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Tumbles' Expansive Outlook On Its Global Franchise Business

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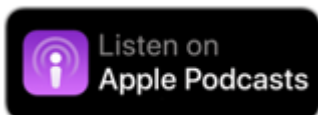
This episode of Export Nation, features Tumbles Kids' Gym and STEAM franchise with Manish Vakil, founder and CEO. Steven Garrett, a senior international trade specialist, from our Houston office also joins to add insight on how similar businesses can work with the U.S. Commercial Service to expand into new markets.

Relevant Links

Company Information: Tumbles - <https://tumbles.net/>

Office: [U.S. Commercial Service Houston](#)

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Episode Transcript

Title: Tumbles' Expansive Outlook On Its Global Franchise Business | Transcript Date: April 22, 2021 |

Duration: 47:28

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[00:00:02] Derrick Small: On this episode of Export Nation, we explore the export journey of Tumbles Kids' Gym and STEAM franchise with Manish Vakil, founder and CEO. We are also joined by Steven Garrett, a senior international trade specialist from our Houston office. Good morning. Very happy to have you. Perhaps you could start by telling us a little bit about your company and what you do.

[00:00:31] Manish Vakil: Sure, sure. Derrick, thank you for having us. We are Tumbles, kids' education and entertainment system. We have a kids' gym and STEAM program that we franchise out domestically in the United States as well as internationally. We offer gym classes for kids ages four months to 10 years old, as well as STEM or we added A for art and call it STEAM classes, science, technology, engineering, art and mathematics classes, enrichment classes, I should say, to kids combined in one facility, as well as birthday parties. We have a complete business model that we offer. Then as an add-on, for certain facilities like we're doing in Qatar, right now, we have a Tumble Zone, which is an indoor playground structure.

[00:01:26] Derrick: Oh, wow. This is definitely a different exporting type of business that you don't necessarily find every day. I think your story is interesting, how were you introduced to the US Commercial Service? What made you seek us out?

[00:01:50] Manish: That's a great question, Derrick. I originally started looking at the Commercial Service. I heard through a couple of people in the franchising industry to work with the US Department of Commerce. It took a little while, I worked with some people in Detroit, I think it was in Washington, DC. We moved the headquarters to Houston, Texas and I was very fortunate to get in touch with Steven Garrett here. He's been working with us now for well over three years. We wanted to seek out the Commercial Service because exporting, we wanted to go international and as opposed to working through third parties, we wanted to work with the government to leverage their contacts.

The main thing is the reputation that comes with working with the US government. When we were vetted by the US government, the US government, the Department of Commerce. When they came out and said, "We needed information to present Tumbles to their partner offices around the world so they can help us find potential partners." I was not fully aware of all the benefits of working with a Commercial Service, to be honest. There are so many different benefits, and so many different programs you can utilize, from the Gold Key program to the International Partner Search to obviously now I just found out of a couple other ones that are there where you can actually utilize their local marketing as well as translation, and web services, digital marketing, I mean so many different things.

Once we started working with a Commercial Service, we said, "What is the easiest way for us to find partners?" That was the main reason we wanted to come and seek out working with the Department of Commerce.

[00:03:42] Derrick: That's very interesting. Early on, you spoke about wanting to go global. What prompted you to start looking globally for your franchise?

[00:03:56] Manish: A lot of people or companies of our size have believed that they're not ready to go global because they have to be a certain size domestically. What we always looked at is we were we ready or not? The Commercial Service was nice enough to work with us. Steven was nice enough to work with us and say, "This is what you need, in terms of equipment packages. What investors look for out there. What other companies have done, which are in different industries, but similar things apply. We wanted to go global because our motto is, we're providing for children's programming overseas, right?"

Childhood obesity is one of the things. Our mission statement is shaping the minds and bodies of the future. When we looked at that all the food franchises tend to go global. We said, "Why not take a kid's gym global as well, and we can provide all the equipment from here made in the United States," because the US standards are quite high in terms of equipment and the way it's done. The regulatory authorities make it very nice for overseas to export things.

A perfect example I can give, we're going into Qatar, and we shipped all the equipment, I should say, or we already have shipped it to Qatar, and it's landed there. It's fully approved because it meets the US requirements. They don't need special requirements in the country itself, because they will go by US standards. That gives us a leg up in terms of coming out and saying, "All the equipment's done here, we ship it from here." It's a great way for us to expand our revenues and work with a Commercial Service that helps us find the partners. From a marketing perspective, it's actually very cost effective. To be perfectly honest, it's actually lower cost for us to find international partners than it is to find domestic partners.

[00:05:46] Derrick: Would you elaborate on that a little bit?

[00:05:48] Manish: Sure, sure. The services that we pay for. For instance, the Gold Key service that we utilize quite heavily through the US Commercial Service, cost us \$950 to do a Gold Key service. The US Commercial Service will have— Steven and I will get on a call with the local embassy and the local people representing the Commercial Service on the ground.

For instance, we have a call coming up. We're engaged with the Commercial Service in over 30 countries. The calls we did were in Saudi Arabia, let's just say for example, and we got in touch with the office in Riyadh. They took all our presentation and presented to local partners on our behalf. They will come back to us and say, "Here are five, seven companies that are interested in speaking with you." When they do the Gold Key service, I fly into Saudi Arabia. Once I fly in, they will set up face-to-face meetings with us. The amazing part is a person from the Commercial Service Office will accompany us to the meetings. That gives us a lot of credibility once we go there, and then we meet the partners that way.

We did the same thing in Qatar. With that, when we did it, we actually ended up doing the deal and we got to deal with the partner there. It cost us \$950. Obviously, we have to pay for the flights and whatnot, to get there and the hotels, but just to get the meetings, it cost us \$950 to get these contacts. From a lead cost perspective, for us what the deal is worth to us in long term lifetime value. It is way lower cost for us to work with the Commercial Service and utilize the services because at the end of the day, the US taxpayer is paying for the Department of Commerce to create jobs in America at the same time by us exporting.

It is very much in the US government's interest to export us businesses overseas to create commerce here. It is very low cost which I don't know— When I speak to a lot of people, they're not familiar because of just from sheer lack of knowledge, I should say. Or they're thinking that it's very difficult to work with the government, but it's complete opposite in my opinion. It is so easy and it is so beneficial from a cost perspective, from a time perspective to find partners, or potential partners in overseas markets.

[00:08:18] Derrick: Thank you. Steve, I wanted to touch on something because I know earlier— Definitely franchises, there's so many different varieties of them. However, I can see where a franchise similar to Tumbles would maybe think that they can't export or are not prepared to export. What could you talk about in terms of franchises that are looking to go global, what would you say to them? How could they prepare if they may not actually be ready?

[00:08:54] Steven: Sure. No, those are good questions. I think that Tumbles and Manish serve as a good example of how to do it right. When we met, gosh, it's been four years ago, I guess. I went out to his facility or his office. We sat and we talked. He gave me the full presentation of what they were looking to do. Immediately, the check blocks on ticking off in my head is they're established here in the United States. It's not theoretical, it's not an idea. He had eight or 10, maybe 15 franchises actively working here. He was looking to go overseas, and was comfortable and excited about the opportunity to travel. Or not so much the opportunity but really, the necessity of travel. Whether it's franchising or selling oil and gas equipment or hats, if you want to sell overseas, most often, you the business are going to have to go overseas and drink the tea and eat the dates and talk about family and develop a rapport. You have to be willing to make the investment to go out and sell yourself. Manish was very on board with that. He made it really easy from our perspective in that you didn't have to convince him that he had to travel to make the sale. I think the number one thing for certainly franchises is that you're going to have to get out and go. Certainly, the COVID environment has changed that significantly and we the Commercial Service are pivoted well and done a lot of things virtually.

Tumbles has continued on and actually in the process of signing a new deal all virtual so it'll be interesting to see if that sticks as a norm moving forward or after we start to travel with the default is not to go back to what is comfortable. I guess the two real takeaways for what a franchise would need to think about before they look to export is one, you have an established franchise already. You're able and willing to go overseas and make the contacts and make the sale, and that you have the bandwidth to handle it.

[00:12:08] Derrick: Perfect. Thank you, Steven. Manish, just to take us back to maybe a little before, what spawn the idea to go into this type of business?

[00:12:22] Manish: That's a great question. I get that question a lot because it is very different. As Steven said, "It's not oil and gas." It's not any of these areas. When we tell, people like "What do you do." and we're like, "Well we build kids gyms and STEAM programs." They're like, "Excuse me. What do you do again?" We do get a double-take, obviously. The main idea was I have a history of in our family of diabetes and obesity and things like that, high blood pressure. I was looking at that, especially from a kid's perspective and how it's changing in the younger generation especially now.

When I started in business about 15 years ago, my first business I opened was a STEAM program and it was running only in the afternoons, some in the mornings, very little. Then I did like a tutoring program which was after school, and then I got a gym program which was on the weekends with birthday parties and in the mornings. Combined, it was like a complete business model but there were three different businesses. When I looked at it from that aspect, and I always wanted to get into the kids' business because simply looking at it when the recession hits or anything happens and besides COVID obviously, we're looking at now but even then it doesn't affect kids as much, the kids' industry, because people always spend money on kids. As they say, "Parents will always take less and always spend more on their kids no matter what. They want to make sure that kids are happy," and that's the key aspect.

When I opened my first Tumbles location in 2007, right after that, we hit the 2008 recession. Our best years of operations were in '08, '09, and 10, because parents still spent money on their kids. They wanted to make sure they were happy and that was a key aspect. They want to make sure they were developing properly because they know it's a long-term investment. That was the main reason for getting into the kids' business.

At the end of the day, when you think about it, we are a very happy business for lack of a better word right. We make profit in a business but it's with a purpose. Profit with a purpose, that's what you're looking at. You're doing something well for the community. You're doing something well for the world. You're providing a service for the kids that's going to last for a long time. I always say kids only cry when they're leaving our facility because they don't want to leave. They're very happy when they're there and that's a great business that you want to be in.

[00:14:52] Derrick: That's perfect. You did touch on COVID, did you see an impact from it business-wise?

[00:15:00] Manish: Yes, we did like everyone else. Some businesses, obviously, did well but we are a face-to-face type of business but we did do a lot of virtual classes. We opened up virtual classes. We have over 500-600 videos that we provide to our franchisees so they can take a look at for how they run the classes. We provided some systems for that as well, so yes, we definitely see an impact with that. Now, a lot of things are coming back. Locations are opening back up again. They've been open now for more than a couple of months so which is a positive thing, but obviously, just like everyone else we definitely did see an impact.

[00:15:36] Derrick: Okay, that's fair. Also, what I've noticed when speaking to some businesses that were set up globally prior to— were you set up globally in terms of where you already exporting prior to COVID-19?

[00:15:50] Manish: Yes, well, actually during it. We started right before and then during it so our materials and everything for Qatar shipped, and because of COVID, it was delayed. I'll be perfectly honest because the ports are backed up for international shipping, but that's okay. We have to work with the international shipping company and our partners there. They're obviously very understanding because it's things that are not in anyone's control, that are happening. Governments are involved, shipping ports are involved, there's delays in different places, but we were ready to ship. We had everything ready to go and we shipped during COVID.

[00:16:26] Derrick: Got you. Okay, no, I was just asking because it seemed like some businesses who had that sort of setup or on its way during COVID, that global help the business stay afloat during that time so that's where I was curious. Segueing into that, I know you said Qatar and was it also Saudi Arabia currently? Are there other countries you're exporting to? If I got those wrong, please correct me.

[00:16:52] Manish: No, we're going to be going into Ghana is the one that Steven mentioned earlier where we're actually going to be opening. We're in process right now of signing a deal there. We have an LOI that's already been executed so we're working on the main deal and looking at the location design. Well, we're doing some international partner searches in— we have going in Indonesia, Singapore, to Turkey, to Saudi Arabia to UAE. I think we're currently engaged in close to over 30 countries with the US Commercial Service so it's definitely quite a bit that we've taken on.

It's fun because we have— once you set up a system and you have the phone calls and you meet with the people, we have the infrastructure ready to go with international sales. We have a head of sales in the middle east and we have ahead of sales for Asia. They're on calls with us as well as myself and Steven, but Steven's a great partner. We communicate on a weekly basis at a minimum, sometimes multiple times during the week. We have a call actually coming tomorrow morning with Israel that we're starting.

We just did Japan and whatnot earlier. I was on a call with New Zealand, Australia, and Germany before as well so there's so many countries we're working with and having a partner and being in communication so we treat the Commercial Service as our partner and that's how it works. It's not a client type of a relationship. It's a symbiotic relationship where Commercial Service wants us to see us succeed, obviously, and we want to see we want to utilize the services provided by Commercial Service in order to succeed. It goes hand in hand and that's the way we approach it.

[00:18:38] Derrick: With that many countries though, you've definitely seen some hurdles or some challenges. Could you talk for any of those?

[00:18:44] Manish: Of course.

[00:18:46] Derrick: Could you speak about any of those?

[00:18:48] Manish: Yes, of course, I look at it as a learning experience. The challenges are there. Some of the things that we deal with are going to be related to obviously, contracts that you do, contracts that we set up locally in the country trademarks that we end up doing. You want to understand the local laws that you're working with. All of those things come into play. The first one I can speak to is, trademarks.

When we work with Ghana for example, and when we did Qatar, we needed to know hey, "How do we go about this?" We reached out to the local team there in Qatar and they put us in touch with a couple of local firms that could help us with trademarks. It's a little bit of talking to the local people there and understanding and we interviewed about three different law firms, and then we did our trademarks. It took us about 16 months and that was the time frame that it takes. Actually, a little bit shorter time frame. Usually takes 24 months to get the trademarks done in these countries but the local law firm told us, "Hey, you can file the application so that protects your trademarks so you can still get started but it won't be fully valid until they go through their process," but that helps. That was a big hurdle. The second one was a contract. You want to make sure you want to get the local contract set up. When we did the local contracts, it was the same thing, understanding what the partner wanted, what we wanted, what can we actually enforce? What is enforceable? Understanding that with the lawyers there and understanding the local culture comes into play as well. It takes a little bit of research, but that's fun at the same time, right? Because you want to be successful in the country. We do the research and we work, but the Commercial Service provides a lot of contexts that you can speak to, that will give you the guidance that you need in order to succeed. We put in the time and effort, it's not, as you said, there are challenges, but they're not challenges that you cannot overcome.

They're definitely challenges that you can overcome, it's a learning curve that comes into play. The third one that we— Obviously, the trademarks or contracts we spoke about and the third one would be, once you get a contract signed, what do you do for when you're shipping things? When you do the contracts, how do you get transferred money and things like that. Steven put us in touch and we work with XM bank, which is the export, import bank of America. We work with them in order to find out and say, "Hey, you can get PO financing". All the equipment that we're shipping over, you can get insurance on that. There's different facilities that are available to all the companies that are exporting to protect themselves and minimize risks in that way.

All of these services help you mitigate that risk that's there and overcome those challenges. Obviously, I can name a lot of other things that come into play. These things take a little bit of time of learning, but they're all available for you, which is the best part, right? Everything is already laid out in terms of, what you need to do and what process you need to take and what information you need to provide. Once you're set up with the Commercial Service and you go through these processes once, the second time is much, much easier. I think Steven is going to talk about that as well.

When we originally started it, you have to fill out all these questionnaires and we filled out all these long questionnaires and things like that. Once we've done that, we give the presentation now to set up these calls and one week, Steven, one time we had almost three or four calls in one week. That were in all different countries that we were doing in Japan, Korea, Singapore. We had them all setup Philippines. We had them all set up in the same week. It moves fairly quickly afterwards. These challenges are there, but once you set it up the first time, it makes it much easier the next time.

[00:22:38] Derrick: Yes. Do you know, Steven, that's a perfect segue to you, you know what? Because you deal with a lot of different types of companies. What challenges do you often see, especially with maybe firms sort of in this sector and maybe what have you seen are some good entry countries for clients in this space to pursue?

[00:22:58] Steven: With respect to franchising, I think it's across the board. In Houston, we do a lot of oil and gas. The oil and gas traditionally is the Middle East, Latin South America, Sub-Sahara Africa. I think working with Manish, it's easy and it's also a good example in that, we've engaged over 30 countries and by 30 countries that's we, the US Commercial Service are divided up. We have what? 1,000 or so in DC, about 500 spread out through the United States, about 500 officers overseas in embassies on top of that, there's the locally engaged staff. That number would be higher. Nonetheless, like Manish was saying, as you reach out and work with one country and you go through that process and there's a lot of questions and back and forth.

Initially, one call would take an hour. Just by working it all on our side, when we hit new ones, it's far more like 30 minutes. It runs very quickly and it's a good process. Also, as you work multiple countries over time, you'll start to develop a feel for how and why they work, why they work a little faster, why they work a little slower, the questions become better. I think I've veered a little from your initial question but—

[00:25:04] Derrick: No, that's great. That's great.

[00:25:10] Manish: Sorry for interrupting there, nut, Derrick, I'd like to add something to that. Steven, that's exactly what you said. I think, you know the questions and things that we encounter from all the different partner offices around the world, you know what they're looking for. We go in, in the beginning, we were trying to get to understand the process of what it takes and what they're looking for, for the local partners. What Steven said, he hit the nail on the head. It's fantastic point, is that we come out now and say, hey, you know, what is the type of culture that you're looking at? What is the market that you have there? What is the— because the people that we're talking to are local experts in the country, they'll come out and say, especially right now and say, "Hey, how is the COVID situation? What is the mindset of the investor in the area, irrespective of industry."

They want to know. Then we get more into the nitty-gritty and say, "Hey, what about this industry? How does this look versus oil and gas, versus the entertainment industry, food and beverage industry? What is the mindset? Are there other companies coming in? What do you feel like?" Because they're talking to all these different companies for other clients as well. That insight that you're getting without actually even visiting the country is absolutely amazing, because you're getting so much material and information that's from the ground that you're hearing without even paying a third-party company to go and get for you.

It's first then knowledge, which is amazing. It gives you so much information to work with in order to figure out how you should approach it, what you should do as a company to go in and say, "Hey, I want to go into this market". "What approach should I take?" Should I be extremely aggressive in this area? What can we offer? What type of a service should you take? Should you just do an initial market check and find out what's what interest is there? Can we go directly to a Gold Key program, or now we're doing the international partners search, plus, because of the virtual area where we're setting up virtual zoom calls, and should we go there?

We take the guidance from the locals on the ground that are working for the US Commercial Service. That gives you such great insight. It saves you a lot of dollars, right? Because now you're not doing marketing, you're not looking for searches. You don't even know if that information is correct afterwards. That area that Steven hit on is absolutely amazing. The question is to ask that you know now after doing a lot of these calls, you really get to the heart of the situation very quickly.

[00:27:42] Derrick: Were you ever surprised about one country over another? Were you ever surprised that, about maybe the different barriers or maybe you thought one would be easier or one would be harder and it

turned out like that?

[crosstalk]

[00:27:56] Manish: Yes. That's great that you asked that question. Steve and I are both laughing because we come across these areas and it's amazing. We've engaged probably in so many different countries, more than a lot of companies. I'll give you a perfect example. We get a call and we're doing the middle East, and Africa was not in our sites. Okay. I'll be perfectly honest. We're looking at Africa and we wanted to go into Africa, but we were thinking South Africa. We were looking at Nigeria, but Ghana was not on the list. We get a call and Steven goes, "Hey, we are doing a trade mission to Ghana and your company is like, yours would be great for you to try this out and see what happens."

I said, "You know what? No harm, no foul, it's great experience, let's go, let's give it a shot." We had zero expectations there. When I say zero, we were like, great. If we get one or two meetings, we ended up with over 10 meetings. I think it got up to 12 or 13. We had so many calls lined up. At one point, we were like, "Oh my God, we have overlap of calls so we need to figure out and move the calls." Then after that, we were like, "Okay, this is amazing PR, these people just interested in learning about us because it's so different or are they genuinely interested?" We found such great candidates. We did not expect to sign the letter of intent so quickly that within the first month and a half, we signed a letter of intent, which was absolutely amazing.

We had no expectations in Ghana. Now, give you a complete opposite. Looking at the Korean and the Korean market is a lot more difficult, but there is a lot more advanced market going into Korea, and to Seoul, we expected something different. When we go and look at it, there are so many different people. The companies that are there in the market is in the mindset is so different. The local people have said to us, they're looking at only domestic ones right now. We should wait and do an international market check later on, and then go from there. We didn't expect that. Now this is the information you get from the local people from the commercial servers that are on the ground, because they understand it. They're the ones who recommended in Ghana. To say, "Hey, we need a company like this, who can come in because the market can definitely handle it and there's nothing like it here." As opposed to Korea, there's a lot of things that are already here. We don't know if another one can be supported and it's going to be successful at the end of the day if you come into this market. Those are the kind of things we come up with. Steven and I get off the phone afterwards and said, "We didn't expect that. That was amazing."

We just did the call with Australia. It was just a market research call and we were very surprised to hear that as well, how many franchises are in the market there for the amount of people that are there. We definitely find out once we talked to the people, you expect one thing and you get another. Now we just go in with an open mind. That's the one thing we've learned and we just said, "You never know what you're going to hear and what you find out." That's a fantastic question, but yes.

[00:30:56] Derrick: Yes, that's beautiful. Steven, because Manish talked about several services he used, are there services, you generally recommend starting out when a company is looking to go global. Has COVID-19 sort of changed the mindset of the services you recommend.

[00:31:16] Steven: It'll vary a bit from embassy to embassy when you come and work with us. I'm in Houston and technically I could cover any and all US exports to any country on earth. Clearly, I'm not an expert in every sector, in every export market on earth. By design, I don't have to be. If you come to me and you have a franchise, I understand that. Let's talk about where you want to go and we'll narrow down to shortlist and, say, Canada is the one we target first. Reach out and talk to Canada and then Saudi Arabia, Australia, Germany. Each of those stops, I'll tell clients that if we're working in multiple countries, we're going to create separate buckets. What we're doing with Canada will be in the Canada bucket. Germany will be in the Germany bucket. My

colleagues that we're working with overseas in those embassies, completely separate office, different culture, different office culture, but different general culture, as well. Engaging them individually is— I'm sorry, I just lost my train of thought there. What was your original question again?

[00:32:52] Derrick: What services you generally recommend but you were also started sort of going into maybe like the cultural differences of dealing with the various offices in different countries and that was interesting as well, I think.

[00:33:06] Steven: Yes, and to circle back with the services, quite often it'll grow. You start out with an international market search just to test the waters and see if it's there. An international partner search, you're starting to look for potential candidates, and then the Gold Key service kind of culminates into that. I think it's valuable for clients to know that where you have those three stages, kind of an initial, a mid, and then the full for the Gold Key service. If you start with one, and that rolls into phase two or three, if you will, start three individual costs. If the first one for argument is \$200 and the second one's 5, and the third one's 9, if you do all three, at the end it's just 9.

You'll pay for the first, then that'll subtract from the second. There's no hard sell on our part to get you to buy a service. It's never good to have a bad service. I'm incentivized to not try to just sell one to sell one. It's about the US exporter making the sale. The Gold Key is kind of the most inclusive one, but I'll often tell clients that if we talk about the Gold Key, we can break it down into parts. There's almost certainly a name we can put to it. It can be a graduated effort and the starting point will depend on a host of things but the out-of-pocket costs to you will, in the end, be the same, because we're going to subtract the one from the other going forward. Another interesting point to that I think the experience with Tumbles has identified is that we, the Commercial Service, me, Steven Garrett, the trade specialist here in Houston, I can be the hub to a lot of other things.

If you need XM, or SBA, or TDA, or any list of other acronyms for federal agencies, I'm aware of most, if not all of those. As you come to me, and we talk through what you're looking to do, lights can go off in the head, "Oh, let's call XM and bring them in, let's call SBA." I certainly often tell clients that much of what I do is taxpayers they've already paid for. I'm not paying them hourly bills for what I do. There's on the website, the list of paid services, and they range from two or \$300 up to seven or \$900 for small businesses. There's a lot of work before and after that that there is no charge for. A lot of the conversations that we're having with post, that Manish and I are talking about, there is no charge to call and talk to me about a sector to reach out to an embassy and talk to my colleagues to get on-the-ground-specific real-time information. Taxpayers have already paid for that.

To use us as a hub, kind of your back office, international affairs guy is a valuable way to use us.

[00:37:14] Manish: Yes. I would add on to that, Derrick. I mean, that's fantastic what Steven said. Steven, one of the things you did mention there, which I'll add on, which has been helpful is Steven introduced us to the Step Grant in Texas, right? The step grant gave us \$10,000, for travel and to pay for the Commercial Services, all the things that they provide, like the Gold Key. It's actually covered by the Step Grant, in order for us to export. How amazing is that? Where in the world are you going to get that where you have the government helping you giving you a grant, to utilize the services and take your businesses overseas and giving you the government's backing? it's absolutely unbelievable.

Obviously, it takes a little bit of time to build these relationships and that's the biggest thing I would say. I consider Steven a colleague and a friend, and especially also working with Eric Johnson was based out of Atlanta. I can name so many different people in different countries that we work with, which is absolutely amazing. It definitely takes a little bit of time and effort you need to put in, but it's well worth it for your business in order to expand. We, as a small firm now, are looking at all these different countries. We're hoping

to sign another couple of more international deals this year. We've already signed two because of the Commercial Service.

Not to include when we go international, we get domestic people that come into play as well, which is amazing. I mean, there's a massive benefit to just going and putting the time in, as opposed to saying, "It's the government, I don't want to work because there's a lot of red tape." I can tell you from firsthand experience, it is completely the opposite, completely the opposite. It's absolutely fantastic. I enjoy it very much. I don't know if you can tell from my voice.

[crosstalk]

[00:39:04] Derrick: Good. I don't want to hold you too long. I know we're approaching the sort of the 40-minute mark. Just my last two questions for you, because earlier you were talking about people who help you support export. I think you were saying you had staff that were either assigned countries. How much staff do you have that supports exporting?

[00:39:24] Manish: That's a great question. We have a couple of third-party companies that we work with for a free and export stuff. We have a third— Actually, the Commercial Service here with Steven, they gave us contacts to local freight forwarders and different companies that we can work with in order to export all of our materials to domestically ship it to a port and get it all ready and ship it overseas, and then XM gave us the information for the insurance and all the banks that there's an international arm of the SBA, which I wasn't aware of beforehand that helped us get- if you want to get a purchase order, financing and

and things like that. In order to do this, we're using a lot of third parties. We don't have a large, large team, but I consider essentially as Steven said, we're working with Steven and his team of partner posts and post overseas as our team overseas. Internally, we have two to three people. That's it, it's not a lot. We don't have a team of 20 or 30 people, but we come off looking a lot bigger than we are because of the fact that how much we're able to move and how fast we're able to operate.

[00:40:32] Derrick: That's perfect. To both of you, and we could start with you, Manish. What advice would you give to, companies similar to you, or in general looking to export?

[00:40:44] Manish: That's a great question. In the beginning, because I move states and things like that, go and reach out to your local trade office, and get in touch with a local person that runs a trade specialist like Steven, and start the conversation there, and make sure they understand your business, and what you're looking to do. If you're not clear, you can say, "This is what I have, what do I need, and get the materials ready." That's the first step. I'd say don't be scared, or don't be discouraged at the end of the day, because it takes time to get started, but once you get started, it's absolutely amazing how fast you can move. It's only up to you, and how much time you have to dedicate, and resource you have to dedicate in order to expand overseas.

If you don't have the full resources, the Commercial Service gives you options to expand your resources. It's the amazing part is just go out, go ahead and reach out is the first step I would say. Remember, trade specialists have a lot of companies that they deal with, so be diligent and be a little patient at the same time. You have to do that, and work with them to introduce your company to them and it will definitely, 100% I can say benefit you.

[00:42:04] Derrick: Perfect, and Steven, to you.

[00:42:06] Steven: I would dovetail on that certainly reaching out because we have— I think we have about 50 local offices throughout the US. I'm obviously here in Houston, in Texas. We're in San Antonio, Dallas, El Paso. Nationwide, I think we have 100. I think nationwide, we have closer to 100 offices, so find the one closest

to you, call them and talk to them is certainly the largest takeaway. Then in that first call or two, you'll quickly establish whether or not your company is export-ready, and that's a bit of a squishy term, what exactly is export-ready? In short, it's just that, are you ready to export.

If you are, we can move forward quickly with US Commercial Service. If you're not quite there, the Small Business Administration, SBDC, are other government agencies. They can take you with that pre-export ready stage and help you develop into that, and then you graduate from one to the other, but certainly, a call to a trade specialist at the US Commercial Service can identify where in that spectrum, you need to start, and we're always here and ready to talk to you.

[00:43:44] Manish: Can I add something to that, Derrick? What Steven said is absolutely fantastic, is the part that I was very scared in the beginning of reaching out because I was thinking I was not export-ready. As Steven said, that's a squishy term. What I realized once speaking with Steven, he said you need A, B, and C, this is what you have, this is fantastic. You can build on this, and this is where you can go. What I mean by this and that is, hey, do you have brochures that are ready, that we can present? This is what the information they look for internationally, is it depending on the currencies that you're presenting, we just present everything in the US and they can modify it.

Hey, do you want to go and create something in terms of if you're exporting freight forwarders or equipment that you'll need, here are the people that you can talk to. They actually help you get export-ready, which is an amazing aspect as well. Then you find out what you need in order to start exporting, but the process takes a while to usually find partners. By the time you're doing all that, simultaneously you can get fully export-ready, and they provide all the tools for you.

[00:44:46] Derrick: One more. I know we didn't touch it. What would you say is the impact of export on your company's sales?

[00:44:52] Manish: Oh, it's absolutely amazing. I'll be honest with you, like during the COVID timeframe domestically what we're doing, we did international for Qatar here. This year we're going to end up shipping close to almost half a million dollars' worth of equipment out to them, so it's a huge impact on our international sales, and actually overall gross sales. We had vendor relationships, obviously, domestics went down a little bit, because of the international sales and we were working with them, it kept our discounts and our relationships intact. We were able to keep working with our partners here, the suppliers and hopefully helped them keep their doors open as well. It's a full circle that goes around, which has been amazing.

[00:45:44] Derrick: Manish, will tell us where people can reach out to you or your company if they're looking to get in contact with you.

[00:45:50] Manish: Sure. My email is simple. It's Manish, M-A-N-I-S-H, @tumbles.net. You can look and find us very easily at www.tumbles.net. You can also find me on LinkedIn Manish Vakil. V as is in Victor, A-K-I-L. Any one of those, you can email me, and obviously, reach out to Steven if you'd like. I'm sure he can put you in touch if you need to speak with me. If I can assist in any way or if anyone is having any doubts, or if they need assistance in any way for international, it'd be my pleasure.

[00:46:22] Derrick: This podcast is intended to provide information that may be of assistance to US companies. Statements made by Export Nation podcast guests reflect the views and opinions of that individual. This podcast does not constitute an endorsement by the US Commercial Service, of the individual, his or her employer, or affiliated entity. The specific information provided, resources mentioned, or products, or services endorsed or offered by that individual, and his or her employer, or affiliated entity. The US Commercial Service assumes no responsibility for the accuracy, completeness, or timeliness of the information provided by the guests, or for the

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