

# Local small businesses can play big role in exports

President Barack Obama announced the National Export Initiative in his 2010 State of the Union address and set the ambitious goal of doubling U.S. exports by the end of 2014.



**JOSEPH BURNS**  
IN MY  
OPINION

As of March of this year, the second anniversary of the NEI, the U.S. Commerce Department data shows that jobs supported by U.S. exports increased by 1.2 million between 2009 and 2011. Building on strong growth in 2010, exports supported approximately 9.7 million jobs in 2011

and the value of U.S. exports of goods and services exceeded \$2.1 trillion for the first time in U.S. history.

And the trend continues, with the U.S. international trade balance in goods and services improving to -\$42.9 billion in June of this year from -\$48.0 billion in May (revised), as exports increased and imports decreased.

Small businesses play a major role in U.S. exports. Companies with fewer than 20 employees accounted for 72.3 percent of all U.S. exporting firms in 2007, up sharply from 59 percent in 1992. Small businesses accounted for 30.2 percent of total U.S. export sales in 2007, increasing from 26 percent in 1987. The number of small firms that export has

risen some 374 percent during the past two decades, climbing from 69,354 in 1987 to 259,400 in 2007. From 2002 to 2007, the value of small-business exports has increased 180 percent to \$311.7 billion.

According to U.S. Census figures, the increase in exports from 2010 to 2011 made by Hawaii companies was:

- **Canada:** 438.6 percent;
- **Indonesia:** 232.9 percent;
- **Germany:** 150.8 percent;
- **Taiwan:** 59.8 percent;
- **China:** 58.3 percent.

## EXPORT OPPORTUNITIES

What are the export opportunities for Hawaii businesses? Why should Hawaii companies pursue exporting?

The most obvious reason is to generate increased sales. Exporting offers the opportunity to open new markets, broaden your customer base, and take advantage of the rest of the world's purchasing power. Exporting can dramatically increase your market share, and therefore your growth, profitability and job creation.

The opportunities to export have never been greater. For example, the most recent free-trade agreements concluded between the U.S. and South Korea, Panama, and Colombia have created new export opportunities for Hawaii companies.

The 18 Hawaii companies that have completed the Export U class in 2011 have as a group achieved export sales of some \$700,000 during the first half of 2012. This is a remarkable showing in such a short time.

However, there are other reasons to export, which may not be as obvious, but are worth considering. Exporting spreads your risk and reduces your vulnerability to domestic market cyclical or seasonal fluctuations. You become more aware of global market trends and developments and thus are better prepared for change and potential foreign competition.

## HERE'S HOW TO BEGIN:

**1) Take the free export readiness self-assessment.** By taking the assessment, you will learn if you are well-prepared to join the ranks of successful exporters and, if not, what are the areas you must address to strengthen your export potential. Depending on your score, you will be directed to online and local export assistance resources. Go to <http://export.gov/begin/assessment.asp>

**2) Complete your export business plan.** By writing an export plan and conducting the necessary research and preparation, even small companies can take advantage of the benefits of exporting. The plan should establish realistic sales goals, and the strategies and tactics necessary to achieve them.

**3) Sign up for training and counseling.** New and expanded information tools and services make it easier for firms of all sizes to get help with their export plan, and enter and succeed in the international marketplace. In Hawaii, we are fortunate to have many

resources that can match your specific need to the available training and counseling. Following is an introductory list that will get you started:

- **Small Business Administration:** <http://sba.gov/export>
- **Small Business Development Center:** <http://hisbdc.org>
- **Export Assistance Center:** <http://export.gov/hawaii>
- **Hawaii Pacific Export Center:** <http://www.globalexportssupport.com>
- **USDA Foreign Agricultural Service:** <http://www.fas.usda.gov>
- **DBEDT Foreign Trade Zone 9:** <http://www.ftz9.org/>

**4) Apply for SBA STEP grant programs.** The State Trade and Export Promotion Grant (STEP) Pilot Grant Initiative has provided grants from the SBA to states for small-business exporting assistance programs. The aim of the STEP Initiative is to increase the number of small businesses that are exporting and increase the value of exports for those small businesses that are currently exporting.

Hawaii has been awarded funds under this program.

For further information, contact Ms. Jamie K. Lum at the state Department of Business, Economic Development and Tourism at (808) 587-2753 or at [jlum@dbedt.hawaii.gov](mailto:jlum@dbedt.hawaii.gov)

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