U.S. Department of Commerce
International Trade Administration

Connection, Performance, Impact

MOVING FORWARD 2009

Connection, Performance, Impact

What is the impact of our work? Every day, the U.S. Commercial Service delivers value to our clients and the American public in the form of counseling, advocacy, market research, matchmaking, education and more. The impact of this work ripples throughout the U.S. economy—broadening and deepening the U.S. exporter base, removing obstacles to the export success of U.S. small and medium enterprises (SMEs) and advancing U.S. business interests abroad.

To connect our organization's performance more directly to the overall performance of the U.S. economy, the U.S. Commercial Service has aligned our performance metrics with relevant Census data to measure the number of U.S. SMEs that export for the first time or begin exporting to new markets. This adjustment, and the associated operational implications, will ensure that we can answer the question, "What is the impact of our work?" in terms that are meaningful to Congress and U.S. taxpayers.

This report recaps our success in helping U.S. exporters in 2008 and explains how we'll continue to evolve—through investment in technology, alignment of performance and metrics, reallocation of resources, and generation of market intelligence—to deliver the best export assistance possible in 2009 and beyond.

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A Message from the Acting Director General

As this past year proved, in a dynamic global economy, exporting is critical to advancing the economic security of millions of U.S. businesses, and by extension, our nation. To this end, the U.S. Commercial Service is dedicated to helping as many U.S. companies as possible maximize their export potential, enabling them to diversify their customer base and remain globally competitive.

Most of our long-time exporters are weathering the economic slowdown much better than their non-exporting competitors. In fact, every U.S. company that engaged with our organization and successfully exported in 2008 benefited financially from our services. For every tax dollar invested in the U.S. Commercial Service, our clients realized an average of $359 in export sales. What is more important on a macroeconomic level, however, is the collective impact those sales have had on sustaining and creating U.S. jobs, and shoring up our ailing economy.

I firmly believe that this organization will play an even greater role in 2009 in serving these vital national interests. We worked hard over the past three years to establish a framework for successfully tapping America's export potential, especially among small and medium enterprises (SMEs). Moving forward, the U.S. Commercial Service is working to expand the U.S. exporter base by focusing on first-time exporters and increasing the number of firms we help to export. Our long-term goal is to grow the number of U.S. exporters by more than 10 percent over five years. We are committed to changing the U.S. export landscape to promote economic stability for generations to come.

As you will read in the pages of this report, we have strengthened the U.S. Commercial Service's operational infrastructure and expertise in the following ways to better enable us to broaden and deepen America's exporter base:

INCREASED PRESENCE WORLDWIDE. While many high-income nations are experiencing economic slowdowns, developing countries are experiencing higher growth rates. In 2008, the U.S. Commercial Service identified priority and emerging markets and expanded our presence in more than 100 international locations by realigning existing resources.

PERFORMANCE METRICS. In October, the U.S. Commercial Service began using a new set of metrics that better captures the true value of what we do and better communicates that value in macroeconomic terms. These measurements place an emphasis on assisting more SME firms export for the first time, as well as break into new foreign markets. Internally, to ensure optimal return on the taxpayer dollars appropriated to the U.S. Commercial Service, we have also been tracking our quarterly success through an array of Balanced Scorecard indicators.

NEW TECHNOLOGY. The U.S. Commercial Service began rolling out a new client tracking system in 2008. By spring 2009, every U.S. Commercial Service office around the globe will be linked to this single database. It will help us better track and analyze success, identify sources of new customers, improve collaboration among trade specialists around the world, and, ultimately, improve customer service.

EXPANDED PARTNERSHIPS. The U.S. Commercial Service has continued to forge new partnerships with city and state level agencies, as well as private sector organizations, to enhance our ability to reach out to more American businesses. Our new corporate partners in 2008 include the law firm Baker & McKenzie, City National Bank, Comerica Bank, TD Bank, Zions Bank, and the United States Postal Service.

FREE TRADE AGREEMENTS (FTAs). We have also continued to promote FTAs. Since 2001, the number of FTAs negotiated between the United States and other nations has gone from three to 14. Exports to FTA nations now account for 42 percent of U.S. exports, and we have achieved a trade surplus with these countries. These efforts align with our SME emphasis because small and medium businesses benefit greatly from the negotiated reductions in tariff rates and regulatory red tape.

From office openings to performance metrics to the promotion of trade agreements, the true impact of this work is in the results that individual companies are achieving all across America. As you are turning through the pages of this report, you will find a sampling of those stories.

Moving forward, 2009 will be a year of considerable transition for the U.S. Commercial Service. I am confident our global network of trade professionals will continue to connect American companies to business opportunities around the globe, providing a vital link to the prosperity that can be realized through trade.

Sincerely,

Rochelle J. Lipsitz
Assistant Secretary and Director General (Acting)
U.S. and Foreign Commercial Service

The U.S. Commercial Service Network at Work Today

HELPING U.S. BUSINESSES SUCCEED WORLDWIDE

Tualatin, Oregon
Bio•Reaction signed a three-year licensing and distribution agreement with a major pulp and paper company in Austria with U.S. Commercial Service matchmaking assistance. **(NTM)**

Spirit Lake, Iowa
Brown Medical Industries delivered its first order of rehabilitation products to Poland as a result of U.S. Commercial Service matchmaking during a trade mission. **(NTM)**

Cincinnati, Ohio
Fechheimer Brothers Company made a $48.5 million sale to the Saudi Royal Guards as a result of U.S. Commercial Service counseling and diplomacy. **(NTM)**

Amarillo, Texas
Fresh 'N Cold signed a distribution agreement with the Shopping Channel Network in Canada valued at $70,000 with the help of extensive U.S. Commercial Service counseling. **(NTE)**

Caracas, Venezuela
Abel Manufacturing Company made its very first international sale with U.S. Commercial Service matchmaking assistance at a domestic trade show. **(NTE)**

Algiers, Algeria
Africair-CESSNA won a contract to supply a flight inspection aircraft as a result of U.S. Commercial Service advocacy. **(NTM)**

Dusseldorf, Germany
Georgia Hydraulic Cylinders, Inc., made its first international sale worth $120,000 as a result of U.S. Commercial Service match-making. **(NTE)**

Accra, Ghana
Telsmith, Inc., signed a deal for the sale of a crushing plant valued at $2.3 million with U.S. Commercial Service matchmaking assistance. **(ITM)**

Bangkok, Thailand
Lockheed Martin signed a contract with the Royal Thai Air Force to provide a long-range ground based radar worth $20 million as a result of U.S. Commercial Service counseling on the Thai military market. **(ITM)**

Beijing, China
Chindex became the first American company whose customers benefited from duty exemptions on imports of medical equipment and products as a result of U.S. Commercial Service advocacy. **(ITM)**

NTM = New-to-Market. A U.S. organization that has exported to one or more foreign markets to which it had not exported during the preceding 12 months.

NTE = New-to-Export. A U.S. organization that has not exported in the last 12 months.

ITM = Increase-to-Market. A U.S. organization that increases exports to a foreign market to which it had exported during the preceding 12 months.

Success …

With offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce's International Trade Administration utilizes its global network of trade specialists to connect U.S. companies with international buyers worldwide.

In 2008, we supported more than 12,000 U.S. business successes totaling almost $70 billion worth of goods and services in nearly 200 markets around the world. Through our unique mix of trade expertise, governmental influence and worldwide reach, we helped these companies leverage U.S. trade agreements, target the best opportunities with our world-class market research, promote their products and services to pre-screened buyers, meet prospective distributors and agents, and overcome potential challenges or trade barriers.

Particularly noteworthy is the complimentary feedback we received in a recent customer satisfaction survey of 2,320 of our clients. Survey participants rated their satisfaction with the U.S. Commercial Service at an average of 84 percent.

Moving forward, our network of trade professionals is dedicated to helping even more U.S. exporters and would-be exporters succeed in global markets. Additionally, as an organization, we must find ways to demonstrate the impact of our work on the U.S. economy—how we connect to the big picture.

… By the Numbers in 2008

METRIC	VALUE	PERFORMANCE
Export Successes (Includes NTE, NTM, ITM)	12,659	▲ 11% above goal
Net Promoter Score (Likelihood of customer endorsement)	65%	Met goal
Strategic Partnerships/Successes	306 joint activities	▲ 2% above goal
Commercial Diplomacy (CD) Successes (U.S. Government engagement related to market access)	181	▲ 13% above goal
CD Direct Value	$4.4 Billion	—
Advocacy Success Value (U.S. Government engagement related to international procurement opportunities)	$30.1 Billion	—
Official Visits (VIP visits to U.S. Commercial Service offices)	562	—
Certified Trade Fairs	117	Met goal
International Buyer Program Delegations	370	▲ 4% above goal
export.gov Unique Visitors*	12,047,332	—
800-USA-TRADE Call Volume	36,000 inquiries	▲ 14% increase
U.S. Business Recognition		
Export Achievement Certificates	72	—
"E" Awards	15	—
"E Star" Awards	4	—
Certificates of Appreciation	47	—

*export.gov Unique Visitors include traffic to both export.gov and all buyusa.gov sites

"—" indicates a reactionary activity for which it is operationally unrealistic to establish performance goals

¡Buen Trabajo! Good Job!

U.S. COMMERCIAL SERVICE HELPS BILINGUAL GREETING CARD COMPANY GO INTERNATIONAL

When Lena Hayden, now 28, decided to double major in Spanish and graphic design at Washburn University, friends couldn't help but ask about the odd academic combination.

"I had taken Spanish classes after school since fourth grade because my parents always said a second language was important. So it was natural to major in it when I went to college, and graphic design turned out to be what I was really good at. I told everyone I was going to open a design firm in Barcelona."

While said in jest, the prediction may not be that far from the truth. With one tweak: Rather than opening an office in Barcelona, she might one day make an agreement with a greeting card distributor there—with the help of the U.S. Commercial Service.

Soon after Lena graduated, many of her friends in the Spanish department began moving away. She looked for Spanish greeting cards to send them, but was disappointed with the choices that were available. Most featured long poems and very traditional designs.

So she designed her own—and Nos Vemos Greetings was born.

Nos Vemos, which means "see you later," was a phrase Lena heard daily from her host mother when she was studying abroad in Mexico. Nos Vemos cards have a contemporary flair and feature phrases in both Spanish and English that are short and to the point. The Nos Vemos line today includes more than 60 designs across all the key greeting card categories, including birthday, wedding, thank you and more.

COMMERCIAL SERVICE CONNECTION

Lena met trade specialist Sally Pacheco, U.S. Commercial Service Kansas City, during a Chamber of Commerce international trade workshop at which Sally was presenting in late 2007. And thus began a relationship that less than a year later would result in Nos Vemos' first export success.

At the workshop, Lena learned about a trade mission to Panama City in May 2008 that non-profit economic development organization KC SmartPort was hosting. Sally and her U.S. Commercial Service colleagues, Director Regina Heise and Jeane Zuniga in Panama, partnered with KC SmartPort to offer business matchmaking for all trade mission participants.

"I jumped on board for the mission right away because Panama is a bilingual country, and they have a strong appreciation for American products. Many American and European travelers have a second home there."

Lena's business matchmaking experience included customized market research, matchmaking appointments with prospective Panama partners, travel assistance, logistical support, and follow-up guidance. The Panama team also provided a comprehensive commercial overview on doing business in Panama, including a briefing by a very prominent Panamanian lawyer.

As a direct result of U.S. Commercial Service business matchmaking efforts, Lena identified a potential distributor. Regina and Jeane responded quickly to the match by providing Lena with information on distributor agreements and protecting intellectual property. They also helped her get in touch with the attorney who spoke at the mission to assist her in the process of formalizing a contract with the distributor and registering her logo and company name in Panama.

Once an agreement was reached, Sally provided Lena with sample export documents and visited her in Topeka to help her with the paperwork. She explained the declaration statement required by Panama, Incoterms, freight forwarders, background information on a potential third-party logistics company Lena considered using, Schedule B Number, duties and taxes, Shipper's Export Declaration and mandatory online filing, and more.

"On shipping day, I turned in the paperwork and the guy behind the desk said it was the most organized paperwork he'd ever seen," Lena said.

"The U.S. Commercial Service's assistance has been invaluable. They literally identified all possible distributors for me. It would have been very difficult, very time consuming, and very expensive for me to have done any of it on my own. We were impressed and extremely pleased with how organized everything was."

Now that Lena has gotten her exporting feet wet, she's eager to continue the success in 2009. In addition to ongoing distribution to Panama, she is highly interested in entering another foreign market, preferably Costa Rica. Sally has already provided her with market research, and together they are scoping out a promising Costa Rican trade lead for greeting cards.

When asked if she expects her relationship with the U.S. Commercial Service will continue, Lena quickly replied, "Oh yeah! I'm not doing this by myself. I plan to utilize them until they're sick of me!"

"The U.S. Commercial Service's assistance has been invaluable. They literally identified all possible distributors for me. It would have been very difficult, very time consuming, and very expensive for me to have done any of it on my own. We were impressed and extremely pleased with how organized everything was."

Lena Hayden, owner
Nos Vemos Greetings

Broadening and Deepening the U.S. Exporter Base

U.S. COMMERCIAL SERVICE TAKES STEPS TO REACH MORE POTENTIAL EXPORTERS

The long-term objective of the U.S. Commercial Service is to broaden and deepen the U.S. exporter base, especially among America's vast population of small and medium enterprises (SMEs).

In recent years, U.S. exports have grown by double-digit rates, yet the role of exporting has not taken hold in America in the dramatic way that it has in other industrialized nations. In 2007, exports accounted for almost 12 percent of the U.S. gross domestic product (GDP), while in Germany, for example, exports climbed from 30 percent of that nation's GDP in 2001 to 49 percent in 2007. Many of our other competitors are experiencing this upward trend, as well, including the United Kingdom (34 percent), France (30 percent), and Japan (19 percent)[1].

The U.S. clearly has the potential to take exporting to this next level. Of 27.2 million businesses in the United States, fewer than 1 percent, or 246,000 firms, currently exports. Yet 70 percent of the world's purchasing power, and 95 percent of its population, lies beyond our borders[1].

From our strategic partnership initiative, to our new client tracking system, to new performance metrics that place an emphasis on attracting new exporters, the U.S. Commercial Service has established a strategic infrastructure for tapping this export potential. This means we need to continuously strive to better understand the market and improve public awareness of the export assistance we provide.

INCREASING OUR MARKET KNOWLEDGE

The U.S. Commercial Service has coordinated with the Manufacturing Extension Partnership, the U.S. Census Bureau, and the Export-Import Bank of the United States to conduct research to better understand and profile the behaviors, attitudes and characteristics of U.S. manufacturers with regard to selling internationally and using U.S. Government export assistance.

Having already completed extensive qualitative research with companies across a variety of industries, geographies, and levels of exporting experience in 2008, the U.S. Commercial Service will complete the quantitative phase of the market research this year. The results of this market research effort will provide our senior management and trade professionals with actionable market intelligence to tailor our service mix, optimize resource allocation, and improve our customer service.

OPTIMIZING OUTREACH

Increasing our market penetration among America's would-be exporters means not only optimizing the value we provide and our resource allocation, but also compressing the amount of time it takes to identify and assist those U.S. businesses that could benefit most from our services. To this end, improved awareness rates, a better understanding of why companies choose to engage

with us, and what makes them come back and work with us again are crucial bits of market intelligence. In order to better understand our performance in these areas, we are establishing the following metrics in 2009:

Awareness. This metric establishes awareness levels of the U.S. Commercial Service and our offerings. It will provide insights into how companies hear about our organization and how our awareness levels rate against those of perceived alternative service providers.

Consideration/Affinity. This metric measures how many people consider our services once they are aware of them. Ideally, this metric will allow us to better understand the barriers to choosing our services and how to remove those obstacles.

Transaction. This metric rates the likelihood that companies will use our services.

Relationship. This metric measures how likely companies are to work with us again and enables us to better understand the aspects of their U.S. Commercial Service experience that they find most valuable.

These research efforts will have a long-term impact on the way we do business. The results will help us make strategic decisions for refining our service offerings, capturing the attention of more potential exporters, removing perceived obstacles to exporting, and ultimately broadening and deepening the U.S. exporter base.

more > > >

[1] *2008 National Export Strategy, The New Global Main Street*, United States of America Trade Promotion Coordinating Committee, pages 13–14.

Broadening and Deepening the U.S. Exporter Base (continued)

STRATEGIC PARTNERSHIP INITIATIVE

Through our Strategic Partnership Initiative, the U.S. Commercial Service is collaborating with private corporations, state and local governments, trade associations, and educational institutions to create a force multiplier effect to engage more U.S. companies than ever in exporting, while increasing our marketing channels, industry expertise, logistical capabilities, and, ultimately, our client value.

Corporate Partners
In 2008, the U.S. Commercial Service awarded TD Bank, Comerica Bank, Baker & McKenzie, Zions Bank, City National Bank, and the United States Postal Service no-cost marketing partnership contracts. These organizations joined FedEx, PNC Bank, UPS, M&T Bank, eBay and Google as valued partners in our Corporate Partnership Program. Following are examples of our corporate partner collaborations in 2008:

- We jump-started our partnership with the **United States Postal Service (USPS)** by presenting our services at USPS Business Development Team training events. As this continues, our export assistance services will be promoted to USPS customers.
- **FedEx**, **Google** and **Baker & McKenzie** collaborated with the U.S. Commercial Service on an eight-city tour, bringing the *Web Revolution for Business* seminar to hundreds of company representatives.
- **City National Bank** sponsored a successful event in Oxnard, California, on doing business in Korea and the benefits of a U.S.-Korean free trade agreement.
- **Comerica** co-sponsored the World Trade Week event, *Brazil—Emerging Market in the South*.
- **eBay** and **FedEx** participated in a full day seminar targeted to small, rural clients in West Virginia and Kentucky. In addition to one-on-one counseling, the seminar, *Finding New Customers Beyond Your Backyard*, addressed the states' export services available to small businesses.
- **M&T Bank** collaborated on the *CAFTA-DR Competitiveness Forum: Tools of Trade and Finance* in Pennsylvania, where they addressed issues of trade finance, working capital and export credit insurance.
- **Zions Bank** sponsored an export opportunities event for Utah businesses.
- **PNC Bank**, in cooperation with **FedEx**, completed its Asia Smart initiative on the opportunities for exporters in three key markets—India, South Korea and Vietnam.
- **UPS** organized three *Exporting for Growth* seminars that brought hundreds of new clients to the U.S. Commercial Service.
- **TD Bank** senior executives provided export financing training to new commercial officers.

12,589

Number of companies that participated in joint U.S. Commercial Service and Strategic Partner activities in 2008, up 82 percent from 2007.

State and Local Partnerships

The U.S. Commercial Service worked throughout 2008 to engage more city and state governments and local organizations in collaboration efforts to provide export-related services and outreach initiatives. These partnerships enable our organization to reach more U.S. firms and to ensure we are not duplicating state and local export assistance efforts. Here are just a few examples of how these partnerships have generated export opportunities throughout the country:

- **Illinois.** U.S. Commercial Service Chicago trade specialists spoke at a seminar in May hosted by the Women's Business Development Center and World Trade Center Illinois that brought together 45 international trade experts and small- to medium-sized minority and/or women owned businesses to learn the benefits of international trade.
- **Minnesota.** The U.S. Commercial Service, the Minnesota Trade Office and the South Africa-Minnesota Business Council collaborated on a number of seminars and activities related to a reverse trade mission that brought South African business leaders to Minnesota last July.
- **North Dakota.** The Lieutenant Governor of North Dakota led a trade mission to Korea in March that yielded strong opportunities for the 21 participating companies, eight of whom leveraged our business matchmaking service. U.S. Commercial Service Seoul trade professionals traveled to North Dakota in advance to work with the North Dakota office to promote the mission and recruit companies.

Do-It-Yourselfer Captures Global Success

WITH THE U.S. COMMERCIAL SERVICE'S HELP, OF COURSE

Here's an unpleasant equation: acid rain+dust+dirt = unsightly vehicle corrosion. For Richard Hallberg, preventing corrosion is his business. President and CEO of Automotive International located in Cincinnati, Ohio, Hallberg has spent the past 37 years protecting your car, and cars around the world, from the elements.

Focused on after market sales, mainly for new car sales, Automotive International's products provide environmental protection against rust, corrosion and acid rain. Other products include exterior prep and reconditioning, waxes and polishes, glass cleaners, engine degreasers, and fabric and leather protectors.

Automotive International sells its products around the world to everyone from major automobile manufacturers to automobile importers and dealers, automotive distributors, as well as the every day do-it-yourselfer.

U.S. COMMERCIAL SERVICE CONNECTION

When it comes to do-it-yourselfers, Hallberg is the perfect example. His do-it-yourself style resulted in continued success throughout 2008, despite the economic downturn, thanks to the impressive portfolio of international clients he's built since 1985.

"Selling in many markets helps us diversify our portfolio and weather changes in the global economy, keeping us competitive." With clients around the world, including many major automobile manufacturers like GM, Ford, Chrysler, Mazda, Hyundai, Nissan, Saturn, Saab and Mitsubishi, Hallberg knows the benefits of exporting. Currently, he exports to more than 21 countries, with exports representing 40 percent of the company's total sales.

While most of his exporting history has been through his own leads and determination, Hallberg first paired with the U.S. Commercial Service in the late '90s.

Over the past five years, Hallberg has called on trade specialist Debbie Dirr, U.S. Commercial Service Cincinnati/Dayton, to provide export counseling, matchmaking services, customized research and video teleconferencing. The Global Automotive Team (for more information on Global Teams, refer to page 28) also has had a heavy hand in promoting Automotive International to U.S. Commercial Service offices abroad so that the entire U.S. Commercial Service network keeps the company in mind when trade leads arise.

"Working with Debbie and the U.S. Commercial Service is fantastic. The whole team there is very helpful with everything from negotiating with a foreign company to follow-up."

Their relationship is a prime example of how well U.S. Commercial Service trade specialists can adapt to their clients' needs. With all of Hallberg's experience and all of Dirr's resources, their working relationship thrives on teamwork. "I have learned just as much from him as he has from us. He is aggressive, and if he is going to do something, he doesn't do it half way. He has a great attitude."

In order to attract international interest in his company, Hallberg has a tested process that works like a well-oiled machine. With the help of the U.S. Commercial Service, Hallberg annually advertises in *Commercial News USA* five to six months before each trade show he attends, including Automotive Aftermarket Industry Week (AAIW) in Las Vegas where he showcases his products for the Specialty Equipment Market (SEMA) and the National Auto Body Convention (NACE).

To keep the process moving, each lead goes directly to him so that he can send an e-mail promoting Automotive International. As a follow up to the e-mail, he sends a package of information highlighting the benefits of his company's products. Once the potential export client receives the package, Hallberg personally contacts them to complete the sale.

His process works in traditional markets like Poland, Taiwan and the Philippines, as well as in emerging markets like Malaysia, Bahrain, Trinidad, Martinique, Guadeloupe, Oman, and Qatar. In 2009, he plans to expand on his emerging market success by pursuing leads in Turkey, the United Arab Emirates, and Africa.

"Exporting takes persistence and commitment, but once you establish an international customer, if you treat them right, they'll usually be your customer for life."

In honor of Hallberg's hard work and outstanding use of *Commercial News USA*, he was awarded the 2008 ThinkGlobal, Inc./ *Commercial News USA* Exporter of the Year Award.

"Selling in many markets helps us diversify our portfolio and weather changes in the global economy, keeping us competitive."

Richard Hallberg,
president and CEO,
Automotive International

Extending Our Reach around the Globe

U.S. COMMERCIAL SERVICE EXPANDS PRESENCE IN MORE THAN 100 WORLD MARKETS

Thanks to fast-growing populations, technological progress and improved macroeconomic management, developing nations are currently experiencing significant growth rates. As a result, these emerging economies are playing an important role in helping to sustain the world economy and creating tremendous opportunities for U.S. businesses.

In addition to key markets in Europe that continue to offer significant export opportunities for U.S. companies, particularly those that are new to exporting, the U.S. Commercial Service has identified more than 100 priority markets in the Middle East, Africa, Central and South America, and China with tremendous sales potential for U. S. firms from various industries. During 2008, we expanded our presence in these markets in the following ways to help U.S. businesses capitalize on available opportunities and compete with foreign firms:

- Opened new offices and hired additional office staff in 19 key markets
- Established partner posts to provide U.S. Commercial Service-branded products and services at more than 100 embassies that do not have a Department of Commerce presence
- Continued our partnership with the China Council for the Promotion of International Trade (CCPIT) to develop a network of American Trading Centers with China trade experts in 19 key Chinese business centers

Our emerging market strategy is to help U.S. companies gain and sustain an early foothold in these countries by connecting them to the right prospective partners and customers. Services in these new and expanded locations include export counseling, matchmaking, advocacy, customized market research, trade show representation, in-country promotion of U.S. products and more.

The strategic importance of our increased diplomatic efforts in these emerging markets can't be overstated. The U.S. Commercial Service's on-the-ground contributions to shaping the commercial environment and forming U.S. commercial policy are critical to the long-term success of U.S. interests in these markets. Although important in all world markets, these inherently governmental activities are even more critical in the earlier stages of emerging market development as the commercial environment is being shaped for the long term. Ultimately, strong U.S. business performance in these markets will lead to economic growth and job creation, both at home and abroad.

GRAND OPENING

The U.S. Commercial Service opened its doors for the first time in five emerging markets in 2008 and will open three more offices by mid-2009. Thanks to these new locations, U.S. businesses will get an early foothold in the following growth markets:

- Baku, Azerbaijan
- Doha, Qatar
- Kabul, Afghanistan
- Porto Alegre, Brazil
- Recife, Brazil
- Tripoli, Libya
- Tunis, Tunisia
- Wuhan, China

BEST PROSPECTS

The U.S. Commercial Service's expanded worldwide presence has opened the door to a wealth of trade opportunities for American companies, especially small and medium enterprises, in almost every industry. Here is a look at some of those nations' best prospects.

Afghanistan
- Architecture
- Construction
- Engineering Services
- Heavy Equipment

Algeria
- Hydrocarbons
- Natural Gas
- Petroleum

Azerbaijan
- Emergency Service Equipment
- Environmental Cleanup Services and Equipment

Brazil
- Aircraft and Parts
- Computer Software
- Iron and Steel
- Mining
- Petroleum
- Pollution Equipment
- Safety Equipment

Brunei
- Oil Infrastructure
- Petroleum

China
- Aerospace and Aviation
- Agribusiness and Food
- Automotive
- Capital Equipment
- Construction Materials and Services
- Energy
- Environmental Technologies
- Information Technologies
- Medical and Pharmaceutical
- Optic-Electronic Information
- Telecommunications
- Transportation and Infrastructure

Cyprus
- Environmental Technologies
- Oil and Gas Services
- Renewable Energy

India
- Alternative Energy Technology
- Computers and Peripherals
- Education Services
- Medical Equipment
- Oil and Gas Field Machinery
- Pollution Control Equipment
- Processed Foods
- Retail and Franchising Services
- Telecommunications

Libya
- Desalination and Water Treatment
- Oil and Gas Services

Nicaragua
- Agricultural Inputs
- Automotive
- Computer Equipment
- Plastics

Oman
- Water Recycling and Wastewater Equipment
- Weather Monitors

Sri Lanka
- Apparel Industry Equipment
- Medical Equipment
- Paper
- Textiles

Tunisia
- Hydrocarbons
- Medical Equipment
- Power Generation
- Tourism

Not Your Average Cabana

PORTABLE BATHROOM MANUFACTURER INCREASES EXPORT SUCCESS TO 25 PERCENT OF SALES, THANKS TO THE U.S. COMMERCIAL SERVICE

Flash back to Florida, 1961. Boat maker Ed Crafton was talking with his fiberglass salesman when he learned about a local business that was manufacturing portable restrooms out of fiberglass instead of wood. His interest was piqued. Soon after, he sold his boat business and bought the portable restroom business.

The units were round, looked like missiles, and as it turned out, fiberglass was very heavy and absorbed bad odors. But Ed was an entrepreneur at heart and wasn't about to give up. Others in the industry were suggesting that perhaps plastic would be a better material, so he invested a substantial sum to manufacture a few units using plastic instead.

By the late 1960s, Ed was still driven to create a product that would be less clunky and more versatile for the task at hand, if you will. So, he designed the first-ever rectangular, cabana-style model that you see today.

And then his Florida plant burned to the ground.

He had no insurance, but he still didn't give up. In 1972, he and his wife bought a vacant manufacturing plant in Dahlonega, Georgia, called the business PolyPortables, and started over.

Fast forward 36 years to Dahlonega, 2008. Daughter Kathy Crafton Duck and a dedicated staff have continued Ed's legacy of ingenuity and his willingness to listen to ideas that have potential for growing the business.

When the U.S. Commercial Service came knocking in 2006, Phyllis Uptegraph, sales division manager, listened.

"We had already been exporting, mostly in Europe. But trade specialist Robert Leach was persistent. He wanted to expand our horizons on where we could go."

PolyPortables' international sales have increased steadily ever since, with exports now accounting for 25 percent of total sales.

"I can't say enough good things about the U.S. Commercial Service. They've been instrumental in our success in increasing sales annually."

Currently working with trade specialist George Tracy of U.S. Commercial Service Atlanta, as well as Rene Rosenheck with the Georgia Department of Economic Development, Phyllis found new market success in 2008 in Uruguay, the Dominican Republic, Peru, Brazil and Chile, while her coworker, Robert Davis, increased sales in Mexico, Guatemala, and Costa Rica.

"I went to the Dominican Republic on a Gold Key [business matchmaking service] in June and had six or seven meetings. By November, we'd already done business with three of them. The percentages are unbelievable. Everywhere I've gone (using Gold Key services), sales have followed. They do such a good job.

"The U.S. Commercial Service's presence alone gives me credibility. When I sit down with potential international clients, I've essentially got the backing of the U.S. Government. That gives me the 'in.' They don't have to worry about whether my company is on the up and up."

Phyllis also attributes the 2008 surge of success to the company's new relationship with the Export-Import (EXIM) Bank of the United States. The U.S. Commercial Service recommended EXIM's financing products and helped PolyPortables sign up.

"Now we can offer credit terms without risk that let our customers make six or 12 payments," Phyllis explained. "We're getting more customers because they can put the product in use and make income on it before paying the whole bill."

Through EXIM, PolyPortables will still be paid 90 percent of the bill should the customer default.

A healthy forecast for 2009. While the recent economic downturn offers a bit of uncertainty for the near term, Phyllis plans to continue her relationship with the U.S. Commercial Service and the Georgia Department of Economic Development, so she is cautiously expecting similar success for 2009. Each year, she works with both to set goals for the coming year.

"We'll get on the phone, and I'll ask George, 'Where are you going to send me this year?' He'll e-mail the foreign posts and take the pulse on potential opportunities.

"You could spend thousands of dollars figuring that out on your own. The U.S. Commercial Service has a network already set up and can tell me what's on the horizon and why a target market will work or not work."

She plans to merge that guidance with the knowledge she gained at the 2008 Americas Competitiveness Forum in Atlanta to finalize a strategic plan for 2009.

For the long-term, her goal is to continue her upward international sales trend by eventually visiting every country in her territory.

"The U.S. Commercial Service's presence alone gives me credibility. When I sit down with potential international clients, I've essentially got the backing of the U.S. Government. That gives me the 'in.' They don't have to worry about whether my company is on the up and up."

Phyllis Uptegraph,
sales division manager,
PolyPortables

Advancing U.S. Business Interests

U.S. COMMERCIAL SERVICE DIPLOMATIC EFFORTS REPRESENT $4.4 BILLION IMPACT

When foreign governments enact laws that make it more difficult for U.S. businesses to export or are unresponsive to requests from American organizations, the U.S. Commercial Service provides on-the-ground diplomatic leadership and support on behalf of U.S. interests. Our trade professionals around the world work with the International Trade Administration's Market Access and Compliance Unit—making calls, arranging meetings, writing letters and whatever else it takes—to communicate with foreign officials to address the trade barriers in question.

Commercial diplomacy activities account for 40 percent of all U.S. Commercial Service work. Yet we haven't always measured this important diplomatic function or the resulting impact it has on U.S. national economic interests.

So, in FY 2007 we piloted the Commercial Diplomacy Success (CDS) metric for the first time. That year, our organization calculated 71 CDS submissions, with a combined value of more than $500 million.

The CDS metric became an official U.S. Commercial Service performance measurement in FY 2008. For that first official year, we calculated 181 CDSs, with a combined value of more than $4.4 billion.

A CDS is achieved when U.S. Commercial Service actions in a government-to-government context contribute to one or more of the following outcomes:

- Reduction or elimination of a foreign trade barrier or prevention of a new barrier
- Compliance with a bilateral or multilateral trade agreement
- Creation of or improvement in market opportunities for U.S. firms
- Elimination or reduction of a threat to U.S. business interests

Sometimes these situations take years to address and require tapping government-wide trade policy expertise. But our trade specialists stay on the case for as long as it takes to help our clients and advance America's national interests.

FY09 GOALS:

- Achieve $33 billion in advocacy successes.
- Strengthen coordination with commercial liaison offices at multilateral development banks (MDBs) to improve assistance for U.S. companies competing for bank-related tenders.

U.S. COMMERCIAL SERVICE ADVOCACY INITIATIVES LEVEL INTERNATIONAL PLAYING FIELD FOR U.S. FIRMS

In addition to facilitating government-to-government engagements to advance U.S. interests, the U.S. Commercial Service's formalized advocacy function works on behalf of individual U.S. firms to ensure they have every chance for success when competing for international procurements. Advocacy initiatives help create the optimal environment in markets around the world for showcasing the competitive strengths, talents and capabilities of U.S. companies in all industry sectors.

In 2008, we helped U.S. companies successfully bid on procurements worth more than $30 billion; the U.S. export content claimed by companies for these successful bids was approximately $22 billion. We also completed the transition of the defense advocacy portfolio from the Bureau of Industry and Security (BIS), giving U.S. businesses one portal into the Department of Commerce for U.S. Government advocacy support, whether commercial or defense-related.

A Closer Look:

2008 COMMERCIAL DIPLOMACY SUCCESS IN CHINA

In China, U.S. retailers with more than 30 stores or with stores larger than 3,000 square meters were required to seek a license from the Chinese Ministry of Commerce (MOFCOM) to open additional stores. The corporate executives of these stores viewed this slow, opaque application process as their biggest impediment to growth in China. So, in the fall of 2007, these executives met with the U.S. Commercial Service Beijing office to discuss strategies for addressing the situation.

That December, the Beijing office organized an event to commemorate the opening of one retailer's store in China. In preparation, the office briefed the U.S. Commerce Secretary, who then discussed the licensing requirement with a MOFCOM Vice Minister at the event and shared views on how the process could be streamlined.

Throughout 2008, the Beijing office continued to provide insights on the store licensing problem to U.S. Government agencies that could assist diplomatic communications with the Chinese government.

By early fall 2008, MOFCOM announced that it would delegate its licensing authority to the provincial level for most foreign-invested retail businesses. As a result of MOFCOM's decision, American retailers will be able to expand their presence more efficiently with less bureaucratic delay in the approval process.

To the Rescue!

U.S. COMMERCIAL SERVICE CONNECTS WITH BUREAU OF INDUSTRY AND SECURITY (BIS) AND U.S. CENSUS BUREAU TO SAVE $25,000 EXPORT SHIPMENT

When Samuel and Wanda Mercado-Arroyo, owners of A&M International Consultants, Inc., realized they had only three weeks to complete an export licensing process that usually takes twice that amount of time, they knew who they needed to call.

"I was desperate. It (the shipment) was ready sooner than expected and had to be shipped," said Wanda. "So, I called Theo."

Trade specialist Theo Hunte at U.S. Commercial Service Philadelphia, that is. He made about a dozen calls over the course of the next three days last June to the BIS and the Census Bureau.

In the end, he arranged for a BIS official to call and talk the Arroyos through each step of the online Automated Export System to get their shipper's export declaration. From there, the official agreed to push the export licensing paperwork through an emergency route to make sure they would get their export license in time for their shipment to Mexico.

Located in Emmaus and Macungie, Pennsylvania, A&M International is a consulting firm that partners with American companies to distribute and export industrial gases, chemicals, sensors and other laboratory equipment to Mexico, Central America and South America. After more than two decades of experience working for PPG, Dupont, NASA and Air Products, Samuel seized upon an opportunity to retire early and begin his own business helping companies in the industry (e.g., Meeco, Tiger Optics, Gow-mac, RKI Instruments, and H2scan) export their products.

Export requirements for shipping petroleum-based chemicals were changing, however, due to new export restrictions, and the Arroyos needed the right licensing. The shipment agreement in question was the direct result of a deal A&M International made after attending a petroleum and gas show in Houston that March, followed by a visit to Mexico.

Trade specialists Janice Barlow and Samuel Cerrato, also of the U.S. Commercial Service's Philadelphia office, had worked with commercial specialist Francisco Ceron, U.S. Commercial Service Mexico, to arrange for the Arroyos to meet with officials from the Mexican oil refinery industry who were attending the show. At the time, the Arroyos were also working with Robert Elsas from the U.S. Small Business Administration (SBA) and Cora Landis from the Lehigh University Small Business Development Center (SBDC).

"Large companies usually want to talk to other large companies," Theo explained. "The U.S. Commercial Service team did a lot of work to get those companies to agree to the meetings."

Which was why it was so important that this first shipment not be delayed. "Their reputation would have been gone. As a small company, they would have lost the client and all future business there."

Wanda knew their future was on the line, as well. "We bid against big companies and won. It was really important that we didn't mess it up. Thanks to Theo, we delivered the $25,000 shipment on time."

In charge of business development, Wanda has been working closely with the U.S. Commercial Service, SBA and SBDC offices over the past several years to target the right markets for the Arroyos' unique company. In addition to exporting industrial gases and products, Wanda's background in education allows the company to offer export clients both product training and science and technology oriented English-as-a-second-language classes.

"In the technical world, a little language mistake can be devastating. We provide that link because we can present the information in both languages in a technically accurate way."

Over the past four years, the company's persistence and reliance on the U.S. Commercial Service's market research, partner matching and other products has helped A&M International expand into Argentina, Chile, Brazil and Peru, increasing export success sevenfold with more than $1.5 million in exports last year.

"Networking is so important. You have to be proactive and not wait for things to come to you. If you don't find out what's there for you, you miss out. There are so many beneficial services available. The U.S. Commercial Service provides very useful, excellent information."

In 2009, the Arroyos would like to target Spain as a new market and continue to increase their export success in Mexico and South America.

"We bid against big companies and won. It was really important that we didn't mess it up. Thanks to Theo, we delivered the $25,000 shipment on time."

Wanda Mercado-Arroyo, owner, A&M International

Making Connections Happen

A LOOK AT THE TRADE VEHICLES THAT LINK OUR CLIENTS WITH OPPORTUNITIES

The U.S. Commercial Service leverages an array of trade programs and partnerships that link our clients with export opportunities, as well as enable stakeholders, colleagues and businesses to connect with one another. Here's a look at these vehicles' success in 2008 and plans for 2009 and beyond.

TRADE MISSIONS

Every year, U.S. Commercial Service trade specialists take groups of U.S. businesses on overseas trade missions. These official delegations can gain access to foreign company leaders and government officials who would not normally meet with individual business visitors.

Department Trade Missions
In 2008, Commerce executives led Department Trade Missions into strategic international markets. These included:

- Two Secretarial business missions to Vietnam and Central America
- A Deputy Secretarial business mission to Iraq
- An Under Secretarial policy mission to China
- Four Assistant Secretarial missions to Sub-Saharan Africa, Vietnam, China and India

The benefits of executive-led missions have been innumerable, including increased access to high-level business, industry and government decision-makers, as well as sharper focus on policy issues and opportunities stemming from Free Trade Agreements (FTAs) and other commercial diplomacy initiatives. The Assistant Secretarial missions yielded amazing results for American businesses, including $26 million in sales of plastics technologies to Ghana and Nigeria, new solar plants in South Africa, and various medical supply contracts.

FY09 GOALS:

- IBP:
  375 Foreign Buyer Delegations
- TFC:
  118 Certified Trade Fairs

Certified Trade Missions
Partnering with trade associations, chambers of commerce and other organizations, the U.S. Commercial Service assists numerous Certified Trade Missions each year. In 2008, some of these successful missions included:

- North America-Mongolia Business Council Mission to Ulaanbaatar, Mongolia
- America-Georgia Business Council and American Chamber of Commerce/Georgia Mission to Tbilisi, Georgia
- FedEx (a U.S. Commercial Service corporate partner) Mission to India

Trade Winds Europe
In April 2008, the U.S. Commercial Service produced a first-of-its kind conference and matchmaking event overseas in Istanbul, Turkey. The Trade Winds Europe mission attracted 150 participants, including 97 U.S. executives from 67 companies across 25 states, as well as 28 senior commercial officers (SCOs) from Europe.

Together, these companies conducted more than 1,000 scheduled meetings. The results of those meetings speak for themselves. Within 6 months of the event, 16 export successes had already been logged, with a cumulative worth of more than $30 million.

Trade Missions, such as the Aerospace Executive Service at the Singapore Airshow, offer an effective way to put U.S. suppliers in direct contact with potential clients and business partners.

INTERNATIONAL BUYER PROGRAM (IBP)

The U.S. Commercial Service's IBP is a government-industry program designed to increase U.S. export sales by promoting international attendance at major U.S. industry trade shows. In addition to courting international businesses to attend these shows, the program provides hands-on assistance to U.S. exhibitors, including export counseling, market analysis and matchmaking services.

Thanks to the program, 423 representatives from companies all over the globe attended U.S. trade shows throughout the year in 2008. With 37 shows already selected for 2009, the IBP plans to bring at least 375 delegations to the United States. Additional goals include implementing a new end-of-show survey to assist in continuous quality improvement and focusing more closely on assisting firms that are new to exporting or are interested in entering new markets.

TRADE FAIR CERTIFICATION (TFC)

On the flip side of the IBP, the U.S. Commercial Service's TFC program is a cooperative partnership between the U.S. Commercial Service and private sector show organizers to increase U.S. participation in overseas trade shows. The program provides Department of Commerce endorsement, promotional support, show-related services, oversight and coordination of event services, exhibitor marketing facilitation, and in-country assistance for private sector organizers to build a U.S. pavilion at selected foreign shows.

Certifying shows and creating pavilions ensures high-quality opportunities for American companies to successfully market their products and services overseas. Once a show has been certified, it is promoted to U.S. businesses on www.export.gov. In 2008, the TFC program certified 107 overseas trade fairs and exceeded its cost recovery goals.

more > > >

Market Access and Compliance Western Hemisphere Deputy Assistant Secretary Walter Bastian and U.S. Commercial Service Western Hemisphere International Trade Specialist Devin Rambo team up at ACF 2008.

Making Connections Happen (continued)

MAJOR TRADE EVENTS

As in previous years, the U.S. Commercial Service supported many successful trade events throughout 2008. Two such events—the Asia/Pacific Business Outlook (APBO) Conference in Los Angeles in April and the Americas Competitiveness Forum (ACF) in Atlanta in August—brought U.S. businesses together with foreign political officials and foreign commercial officers on a large scale.

APBO Conference

The APBO Conference, hosted by the University of Southern California with the full support of the U.S. Commercial Service, is the longest running, most successful regional conference of its kind focusing specifically on Asian markets.

A total of 14 senior commercial officers (SCOs) from Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Mexico, Philippines, Singapore, Taiwan, Thailand, and Vietnam attended last year's event, providing market overviews, conducting small-group workshops, and offering one-on-one consultations for more than 300 participants, the highest number in the 21-year history of the conference.

The 2009 APBO Conference is already being planned and is expected to feature 350 one-on-one consultations with Asia/Pacific SCOs, as well as workshops and seminars on doing business effectively in the Asia/Pacific region.

ACF

Former Secretary of Commerce Carlos Gutierrez and Atlanta Mayor Shirley Franklin hosted ACF 2008 in Atlanta for more than 900 participants, among whom included the presidents of Colombia, Guatemala and El Salvador, as well as the vice presidents of Ecuador, El Salvador and Nicaragua. ACF is a major Departmental initiative, supported by bureaus across the International Trade Administration (ITA). The event drew together 900 participants. Also in attendance were 29 ministers from more than 20 countries and high level executives from global corporations, including Coca-Cola, Exxon Mobil, Dell, 3M, UPS and Wal-Mart.

ACF focused on four critical drivers of national competitiveness: trade logistics, renewable energy and sustainable resources, alliances in business and education, and tourism in the Americas. Through presentations and breakout sessions conducted by private sector and government experts in each field, participants discussed best practices, issues and actionable solutions to improve prosperity throughout the region. In addition, U.S. Commercial Service Atlanta and Savannah staff members arranged meetings between Western Hemisphere SCOs and attending U.S. companies.

A key conference output is the Western Hemisphere Textiles/Apparel Cooperation agreement to promote further stability and growth in the region's textiles and apparel trade to enhance the Americas' competitiveness in this vital sector.

Efforts are already underway within ITA to plan the 2009 ACF event, which will be hosted in Chile.

DISTRICT EXPORT COUNCIL

The U.S. Commercial Service's local offices continued to work hand-in-hand last year with the 60 District Export Councils (DECs) located across the country.

With a combined membership of 1,500 exporters and export service professionals, each DEC is made up of individuals, often presidents or CEOs of their own businesses, who volunteer their time to host, sponsor and participate in numerous trade promotion activities.

Since 1973, the DECs have assisted U.S. companies in their local communities on how to export, thus promoting our nation's economic growth. Established pursuant to Department of Commerce administrative authority to stimulate greater participation in exporting, the DECs originally featured about 1,000 business and trade experts in 41 locations. Members are appointed by the Secretary of Commerce.

The DEC National Steering Committee met in Washington, DC, in early December to develop 2009 goals for working with the U.S. Department of Commerce to further promote exporting in communities throughout the nation. Two major DEC initiatives for 2009 include:

- **Export University** will be a series of seminars for American companies taught by DEC membership and aimed at covering topics of importance to new, as well as active, exporters.
- **The National DEC Conference** will be held in November 2009 and will bring together the DEC's diverse membership, U.S. government officials, and other appropriate entities to share information and collaborate on ways to assist small- and medium-sized U.S. exporters.

more > > >

Publishing Team member Elizabeth Powell (L), U.S. Commercial Service Frankfurt, talks with Association of Educational Publishers CEO Charlene Gaynor in the joint U.S. Commercial Service/AEP Educational Publishers Pavilion at the Frankfurt Book Fair.

Making Connections Happen (continued)

GLOBAL TEAMS

In 2008, more than 500 people—many of them U.S. Commercial Service Staff—served on one or more of the International Trade Administration's (ITA) 15 industry-focused and four region-focused Global Teams. The Global Teams Program was established 13 years ago to provide more client-driven services and augment international business counseling and matchmaking at key trade events.

Since then, the teams have been a major factor in the U.S. Commercial Service's overall success. In FY 2008, they were credited with assisting on nearly 25 percent, or 2,700, of all export successes for a combined value of more than $6.9 billion.

In addition to U.S. Commercial Service trade professionals, the Global Teams are also comprised of staff from ITA's other operating units—Manufacturing and Services and Market Access and Compliance—as well as interagency participants from the Small Business Administration, Export-Import (EXIM) Bank of the United States, the State Department, and the Foreign Agricultural Service.

Some FY 2008 team highlights include:

- The **Trade Americas Team** collaborated with the U.S. Chamber of Commerce, the U.S. Commercial Service Colombia, and the Marketing and Communications Office to host a U.S.-Colombia Trade Promotion Agreement webinar for 140 participants.
- The **Asia Pacific Team** partnered with local offices throughout the country to offer 12 outreach events where SCOs from the East Asia/Pacific region provided market overviews on opportunities in their countries.
- The **Africa/Near East/South Asia Team** launched a documentary entitled, *Doing Business in the Middle East and Africa*.
- The **Publishing Team** debuted its *2008 Publishing Market Guide* during the annual BookExpo America.
- The **Environmental Team** produced a video webcast that informed European audiences on what the United States is doing for environmental protection.

2,700

Number of export successes that were achieved in 2008 with Global Teams' assistance

Exploding onto the International Scene

U.S. COMMERCIAL SERVICE MATCHES SOFTWARE COMPANY WITH POTENTIAL RESELLERS IN MORE THAN A HALF-DOZEN GLOBAL MARKETS

It was the dawn of widespread campus networking, and Dartmouth College network manager Richard Brown realized he needed a product that would give him an at-a-glance view of his network. Instead of using slow, reactive diagnostic tools to find what was broken, he wanted a faster, more proactive way of pinpointing network bottlenecks and other problems before they caused lengthy network downtime.

When he realized there were no commercial network products available, he and Bill Fisher, a Dartmouth undergraduate, developed their own product. By April 2000, the product was so popular, Richard, Bill and Stuart Pompian, a local businessman, founded Dartware, LLC, and went to market with their innovative solution.

The ingenuity behind the birth of Dartware and its InterMapper software products still drives the company's rapid success more than eight years later.

InterMapper products have been available via Internet download for a number of years. "In theory we were worldwide," said John Sutton, director of sales and partner development. "But we weren't, really, because of cultural barriers."

Network managers and administrators want to work with tech support personnel that speak their language, and they usually want to buy from domestic companies. "To operate internationally, we needed to establish partnerships with resellers in the countries we wished to sell to."

Sutton and the co-founders knew that reseller agreements would enable Dartware to establish a local footprint with tech support, avoid language barriers, and gain the ingrained cultural knowledge one only achieves by living in and experiencing a culture.

That's just where the U.S. Commercial Service stepped in. Portsmouth Director Justin Oslowski and the State of New Hampshire's International Trade Resource Center "came in and had a chat with us about what they could do," Sutton said. "Based on those meetings, we made a conscious decision to start by expanding into English-speaking international markets. Since Canada is only about 100 miles away from our headquarters (West Lebanon, New Hampshire), we did Gold Keys (business matchmaking services) with them first."

On the scheduled day, though, it seemed the fates were lining up against Dartware. Poor weather prevented travel into Canada. "We had meetings set up back-to-back for Montreal and Toronto, but we couldn't get up there. We tried everything, but nothing worked out," Sutton said.

To overcome the problem, U.S. Commercial Service Montreal and Toronto trade specialists Connie Irrera and Viktoria Palfi arranged for teleconferences with Dartware's Gold Key matches. They set up the teleconferences and obtained the Dartware presentation in advance.

Sutton delivered two days worth of one-hour webinars to potential partners. "I said, 'I'm going to Canada,' and walked into my office."

As a result of those February 2008 meetings, Dartware established partner relationships with resellers in both Montreal and Toronto.

From there, "rapid-fire" best describes Dartware's 2008 global success. Using various U.S. Commercial Service offerings, including Gold Keys, the Trade Winds Europe trade mission, and a Single Company Promotion event, Dartware has made contact with possible resellers in South Africa, Turkey, the United Kingdom, Hong Kong and Singapore.

Oslowski said, "The reason it's gone so well is we had a very dedicated company in Dartware, and we had the tools to help them. John has really made this happen. That's why he's exploded onto the international scene."

To establish reseller relationships, Dartware has to professionally present itself to potential resellers. That's not always as easy as it sounds. Like in the United States, every nation has unwritten codes and rules of proper business behavior.

"When I was planning a trip to the Middle East, I called the U.S. Commercial Service to see if they could provide any information for doing business over there," Sutton said. "They sent over tons of information. You can look at their Web site. They have reams and reams of information explaining potential cultural situations."

The U.S. Commercial Service also helped Sutton and Dartware untangle a difficult situation in 2008 involving taxation.

"We had a reseller in India tell us there is a 15 percent sales withholding tax. Right away I was on the phone with the U.S. Commercial Service asking, 'Is this right?' Within a week, we had the information we needed to eliminate that tax. That was a phenomenal service."

By continuing to use the tools offered by the U.S. Commercial Service, Dartware hopes to diversify further in 2009, including to the Middle East and Australia. They also plan to do something many think will be impossible in today's economy: grow.

"We're growing," Sutton said. "We plan to add programmers. We've already added a marketing director to increase our exposure, and we're confident that using the Gold Key services will help increase our sales. It's fair to say the U.S. Commercial Service is key to our success."

"We had a reseller in India tell us there is a 15 percent sales withholding tax. Right away I was on the phone with the U.S. Commercial Service asking, 'Is this right?' Within a week, we had the information we needed to eliminate that tax. That was a phenomenal service."

John Sutton, director of sales and partner development, Dartware, LLC

Knowledge Is Power

STRATEGIC COLLABORATION FINE-TUNES TRADE EXPERTISE AND IMPROVES EXPORT GUIDANCE

As it is in most any business endeavor, knowledge is power when it comes to exporting. The U.S. Commercial Service strives to provide companies with the knowledge they need to not only export successfully but also to feel comfortable with the very idea of it. In 2008, we engaged in a number of collaborative activities to provide training, publications and programs that do just that. The following initiatives have heightened our trade expertise and our ability to provide export guidance to our clients.

NASBITE CERTIFICATION

Last year, 77 U.S. Commercial Service trade professionals became Certified Global Business Professionals (CGBP) under the NASBITE certification program, for a total of 108 employees who have achieved this certification status to date.

In addition to other U.S. Commercial Service professional development activities, the NASBITE program offers an official professional certification, much like a CPA achieves. The CGBP certifies that a trade specialist is competent in 1) global business management, 2) global marketing, 3) supply chain management, and 4) trade finance.

For the U.S. Commercial Service, partnering with the NASBITE program strengthens our workforce competencies and ensures that our trade specialists have diversified global commerce and international trade skill sets.

TRADE INFORMATION CENTER

The U.S. Commercial Service's Trade Information Center (TIC) is currently made up of 12 international trade specialists and two Ph.D. economists dedicated to working directly with U.S. companies to facilitate exports. Companies counseled by TIC staff members are helped on the spot and then referred to U.S. Commercial Service's domestic field offices for further assistance.

In FY 2008, the TIC served more than 36,000 clients via e-mail, telephone (800-USA-TRADE hotline), or in person. Throughout the year, TIC and other U.S. Commercial Service staff became even more integrated thanks to a number of programs that benefit our mutual clients:

- **Business Information Centers (BICs).** Building on the success of the Middle East/North Africa and China BICs, the TIC launched the India BIC in June. The BICs combine Web, telephone and export education to provide exporters with a comprehensive resource on each of these complex markets. India is one of the fastest growing economies in the world and the second fastest in Asia. This market growth represents diverse and lucrative opportunities for U.S. exporters with the right products and services. At the same time, India is a huge, complex mix of micro markets with supply chain challenges, cultural diversity, tariff and non-tariff trade barriers, and government regulatory hurdles. Through the export.gov/India Web portal and 800-USA-TRADE phone counseling, the India BIC provides more specialized counseling on that increasingly competitive global trade environment.

36,000+

Number of telephone calls to 1-800-USA-TRADE

- **Export.gov.** The TIC also provides information on all export-related programs and services for export.gov, the U.S. Government's export assistance Web portal. Populating export.gov with value-added content is one of the TIC's ongoing critical core missions, and staff members continue to work closely with the Trade Promotion Coordinating Committee (TPCC)—specifically, the 18 other federal agencies that offer export assistance information through the site—to ensure visitors have a user-friendly experience and can find the export information they need.
- **NAFTA Program.** The U.S. Commercial Service continued to counsel businesses on understanding the North American Free Trade Agreement (NAFTA) and other free trade agreements that account for more than 40 percent of U.S. exports. The TIC's NAFTA specialist is a recognized authority on NAFTA compliance and was in demand throughout the year to deliver NAFTA education outreach programs for our offices and other TPCC agencies.

A BASIC GUIDE TO EXPORTING

A team of colleagues across various Department of Commerce, International Trade Administration divisions, including the U.S. Commercial Service, worked together throughout FY 2008 and into FY 2009 to publish the 10th edition of *A Basic Guide to Exporting*.

It has been more than 10 years since the last edition was published, and much has changed in the world of exporting since then. Exports have grown by 46 percent, NAFTA has been fully implemented, the United States has signed 14 free trade agreements with 20 countries, and opportunities in emerging markets like Brazil, China, India and Russia have more fully opened up. The *Guide* had been a valuable resource throughout the years, but U.S. businesses needed the publication to be more relevant to today's global trade conditions.

The *Guide* is an excellent resource for U.S. firms looking to make their first export sale or expand into new markets. It provides expert advice and practical solutions for reaching new customers and making sales around the world.

President George W. Bush and the President's "E" Award winners in the Oval Office

Uncommon Honor

U.S. COMMERCIAL SERVICE LEVERAGES "E" AWARD TO PROMOTE AND INCREASE EXPORTING

Imagine attending a White House ceremony where you and your company receive the highest award a U.S. entity can receive for exporting, handed to you by the Secretary of Commerce; then having your picture taken in the Oval Office with the President of the United States; and rounding out the afternoon with a reception at the U.S. Department of Commerce.

If that sounds like a pretty amazing honor, it is.

The President's "E" Award was created in 1961 by an Executive Order of the President to recognize persons, firms or organizations that contribute significantly to increasing U.S. exports. Eight years later, the Secretary of Commerce expanded the program by authorizing a President's "E Star" Award recognizing continuous ongoing export expansion.

Since then, more than 2,100 U.S. businesses have received the "E" Award, and more than 200 organizations have received the "E Star" Award. Currently administered through an interagency vetting and committee meeting process, the President's "E" Award program is a premier outreach tool that the U.S. Commercial Service's trade specialists use to showcase the important role exporting plays in positively impacting our national economy.

The "E" Award program increases awareness of the U.S. Commercial Service through outreach initiatives to local media, as well as highlights the contributions made by local exporting clients and trade partners.

The May 2008 ceremony, which honored 19 "E" and "E Star" winners, was the second consecutive year in which the White House visit and awards ceremony had been held.

THE 2008 WINNERS

The following organizations were recognized as 2008 President's "E" and "E Star" Award winners:

President's "E" Award for Exports

Dredging Supply Company, Inc.
HQ: Reserve, Louisiana

Health Enterprises, Inc.
HQ: North Attleboro, Massachusetts

It Straps On, Inc.
HQ: Covington, Louisiana

Johnsonville Sausage
HQ: Sheboygan Falls, Wisconsin

Neutrex, Inc.
HQ: Houston, Texas

NOW International
HQ: Bloomingdale, Illinois

Separation Systems, Inc.
HQ: Gulf Breeze, Florida

Treatment Products Ltd.
HQ: Chicago, Illinois

Vitamec USA, Inc.
HQ: Van Nuys, California

Voss Industries, Inc.
HQ: Cleveland, Ohio

President's "E" Award for Export Service

Automation Alley
HQ: Troy, Michigan

FedEx Corporation
HQ: Memphis, Tennessee

Home Instead Senior Care
HQ: Omaha, Nebraska

Massachusetts Export Center
HQ: Boston, Massachusetts

Seattle University, Albers School of Business and Economics
HQ: Seattle, Washington

President's "E Star" Award for Exports

Aquathin Corporation
HQ: Pompano Beach, Florida

Environmental Dynamics, Inc.
HQ: Columbia, Missouri

President's "E Star" Award for Export Service

Port of Houston Authority
HQ: Houston, Texas

Virginia Economic Development Partnership, Division of International Trade
HQ: Richmond, Virginia

To Russia, with Love

NORDIC TUGS CHARTS A COURSE THROUGH INTERNATIONAL WATERS

Forget everything you think you know about Russia. Cold War era thinking conjures images of communism, bread lines, and a cool James Bond movie: *From Russia with Love*. That was then. For Nordic Tugs in 2008, with the help of the U.S. Commercial Service, Russia is synonymous with a cool exporting move: To Russia, with Love.

Nordic Tugs, headquartered in Burlington, Washington, manufactures yachts with a lovingly detailed eye toward superior craftsmanship that's tough, quiet and fuel-efficient. As for their cost, the old adage goes that if you have to ask, you can't afford it. So don't ask; we'll tell—they start around $350,000. Now you know.

On the heels of a successful Gold Key matching service in 2007 with a distributor in the United Kingdom, Bob Shamek, sales manager for Nordic Tugs, contacted U.S. Commercial Service Trade Specialist Karen Taylor at the Seattle U.S. Export Assistance Center (USEAC) about charting a course for Russia.

Contrary to what the U.S. image of Russia may be, Shamek knew the nation's full export potential. "There are people with wealth in Russia. The country presents a good market for a lot of reasons."

And the facts back him up:

- Russia is a large economy on the world stage with an emerging middle class, increasing disposable income, and demand for Western goods.
- Russia's yachting industry is booming. The Moscow International Boat Show's (MIBS) 2008 post-show report indicates that the country's yachting market has experienced annual increases of 25–30 percent since 2004, and exports of Italian yachts to Russia increased 143 percent from 2007 to 2008.
- *Moscow News* reported on Sept. 21, 2008, that "Foreign firms are also beginning to target Russians as they believe they will make up a significant part of the market in the near future."

Like any good business that targets the best markets, Nordic Tugs wanted to be a part of this boom. Plus, their yachts have something they believed would go over well with the Russian yacht buyer, something not commonly associated with yachting: economy. While the Russian elite compete against each other to see who can buy the bigger boat, it isn't only the uber-rich purchasing super yachts. According to *Moscow News*, "somewhat 'poorer' Russians are also purchasing smaller, less extravagant yachts."

When operating in the world of yachting, take the terms 'poorer,' 'smaller,' and 'less extravagant' with a grain of sea salt; but for Shamek and Nordic Tugs, they are music to the ears.

"Economy is very important to our buyers. While they are high net worth individuals, they are commonly retired or semi-retired and living on a fixed income. Our boats are built for long range cruising, comfort, durability and fuel efficiency. They're perfect for buyers looking for those features."

Taylor set things in motion with a call to Commercial Specialist Marina Kamayeva at the U.S. Commercial Service St. Petersburg, Russia, office. Kamayeva collected information about the Russian market and conducted an International Partner Search (IPS). The IPS resulted in two possible matches.

Shamek said, "The U.S. Commercial Service is quite helpful with information about possible partners. They do an excellent job of finding industry people looking to take on U.S. products."

In motor yachting terms, Nordic Tugs was cruising, and their course took them to boat shows in Miami, Florida, and Dusseldorf, Germany. At the German show, *boot Dusseldorf 2008*, Shamek and Nordic Tugs' UK dealer met the Russian dealers identified on the IPS, as well as other dealers in the Russian market.

Unfortunately, Nordic Tugs could not come to an agreement with either of the two IPS matches. However, they leveraged their discussions with those two dealers to interest another, Boat Market, a Moscow-based dealer willing to carry the full line of Nordic Tugs yachts in various sizes.

Nordic Tugs shifted its focus to Moscow where Commercial Specialist Valeria Khalina, U.S. Commercial Service Moscow, produced an in-depth International Company Profile (ICP). The ICP service investigates and reports the financial strength of a company and provides useful information gleaned from local press, industry contacts and other sources. This information helps companies like Nordic Tugs make a decision on whether they want to do business with a potential partner.

David Goehring, president of Nordic Tugs, said, "We wouldn't consider finalizing an agreement without the U.S. Commercial Service and the ICP."

The ICP on Boat Market sealed the deal for Nordic Tugs. The two organizations signed a dealer agreement that took effect on May 1, 2008. In late August/early September, Boat Market took delivery of their first Nordic Tug. Due to the collaboration of Nordic Tugs and the Seattle, St. Petersburg and Moscow offices, the yacht company has successfully entered Russian waters.

Shamek agreed, "The U.S. Commercial Service has been very helpful in our efforts to expand to overseas markets. We are looking forward to doing more business with them as we consider additional markets in 2009."

"The U.S. Commercial Service is quite helpful with information about possible partners. They do an excellent job of finding industry people looking to take on U.S. products."

Bob Shamek,
sales manager,
Nordic Tugs

Moving Forward 2009: Connecting the U.S. Commercial Service to the Big Picture

SNAPSHOT: FY09 PERFORMANCE GOALS

Metric	Goal
New-to-Export Firms	672
New-to-Market Firms	3,130
U.S. Commercial Service Efficiency	$430
Commercial Diplomacy Successes	162
Advocacy Bids Won	14%
Net Promoter Score	65%

NEW FY 2009 PERFORMANCE METRICS QUANTIFY MACROECONOMIC IMPACT

As an organization, we've always known that the work we do impacts the U.S. economy. But we haven't always measured those big picture results.

With the launch of new FY 2009 performance metrics on October 1, 2008, we are now better able to capture, quantify and communicate our impact in macroeconomic terms that are more meaningful to our stakeholders, Congress and U.S. taxpayers.

The performance metrics place a greater emphasis on helping small and medium enterprises (SMEs) achieve export success, either for the first time or in new markets. As a whole, these measurements support the following U.S. Commercial Service policy goals:

- Broadening and deepening the U.S. exporter base
- Removing obstacles to SME export success
- Advancing U.S. business interests abroad

Ultimately, these metrics strengthen the U.S. Commercial Service's connection to the overall performance of the U.S. economy by calculating our effectiveness and efficiency in helping U.S. businesses export. The accompanying definitions offer greater detail on each new metric.

NEW METRICS DEFINED

Effectiveness at Helping New Exporters. This metric demonstrates the U.S. Commercial Service's ability to help new exporters negotiate the barriers to export success. It measures the number of small/medium New-to-Export firms that are successfully assisted by the U.S. Commercial Service as compared to the total number of small/medium new exporters in a previous given year (according to Census data). **FY09 Goal: 672 small/medium New-to-Export firms assisted**

Effectiveness at Helping Existing Exporters. This metric demonstrates the U.S. Commercial Service's ability to help existing exporters overcome barriers to expanding into additional foreign markets. It measures the number of small/medium New-to-Market firms that are successfully assisted by the U.S. Commercial Service as compared to the total number of small/medium firms exporting to more than one foreign market in a previous given year (according to Census data). **Goal: 3,130 small/medium New-to-Market firms assisted**

Overall Effectiveness. This metric demonstrates the U.S. Commercial Service's effectiveness in helping active clients export in a 12 month period. It measures the number of U.S. Commercial Service clients that achieve an export success as compared to the total number of clients helped in a previous given year. Ideally, 10 percent of our active client database would export in a 12 month period. **Goal: 1 in 10 active clients achieve export success**

Overall Efficiency. This metric demonstrates the U.S. Commercial Service's efficiency at using taxpayer dollars to help U.S. companies achieve export sales. **Goal: For every $1 appropriated to the U.S. Commercial Service, $430 in export sales will be produced by U.S. Commercial Service clients**

SME Exporter Growth. This measure captures the long-term impact of the U.S. Commercial Service's primary mission to increase the number of SME firms that export. **Goal: 2.75% annual growth rate of SME exporters (according to Census data)**

Number of Commercial Diplomacy Successes. This metric captures the results of U.S. Commercial Service front-line diplomatic engagement with foreign governments in support of a U.S. company or U.S. national economic interests. **Goal: 162 successes**

Percentage of Advocacy Bids Won. This metric illustrates the U.S. Commercial Service's effectiveness in winning bids by comparing the number of advocacy client successes over time to the U.S. Commercial Service's average annual advocacy caseload. **Goal: 14%**

Net Promoter Score (NPS). This metric demonstrates the U.S. Commercial Service's ability to create highly satisfied clients. It captures the percentage of clients surveyed who are highly likely to recommend a CS service minus the percentage of clients surveyed that are not likely to recommend a CS service. **Goal: 65%**

Definitions

SME (Small and Medium Enterprises). An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations. Parent companies, affiliates, and subsidiaries will be considered when determining business size.

New-to-Export. A U.S. organization that has not exported in the last 12 months.

New-to-Market. A U.S. organization that has exported to one or more foreign markets to which it had not exported during the preceding 12 months.

Guiding Principles

VISION STATEMENT

A premier front-line U.S. trade network creating prosperity in the United States and abroad

MISSION STATEMENT

The U.S. Commercial Service promotes economic prosperity, enhances U.S. job creation and strengthens national security through a global network of the best international trade professionals in the world.

We promote and protect U.S. commercial interests abroad and deliver customized solutions to ensure that U.S. businesses, especially small and medium enterprises, compete and win in the global marketplace.

CORE VALUES

Integrity. Honesty and trust

Excellence. Standard for everything we do

Results. Significant, accountable and measurable effects

Accountability. Our promise to all stakeholders

Leadership. Responsibility at the individual and group level

Community. Team spirit, inclusion of stakeholders, and work performed in an integrated way across functions

Service. Public service, customer service and commitment

Mutual respect. Diversity and respect for the individual

Innovation and creativity. Openness to new ideas, imagination, dynamism and foresight

U.S. Commercial Service Leadership

Rochelle Lipsitz
Assistant Secretary and Director General (Acting)

William Zarit
Deputy Assistant Secretary, International Operations

Patty Sefcik
Deputy Assistant Secretary, Domestic Operations (Acting)

Anne Grey
National Director, Domestic Operations

Pat Kirwan
Director, Trade Promotion Coordinating Committee

Gregory McHugh
Director, Office of Professional Development (Acting)

Richard Hughes
Director, Advocacy Center (Acting)

Steve Wilson
Director, Office of Strategic Planning and Resource Management (Acting)

Christian Reed
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Reginald Miller
Regional Director, Central and Eastern Europe/Russia

Brian Brisson
Regional Director, Western Hemisphere

Judy Reinke
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Patrick Santillo
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James Cox
Director, Northeast Network

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Mary Joyce
Director, Midwest Network

James Kennedy
Director, Southwest Network

Greg Mignano
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Michael Miller
Director, Great Lakes Network

Tom Strauss
Director, Southern Network

Richard Swanson
Director, Pacific Southwest Network

Brad Anderson
Director, Global Teams

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INTERNATIONAL
TRADE
ADMINISTRATION

U.S. Commercial Service
1401 Constitution Ave. N.W.
Washington, DC 20230

T 202.482.5777
F 202.482.5013

trade.gov/cs
800-USA-TRADE

U.S. Department of Commerce
International Trade Administration

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MOVING FORWARD 2009