through our Mexican Web site and requests for more information through our Canadian Web site from the UK and Australia.

I asked one of our reps in Mexico to sum up what it's meant to have a dot MX Web site in Mexico now versus what we had. And he said, you know, he went through our customer list; he had to start cold calling to get new companies to do business with. And he said once our Mexican Web site went live and we started the social media digital push, he is now seeing three to five new companies sending inquiries per week, which is just amazing.

And then I asked our Canadian distributors - I said since our Canadian Web site has gone live, what benefits have you seen? And they are seeing about a 37-1/2% increase in inquiries from existing companies and new companies. So it's been a tremendous game changer to, you know, globalize and optimize our Web site.

Mike Hubbard: That's pretty amazing results. Based on that, do you plan on going and optimizing for additional countries?

Jonathan Szucs: Oh, absolutely. And I think you know, looking at what traffic we're getting from our Canadian Web site and our Mexican Web site, we're actually able to start looking like we're discussing well maybe you want to do one in Europe; maybe we want to have a Web site, you know, hosted in South America and, you know, maybe Brazil because that's the largest economy, or maybe Colombia because we have a free trade agreement.

You know, the question is how do we want to leverage our resources? And what's nice is that STEP gives us that ability as a small company that doesn't have a lot of resources, to reach these new markets or maybe their markets were already in, but we want to grow. And I think that the Web site globalization starting with our two largest markets, really showed us, you know, that we're on the right track and that we do need to continue this.

Mike Hubbard: Jonathan, I think we're out of time. But thank you so much. This has been great information. Thanks for joining us today. And I'd like to ask you to please stay with us until the end for the question and answer time. Thank you so much.

Jonathan Szucs: Thank you.

Stephen Sullivan: Great. Thanks, Mike. Thanks, Jonathan. That's great information. Mike, since we have you here, before I turn it back over to Eddy, I wanted to ask how has COVID changed the North Carolina STEP program? What are your plans for 2021 as you support small business exporters in these challenging times?

Mike Hubbard: It's kind of changed everything. It's turned it all on its head. So, you know, for many years we've offered what you see on the slide, all the different things that we offer. Quite a number of things. So trade shows and booth reimbursements have been the most popular things up until COVID. And that's typically, you know, companies like to see that face to face and they typically get very high ROI off of that.

That of course without being able to travel, that's changed. But now SBA is also altering the way it does things to meet the changes of COVID. They're now allowing reimbursements for virtual show admissions. So companies are starting to take - to participate in that but it's not as popular still as it is being able to go in person. Hopefully that will be able to get back on the road soon.

Another big changes in the past - we typically only had four to eight educational events per year. They were seminars. Since COVID, we're doing - we've done about 30 webinars on a wide range of topics. So we're actually reaching a much wider range of companies now than we were before, with educational events.

But one of the biggest changes that we've seen really, has been the surge in the Web site optimization opportunities. All of our client companies have Web sites but most of them aren't multilingual and they're certainly not optimized and registered in overseas markets. So companies know they need to do this and the process can be pretty expensive.

So for our companies there have been really two things that made them think more about doing this work now. First, the STEP program has changed to allow - the allowable reimbursement changed from $3000 to a new maximum of $10,000 per company to do Web site optimization. And that's huge for a small company.

The next thing that got companies' attention was having Jonathan who you just heard, speak about his experience on a Web site optimization webinar that we held for our companies here in the state. When speaking with the companies, there's absolutely nobody that can convey the value better than a peer at another company.

So, you know, we were seeing a small increase in interest in it, but after Jonathan spoke we've seen a very large and sustained increase in the inquiries and then companies doing the actual work. And I think this is going to pay off for these companies for years to come.

Stephen Sullivan: Great. Thanks. Thanks, Mike. And thanks again, Jonathan. Please stay tuned for any questions at the end from the audience. Final reminder to pose those questions to all panelists. But before we get to the Q&A I'd like to hand it back to Eddy.

Eddy Mayen: Thank you, Stephen. Next slide. Wow. I mean just wow. I wanted to jump in so many times because - not because Debra was taking half of my speech, but also because I'd never met either one of the companies and I wanted to save the interview to meet them. And just fantastic.

Thank you so much, for sharing your experience and your story and you should know we are all cheering for your continued success. And everyone else on this call. And we will always try to feature companies that can give an example. Because one of the things that I happen to know just because I came from sales, but a lot of people here, is no one knows how to sell your product better than you do.

And what SBA and all the other agencies and the government, we're all trying to give you the assistance and to put you in front of that buyer with the market research; with analysis; with, you know, business matchmaking. So like I said earlier, you know, STEP can help a new exporting company begin to export. And also it can help experienced exporters to open into new - expand into new markets.

And I have to tell you, my new motto is going to be the journey of 1000 grills begins with the first step. So yes, I think Debra, I think you're actually going to make my children eat their veggies. And I have never had an intergalactic company as a client, so that is fantastic. I mean just incredible stories.

Debra Dudley: Thank you.

Eddy Mayen: But let me point out also, that STEP is not in every state or territory and I'll give you information later on how you can research to find out if your state has STEP grants. And they are slightly - they are administered by the states so they are administered slightly different.

Award amounts may vary from state to state, but in general, STEP grants are to help like Jonathan said, take part in training seminars or programs that can help you to participate in a foreign and now virtual, international trade shows and trade missions. It could help companies to obtain services, all the services that you heard before - the market research, services like, you know, the cost of patents, trademarks, intellectual property protections.

Or just an initial market research for companies. Those are just some of the examples. And you can get specific instructions or directions from your respective states. It could also help to cover some of the fees associated with everything that I just discussed. And remember, all of these services are live and now available virtual.

And something Debra brought up before about, you know, opening up travel soon - the question I believe after the post-COVID is going to be do you need to travel; do you have to travel? There are so many things that we are getting used to and being able to do during this period of limited travel.

And Jonathan mentioned something also that, you know, all - there are several states on this call right now and we all try to listen to what businesses are saying. And so we have adapted and increased some of the funding. A particular favorite right now is what Jonathan mentioned, is having a, you know, to attract buyers, is with a robust eCommerce platform. You know, a platform that can have the ability to receive payments from around the world and perhaps in many languages.

And I will just tell you, being from Guatemala and speaking Spanish at home every day, you're right Jonathan, there's different dialects even within each country. So yes, Google has a hard time capturing all of that. And these are the things that, you know, we can help when you go into country, when you get a local representative or a local interpreter or translator, to help you sell your products.

Specifically, I want to point out also that the match level of support for many of the allowable activities that I've mentioned, have been increased. And again, please check with your state and you can see the different funding levels. I really hope that everyone on this call can take advantage of the STEP program.

And if you believe your company can benefit from STEP and want to see what is available in your state or territory, please visit our Web site at SBA.gov/STEP. There you'll find a complete list of states and territories who have STEP grants available, along with the contact information of that office in that state. Next slide, please.

Now I would be remiss if I did not mention to you about other services available at SBA. I believe we're going onto the next slide. This webinar has been focused on the example of the companies using STEP and it's been focused on STEP grants. But SBA also offers two other types of assistance to help your businesses export.

And number one, we can provide your company with tailored business intelligence via a call or email with our export specialists, who could also help you with any questions or introductions to other free services that are available. And number three, if you need finance or you're exporting business, SBA provides export loans. Our network of export finance managers across the country can help you find out which loan is best for you.

Lastly, in the next slide, I want to make sure everyone knows where to go for assistance and information. This is available to everyone so I will not read every point of the whole slide for you. And let me summarize because I want to get to the questions. Again, number one, if you want to know what is available in your state or territory, please visit SBA.gov/STEP.

Unfortunately, not all states or territories have a STEP grant available, so it's important for you to check the Web site before - so that you know. And then for more information on how to finance your exports with an SBA loan, please visit SBA.gov/International.

And I saw a question came in from a service disabled veteran-owned business. And for even more assistance, there's free help through the SBDCs as we mentioned before, the small business development centers, (SCORE) where you can sign up for a business mentor. And if you are veteran-owned or a service disabled veteran-owned small business or a woman-owned business, there are specialized centers for you which you can see on bullet number three there, the Web site address.

And lastly, if you have any questions or want to email our office, please use our toll free number here or you can use this email. What I do encourage everyone on this call is to sign up for our Office of International Trade newsletter. It'll help you stay informed on SBA programs and other webinars like this one. If you found this one helpful, please let us know. And we'd love to help your company.

I will also be sending a follow up email with information to everyone who registered for the call. I hope you all reach out to your state and would love to feature you as a STEP export success story. Now let's see if we have any questions. Next slide.

I’m going to turn it over to Steve Sullivan who's been monitoring questions coming in to the presenters. Steve, back to you.

Stephen Sullivan: Yes. Thanks, Eddy. We don't have a whole lot of time left so I'll try to cover a few. We won't get to all of these. But hopefully we've had somebody answering individual ones as much as they can. We can go back and see what we haven't answered afterwards. But we've had a number of people asking about service providers like service industries, like are STEP grants available to them?

So Eddy, could you maybe talk a little bit about that as opposed to folks who sell products, have merchandise?

Eddy Mayen: Absolutely. Yes. Products and physical things are easy to identify as an export. Services not as much. But yes, they do qualify. The intellectual property protections or the trademark that I mentioned before, if it's an attorney who's doing international work. The short answer is services, yes, across the board. And in particular cases are supported with STEP - can be supported with STEP.

Stephen Sullivan: Okay. And how about - a couple of people also asked about IP protections. How does STEP - does STEP support intellectual property?

Eddy Mayen: Yes. If you - if - that's more contract work so I would say if it's an international law firm that is going to assist you in, you know, your sending your - I don't know if Jonathan or Debra have any patents, but if you were going to send that out overseas and you want any intellectual property protection into those countries before you export, yes that is an allowable expense as a service, to a company or somebody that wants to offer that service.

Stephen Sullivan: Okay. So Jonathan, or Debra, do you guys have any issues with international intellectual property protection?

Debra Dudley: No. I don't.

Jonathan Szucs: So we…

Eddy Mayen: Go ahead.

Jonathan Szucs: We do, but it's a little bit different in that because our products are molded and made we actually put different things in there to make them seem like they' re not. So we do our own IP protections. And then on any equipment that we would sell, grinding equipment that may go with our wheels, we do software fixes.

I got a phone call - interesting, one night in the middle of the night, from China where a company was trying to rip off our IP and they managed to fry the entire electric system of the machine. And that's, you know, that's things that electrical engineers like myself, and others, you know, we build these things into our products because we know when somebody is trying to steal your IP, s you put a trap door in so that the whole software just goes blank.

And then, you know, you short circuit a couple of things and the next thing you know they're spending $45,000 in parts because they wanted to try to rip off your IP. And it becomes a very expensive lesson. And one that they don't ever forget.

Eddy Mayen: Yes. Yes. So when I go to Mars Jonathan, I'm going to use your product bought from you.

Jonathan Szucs: That's great.

Eddy Mayen: Yes. And Stephen that is a very specialized question because every market is so different with the way they handle, you know, intellectual property from the exporter. So the short answer is as a service, yes. That would be a - it can be supported through STEP. It's just depending on the amount and all the other things that require that may be in that state.

Stephen Sullivan: Yes. So here's another kind of interesting question came in that I mean I think of Jonathan a little bit because of all of the eCommerce stuff that he's doing. But the question is how do companies cyber protect their business in this era of heightened cyber risk and the need for enhanced cybersecurity? So I guess that - like that - maybe Jonathan, if you have any thoughts on that or - and then Eddy or Mike, is that the kind of thing that STEP can support as well?

Jonathan Szucs: So for us, we have a robust cybersecurity group that we contract through, to do our cybersecurity and things like that, on a month, you know, we contract monthly. But they're constantly, you know, checking our Web sites, checking our VPNs, checking our computers, everything continually, 24 hours a day. I'm sure most of you probably have that in your area.

We're lucky enough to have a lot of companies in our area that contract with the federal government for cybersecurity. So we have a very robust team here that does a lot of cybersecurity for us. They do, you know, federal government stuff. They also do hospitals and things like that. My neighbor's actually a cybersecurity guru as well.

So we, you know, we just build that into the cost of doing business, especially when you're hosting Web sites, you know, a dot MX, a dot CA or you may be using foreign servers for whatever reason, that if you have to, if that country requires you to have your Web site on a foreign server. Some countries are getting like that now because of taxation purposes.

But, you know, you have to, you know, just follow the rules, you know, get a good cybersecurity consultant and just, you know, listen to them. And use these organizations like your SBDC and if you have a state trade promotion group like we do in North Carolina, you know, use these agencies because they're working with these service providers as well.

Eddy Mayen: Yes. Excellent. Stephen, I know we're short for time, but I will tell you that that is an excellent question. And we don't have the answer to every single scenario of any online or eCommerce or protections. But we share it and what I will say is that that is the reason that this very conversation we had in the office and the team in the last couple of weeks, which is what can we do at SBA?

What we did was we doubled the amount of allowable expense for that activity, so companies can benefit. Because again, you're going to know what level of protection you need. You need to go find or, you know, the service provider in your area or that you're comfortable with, we will help reimburse that.

So we're always trying to keep our ear to the ground so that we know what companies want and need. And then we will always try to find a way to get the program to support it. And so what we did was in the years past and again, because I had been a part of this for - from the beginning, through New Jersey, it used to be Web site translation or, you know, hosting like Jonathan said.

We put everything under the category of eCommerce. So whether it's search engine optimization or it's cyber protection, or it's translation, everything now falls under eCommerce and the new grant amount. And the particulars of it is that, you know, the service contract that you may have, has to end, you know, within the window of the grant so that those are the restrictions that are part of the program which again, without getting too deep, we'd be happy to share with anybody on this call.

Stephen Sullivan: Great. Thanks, Eddy. Two real quick ones for you Eddy, to wrap up before I move onto Wendy.

Eddy Mayen: Yes.

Stephen Sullivan: Can distributors indirectly representing the manufacturer, take advantage of STEP? And what is considered a small business for this grant?

Eddy Mayen: So I saw the question earlier in the chat and it said about distributors. In some, you know, I’m not dodging it, but in some cases yes. It's a longer answer. I will try and have it written out. And I will share it with everyone on this call. It depends - the distributor, if it's an exclusive distributor of a particular product or if it's, you know, but generally, the answer would be yes. But there are some exceptions, very few. So…

Stephen Sullivan: Yes. Like logic would tell me that they - you'd want a distributor representing manufacturers in the state that has the STEP program. Is that not the case or does it vary from state to state?

Eddy Mayen: Yes. Right. Exactly. So there's a lot of logic built into that. But you're right. And in, you know, for trade shows - so for example, Jonathan has a distributor he said, in Mexico and in Canada. Well he's not going to attend every single meeting and, you know, and that's why you would find a distributor who has a particular market or area.

Well would the Web site, you know, support at the headquarters of Jonathan, would that cover also for the distributor? So there's a lot of for instances. Again, without getting too deep into it, the short answer is yes, for the most part and with a couple of exceptions. So if the person that asked that particular question if you want to expand I'd be happy to consider an answer.

And then the other question was - what was the other question you said?

Stephen Sullivan: What's considered a small business for this grant?

Eddy Mayen: That's another excellent question. In the application of STEP you go to the SBA Web site. You enter your NAICS code and then it'll tell you if you qualify as a "small business" and then you can move forward with applying for the grant.

And, you know, based on NAICS it's different for the different industries and the different products. So the best way to find out is to go to our Web site and, you know, I don't have that in front of me that I could say, but I know it's at SBA.gov. And if you enter NAICS search and then it'll show you.

Again, if you want - I will include it in the follow up email that I will send to everyone that is on this call now.

Stephen Sullivan: Okay. Great. All right. Well thank you so much. Thanks to all our presenters. I'm going to - one question came in that reminded me of Wendy. They said is there any way we can access the database of what products are good for export, from USA to other countries? And Census has their global market finder tool that's kind of excellent for underacting where we're selling things. So with that, I think I'll turn it back over to Wendy to wrap things up. Wendy?

Wendy Peebles: Okay, yes. Thank you, Steve. Great webinar. A lot of great information was shared today. Special thanks to everybody who participated, the SBA team, those who presented and those working behind the scenes. And also, special thanks to our business owners today. Thank you for sharing your stories and the use of SBA resources for advancing your business operations.

I just wanted to remind you that the recording, transcript and PowerPoint presentation will be provided within 7-10 business days. And it looks like SBA will be following up with some follow up emails in response to some of your questions. But yes, please visit the Census Web site at www.Census.gov for additional outreach events, as well as for our data tools for the global market finder as Steve has mentioned.

So once again, thank you. This completes the webinar. Please be safe everyone.

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