



Friday, December 11, 2009

Export initiative launched

Philadelphia Business Journal - by [Athena D. Merritt](#) Staff Writer

The economy is sputtering, the U.S. dollar is weak, but **SB Global Foods Inc.** President Karl Brown isn't lying awake at night.

Well over half of the Lansdale snack food exporter's business is overseas, which has buffered it from the economic downturn while weak dollar has driven up demand for its products abroad. The nine-person firm is able to do business like a big operation in foreign markets with protection against risk through insurance from the **Export-Import Bank of the United States**, a federal agency that finances the export of goods and services to international markets.

The insurance is among the financial tools that Ex-Im Bank provides to increase export opportunities. Ex-Im Bank, the city of Philadelphia and the World Trade Center of Greater Philadelphia are working together to make companies aware of what is available to help them under an agreement signed last month.

"In these tight credit markets it's an important message for us to be delivering to the region's businesses that there are financial strategies to help them enter new markets," said WTCGP President Linda Conlin, who served as vice chair and first vice president of Ex-Im Bank in Washington before being named to her current post in April.

The first initiative of the partnership is a series of export finance workshops, the first of which was held Dec. 3 at the **Union League of Philadelphia**. More than 100 attendees registered for the workshop, which highlighted Ex-Im Bank resources that can provide local businesses with working capital, insurance to protect against nonpayment and buyer-financing. At the end of the day, the resources can be the difference between making the sale and not making the sale, which has become even more difficult in the current economy, Conlin said.

"The fact of that matter is there is support out there and we want to make sure people are aware," Conlin said. "The challenge has always been building awareness and just letting companies know that these programs exist."

Through Ex-Im Bank's insurance, SB Global Foods has been able to stretch payment terms for its customers overseas on average 45-60 days without fear of non-payment, said Brown, who served as panelist at last week's workshop. That has served as an asset for the firm, which is active in 59 overseas markets with more than 100 active customers.

"When we as a small company can show up and say we can give you 60 days open account terms, immediately they assume that this must be a very large company," Brown said.

SB Global Foods exports \$20 million annually in snack foods, confection and biscuits, including its own products and those it brokers for other U.S. companies. That overseas presence has also served as an asset in the current economy, Brown said.

"As much as you can diversify your customer base it leaves you less vulnerable to downturns in particular regions and markets, and that is one of the huge advantages of exporting is being able to weather the storm," Brown said.

Wells Fargo, TD Bank, UPS/UPS Capital and PNC Bank are key bank partners in the initiative, all of which were chosen for their experience with Ex-Im products, Conlin said.

In the past year, Ex-Im Bank has experienced a 50 percent surge in its products across the board and a 33 increase in its short-term export insurance, senior adviser John Richter said. With a total staff of 380 people, including only 20 field officers, it's a daunting task to get the word out about Ex-Im Bank's products to the 260,000 exporters.

The new partnership will help Ex-Im Bank better target the message to the region's businesses, as well as help get firms export ready, Richter said. As part of the partnership, Ex-Im Bank provided free training on their products to WTCGP staff, which can be used to help companies in the long run, Richter said.

"International companies had greater survival rates," Richter said. "If this market goes down, perhaps India is going up or China is going up."