

**Welcoming Remarks for U.S. Trade Representative's
Conference on Small Business Exporting**

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**As Prepared for:
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Good morning everyone. Thank you, Fred... and thanks to everyone at the Peterson Institute and the Trade Representative's office for making this happen.

Before we begin, I just want to make a brief acknowledgment.

Today we're focusing on how the international community looks to America for the most innovative products and services in the world. But we also know that they look to us for leadership and compassion in times of crisis.

So, I just want to say that the thoughts and prayers of all of us at the SBA are with the people of Haiti and with the people who are helping with relief. That includes our military, people throughout the Administration, and many of you who have donated. Thank you for your help, and please feel free to send your friends to whitehouse.gov if they're looking for a way to give.

Today, many of you might already know the facts about small businesses. More than half of working Americans either own or work for a small business. They create about 64% of net new jobs each year. And, as the drivers of U.S. innovation and competitiveness, they're the key to the growth of our economy...

In America today, there are two kinds of small businesses.

First, there are the traditional Main Street small businesses – the drycleaners, the auto repair shops, the local diners. They're the fabric of our daily lives. The SBA has served them extremely well since we were created in 1953, and we will continue to do so.

Second, there are the high-growth, high-impact small businesses – sometimes called gazelles. This includes many of you here today as well as the panelists we'll be hearing from. One study shows that there are about 375,000 of these firms... and they're not all young and high tech... or located on the two coasts.

Instead: They exist in every county – rural and urban – across the country.... They are in every industry, including manufacturing... Some are young, high-tech startups in health IT or alternative energy... But others are 100-year-old, third-generation companies that are reinventing themselves in the 21st century.

Studies show that these high-impact small firms create a large percentage of job growth. And today, these are the kind of businesses that have the best potential to grow through exporting.

So what do we do at the SBA to help small businesses export? Well, let me set the stage by explaining what we do in general at the SBA.

We call it the “three Cs”: capital, contracts and counseling.

First, the SBA has a portfolio of about \$90 billion in loans and loan guarantees. We work with about 5,000 banks each year to provide SBA loans to deserving entrepreneurs and small business owners. These are folks who – for whatever reason – can't find financing in the conventional

market. And importantly, we overindex on these loans for women and minority-owned small businesses.

The second “C” is contracting. We work across the federal government to ensure that 23% of federal contract dollars go to small businesses. And we have smaller goals for disadvantaged businesses, women-owned businesses, vet-owned businesses and others. These federal contracts are important because they give a small business the “oxygen” they need to create jobs and take it to the next level.

The third “C” is counseling. We provide counseling through about 14,000 SBA-affiliated counselors. Last year, the SBA and our partners served more than 1 million clients. And the best part is, these services are free. I always tell entrepreneurs and business owners if you don’t have an SBA counselor, you should.

Capital, contracts and counseling. Those are our three Cs. Two of them – capital and counseling – are important tools for small business exporting.

In fact, over the last 5 years, we’ve supported nearly 14,000 export loans totaling more than 4 billion dollars. In turn, this supported nearly 10 billion dollars in export sales. At the same time, the SBA and our partners train about 3,000 lenders and 6,000 small business owners each year in exporting.

I’m here today because we want to do even more.

We want to build on the fact that small business exports – overall – have risen about 80% since 2003... to nearly 500 billion dollars in annual sales.

The best part is, we know there is still plenty of untapped potential. In fact, small businesses represent only about 30% of export dollars, and more than half of small business exporters only do business with one country.

That’s why the SBA is developing a plan focused on 4 strategies to increase small business exporting.

Those four strategies are:

- Identify the small businesses.
- Prepare them to export.
- Connect them with opportunities.
- And support them with financing.

First, Identify.

Right now, we rely too much on small business owners to contact the SBA or another agency and bring up the idea of exporting on their own. We count on them to initiate the conversation and to know about the tools we provide.

This approach is too reactive. So, we're shifting to a more proactive stance.

Many small firms simply haven't thought about the potential they have for exporting.

This year, I'm asking SBA's field staff and our counselors to reach out one-on-one to more high-growth small businesses and ask this question: "Have you thought about exporting?" We need to have more of those critical conversations.

And, on top of that, we'll work to increase our efforts with marketing and social media to identify even more potential exporters and heighten overall awareness.

Then we can take the second step: to Prepare small businesses for exporting.

Our network of 14,000 counselors at the SBA is one of our most valuable assets. Every day, we train thousands of entrepreneurs and small business owners around the country.

We have about 900 Small Business Development Centers... 100 Women's Business Centers... and 370 chapters of SCORE, a mentoring program that utilizes the knowledge and experience of retired executives. To help with exporting specifically, we also have staff at 19 U.S. Export Assistance Centers who work alongside the Department of Commerce.

Exporting should be a critical tool in each counselors' toolbox.

This year, we want to equip even more of our counselors with knowledge and tools in exporting... so that they can train even more small businesses.

At the same time, we'll build on what already works.

For example, we bring in experts and mentors to help new exporters through ETAP - the Export Trade Assistance Partnership. It's a structured training course whose enrollment has grown by 33% since 2007.

We want to build on that success and take ETAP online so that even small businesses in remote areas can take advantage of it.

After we've identified and prepared a small business to export, we need to Connect small businesses with actual trade opportunities.

Over the years, the SBA has referred thousands of small business owners to Export Assistance Centers. We've also helped with trade missions and events where small businesses can find customers.

By collaborating even more closely across all federal agencies, we can become an effective "matchmaker" for exporters and their potential customers abroad. We're doing just that.

We're working with the Department of Commerce to help with promoting more trade missions and lifting some unreasonable restrictions that affect small business. We're working with Ambassadors in the State Department to help everyone understand the unique needs of small business exporters. And, of course, we're working with advocates like USTR who can remove barriers and help find new markets.

At the SBA itself, we're leading the new Small Business Working Group of the Trade Promotion Coordinating Committee. We've got a lot of good ideas coming out of that group, such as a possible matchmaking event for small manufacturers and export management companies.

And finally, we need to take the fourth step – which is to Support these firms with financing.

Every year, thousands of small businesses turn to the SBA and our partners like the Export-Import Bank for export financing.

Some lenders understand and actively use programs like our Export Express and Export Working Capital Program. Others don't.

We want to teach more lenders about the ins and outs of export financing – and we want to help them become comfortable using our loan products.

After all, when a small business owner walks into the bank and needs help to finance the first big order from abroad... our lending community should have a solution that works.

Identify. Prepare. Connect. Support. These 4 strategies will help us increase the number and strength of small business exporters.

I welcome your ideas on how we at SBA can use our strengths with access to capital, counseling, interagency collaboration, or other areas – to help you and others find success in exporting.

After all, we're responsible to you – so we want to be responsive to your needs.

Let me just close by saying that I've worked with a number of small businesses over the years – from hardwood floor manufacturers to organic macaroni-and-cheese and everything in between... I've been able to help small businesses make deals that send good American products to Malaysia, the U.K. and other countries.

So, I know just how exciting it is to get that first call or email from someone in another country who wants your product or service.

At the SBA, my commitment to you is this. We'll help you have more of those opportunities... and we'll help you make the most of them.

And, today, I couldn't be more pleased to introduce one of the best possible partners we could have in that effort.

I know that our keynote speaker shares a strong belief in the small business community – and it's a pleasure to work with him in the Administration.

Please help me welcome my good friend from the U.S. Trade Representative's Office, Ambassador Ron Kirk.

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