



# Welcome to Export Bootcamp!



LOUISIANA  
ECONOMIC  
DEVELOPMENT



U.S.  
COMMERCIAL  
SERVICE

United States of America  
Department of Commerce

# This Training Brought To You By



# Special Thanks To Our Supporting Partner



# Erin Butler

Director, Commercial Service New Orleans  
Serving the entire State of Louisiana



**Jessica Steverson**

International Project Manager  
Louisiana Economic Development



# Speakers



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# Today's Featured Speakers

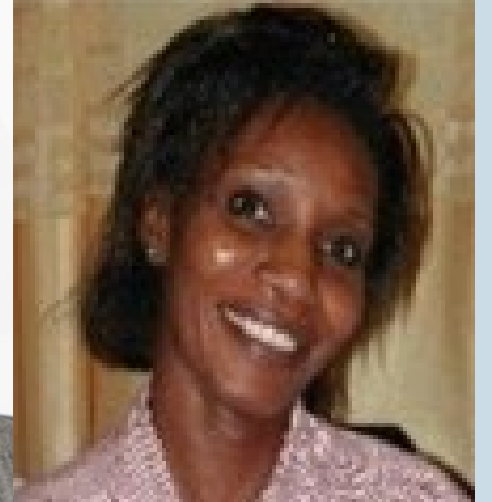
John Henry Jackson  
CS-New Orleans



Winnie Tieu  
Fedex



Jessica Steverson  
La. Economic Development



Reggie Harley  
Small Business  
Administration



Saul Newsome  
Newsome Int'l Law



Yaye Sarr  
Founder, Walo-Med

# Why Exports Matter

More than 70% of the world's purchasing power is **outside** of the United States.

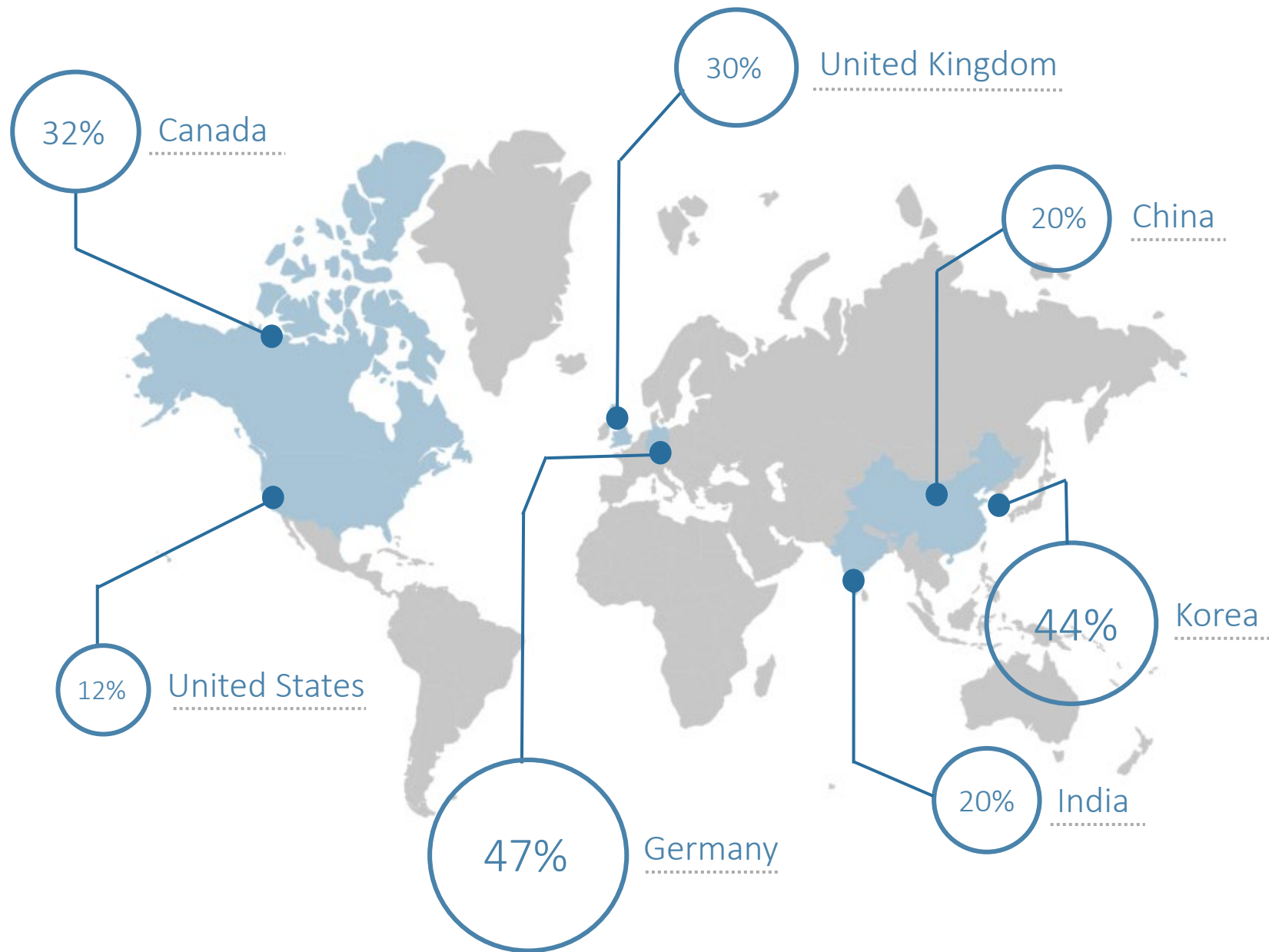


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With only 12% of our GDP generated by exports...

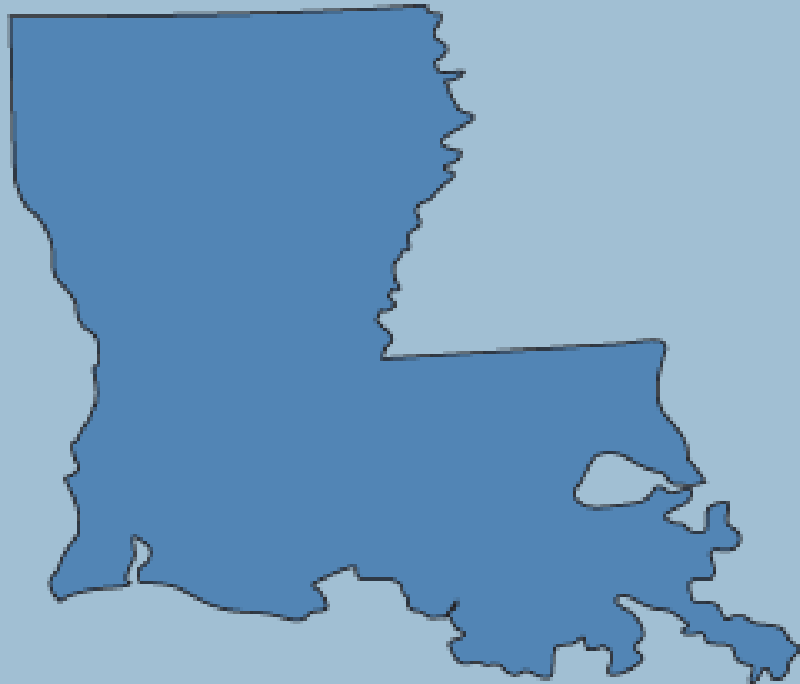
It's safe to say we have a lot of room for growth.



Exports of goods & services (% GDP)

Source: WorldBank 2017





## State Impact

**Investing in exports means more Louisiana jobs.**



**155,926 Jobs (2020)**

Supported by exports from Louisiana companies in 2020.



**2,801 Companies (2019)**

In Louisiana sell to customers all over the world.



**87 Percent (2019)**

Of Louisiana's exporters are small or medium sized companies.



**\$76.88 Billion (2021)**

Goods exports from Louisiana to the world.

# What's in it for me?

- ✓ Diversify your clientele & revenue stream
- ✓ Beat the competition
- ✓ Expand your horizons beyond borders
- ✓ Further leverage competitive advantages



# Going Global: Growing Your Business Through Exporting



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# Top 5 Steps on Market Entry



Internal Commitment & Capacity



Develop an Export Plan



Conduct Market Research



Strategize Market Entry



Digital & Online Presence

# Develop a Plan

## No Business Plan?

- Contact your local [SBDC](#)
- [Sample Business Plans](#)



## No Export Plan?

- Contact [CS New Orleans](#)
- [Sample Export Plans](#)



# Conduct Market Research

## The Commercial Service's Market Diversification Tool

### Benefits:

- Ranks markets based on factors significant to exporting
- Countries and weighting can be adjusted
- Narrows selection when considering logistics, import, translation and litigation costs.

Find new international markets for your business.

ITA can help your business navigate the global market.

Get Started

### Mexico - 82.5

Average Imports from the U.S.: \$167,768,166

Maximum Average Tariff: 0.0

#### Trade Statistics:

Average Imports From The World	U.S. Import Share	Import Share Gap	Import Growth	GDP Growth	Distance
\$319,855,262	52.5%	0.0%	3.3%	1.8%	3369.1km

Cost To Import (Border And Documentary Compliance)	Enforcing Contracts (Cost As % Of Claim)	Rule Of Law
\$550	33.0%	-0.66

International Logistics Performance Index Score	Language Match	Free Trade Agreement With US	Landlocked
3.05	NO	YES	NO

# Commercial Service Market Research Resources

- [Country Commercial Guides](#)
- Industry News
- Domestic Trade Events
- Your own website traffic & social media footprint + connections
- ([Get in touch](#) for a quick analysis of your existing website and how to easily make it more appealing to the right kind of foreign buyers.)
- [Market Diversification Tool](#)

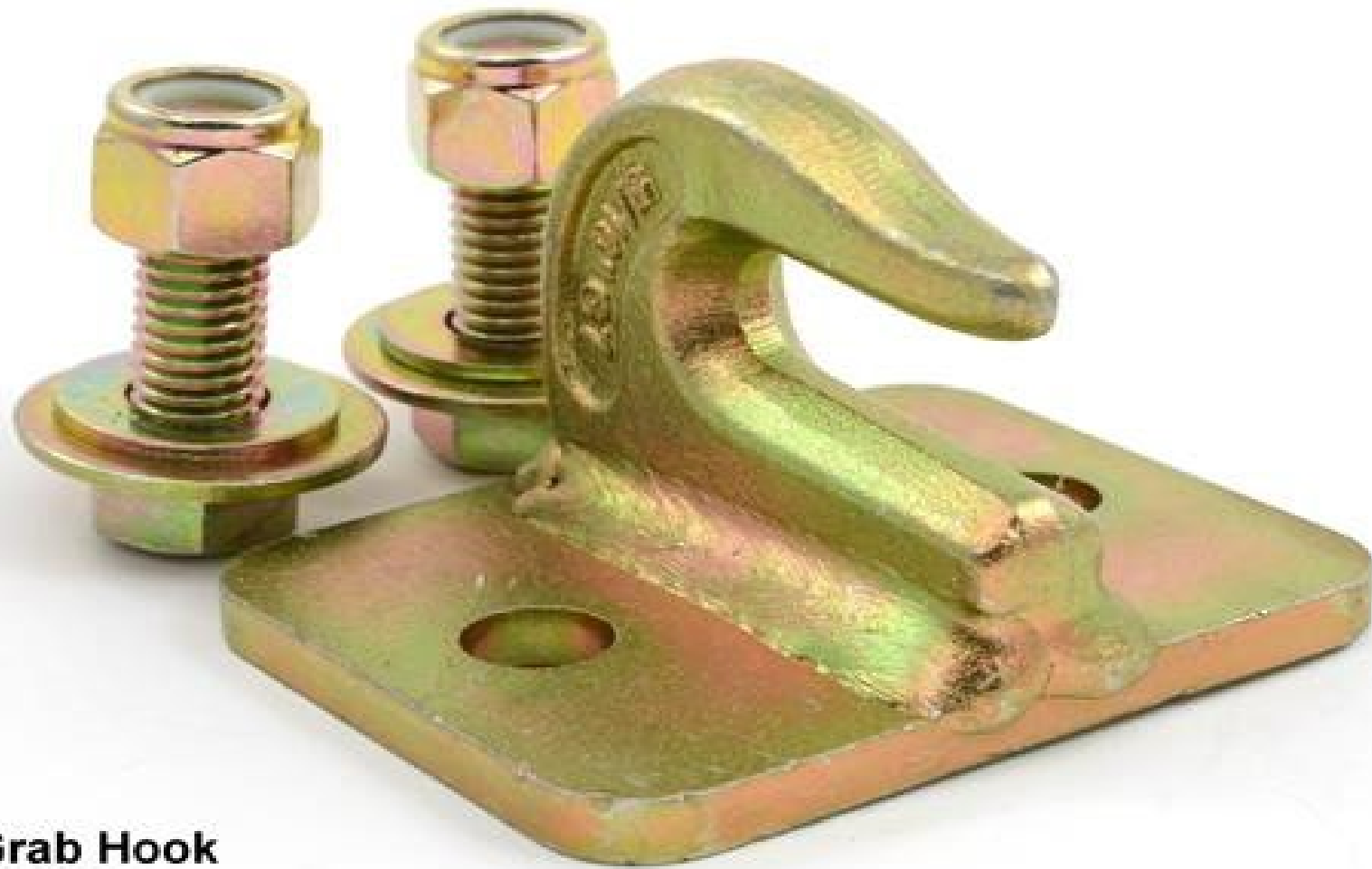
# Market Entry – Methods & Channels



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**Bolt-On Grab Hook  
w/Hardware  
BOGH**

**[www.boltonhooks.com](http://www.boltonhooks.com)  
BoltOnHooks LLC**

1. Who is your customer? 2. Where are they located?



# U.S. Free Trade Agreements

- [Australia](#)
- [Bahrain](#)
- [Canada](#)
- [Chile](#)
- [Colombia](#)
- [Costa Rica](#)
- [Dominican Republic](#)
- [El Salvador](#)
- [Guatemala](#)
- [Honduras](#)
- [Israel](#)
- [Jordan](#)
- [Korea](#)
- [Mexico](#)
- [Morocco](#)
- [Nicaragua](#)
- [Oman](#)
- [Panama](#)
- [Peru](#)
- [Singapore](#)



## Some Benefits Include:

- Reduction or elimination of tariffs
- Enable greater market access
- U.S. input in product standards
- Fair treatment of U.S. investors
- Stronger intellectual property protection
- Boost a company's bottom line

# Before going overseas, consider Canada

## Canada Non-Resident Importer Program ([NRI](#))

Aimed at U.S. companies selling directly to Canadian consumers & companies.

### Benefits:

- Simplified pricing, no 'surprise' fees for you upon arrival
- Easy trade process for Canadian customers
- Increased competitive advantage
- Improves shipment control, consolidated shipments and clearance
- Expands market reach into Canada
- No charge to establish company as an NRI



# Market Entry – Methods & Channels

## Consider the Following:

- Size of your firm
- Tolerance of risk
- Resources to develop the market
- Nature of your products/services
- Previous export experience/expertise
- Business conditions in the target market

## Most Common Methods:



Indirect Selling



Local Partnerships



Direct to Consumer

# Market Entry – Indirect Exporting

**Indirect = Where a US based company handles the exporting for you**

## **Advantages:**

- ✓ No international experience required
- ✓ Little to no financial commitment
- ✓ Taking advantage of large piggyback partner with extensive resources or international presence
- ✓ Low risk, lower cost to sell internationally

## **Downsides:**

- Poor control over sales and marketing decisions
- Inadequate market feedback
- Lower margin potential

# Market Entry – Finding a Partner

## Distributors

- They order directly from exporter
- Take title of the goods per sales term
- Manage inventory for the foreign market
- ✓ Good for conducting local promotions
- ✓ Preparing required documents and arranging payment
- ✓ Clearing goods through customs

## How to Find a Partner

- [Partner Search Services](#)
- Attend [B2B Matchmaking Events](#)
- Virtual & In-Person [Trade Shows](#)
- Gov't-Led Missions: [TradeWinds](#)
- In-Market [Company Promotions](#)

# Market Entry – eCommerce

## Establishing Online Brand Authority

1. Different markets = different platforms
2. Social media platforms: Facebook(Caribbean), LinkedIn(Canada), Viber(Vietnam)
3. Your own website – establish [KPIs](#)
4. Company YouTube channel – 2<sup>nd</sup> largest search engine worldwide

### Resources:

- ITA [eCommerce BSP Service Directory](#)
  - *STEP Grant eligible for any website globalization modifications*

## 3rd-Party eCommerce Platforms





# Grants & Groups to Support Website Enhancements



- [CS New Orleans Mini Web Analysis](#) – Free
- ITA [eCommerce Resource Library](#)
- ITA [Rural Business Web Gap Analysis Services](#)
- MBDA [Minority Business & Tech Initiative](#)
- [SBDC Website Building Counseling](#) – Free
- [STEP Grant](#) - Will cover 90%
- [SUSTA \(Food & Bev\) 50% CostShare](#)

# For More Information

## John Henry Jackson



International Trade Specialist



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# Trade Finance: Working with Local Lenders & Foreign Buyers



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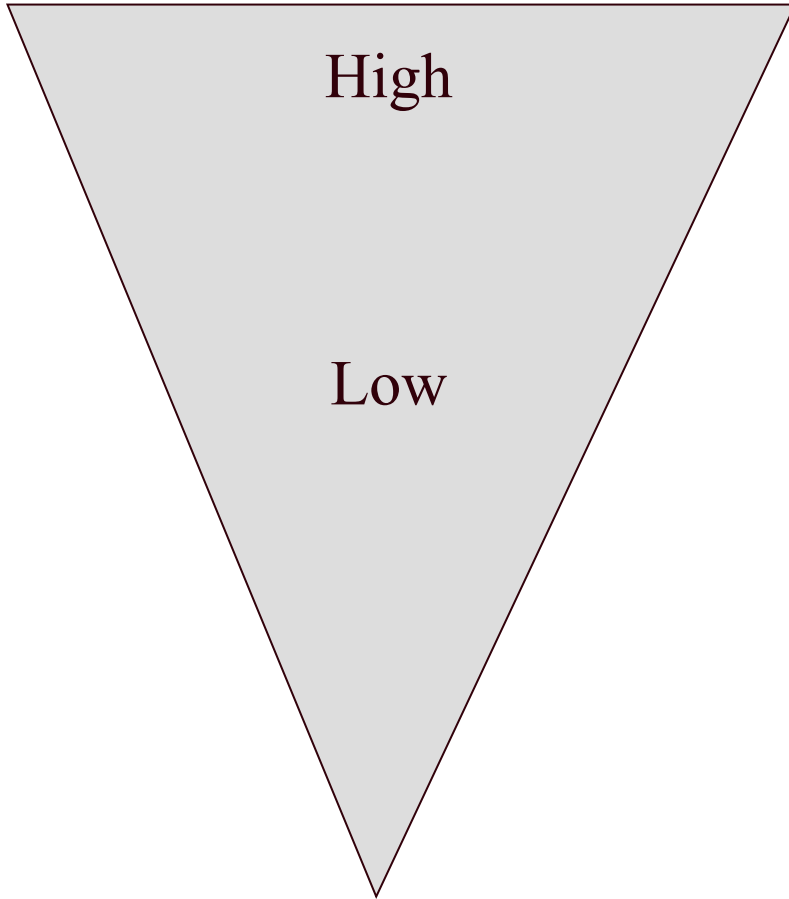
# International Payment Methods

- Cash in Advance
- Letters of Credit (LOC)
- Private Financing Sources
- Open Account



# International Payment Methods: How They Influence Your Financing Needs

Seller Risk

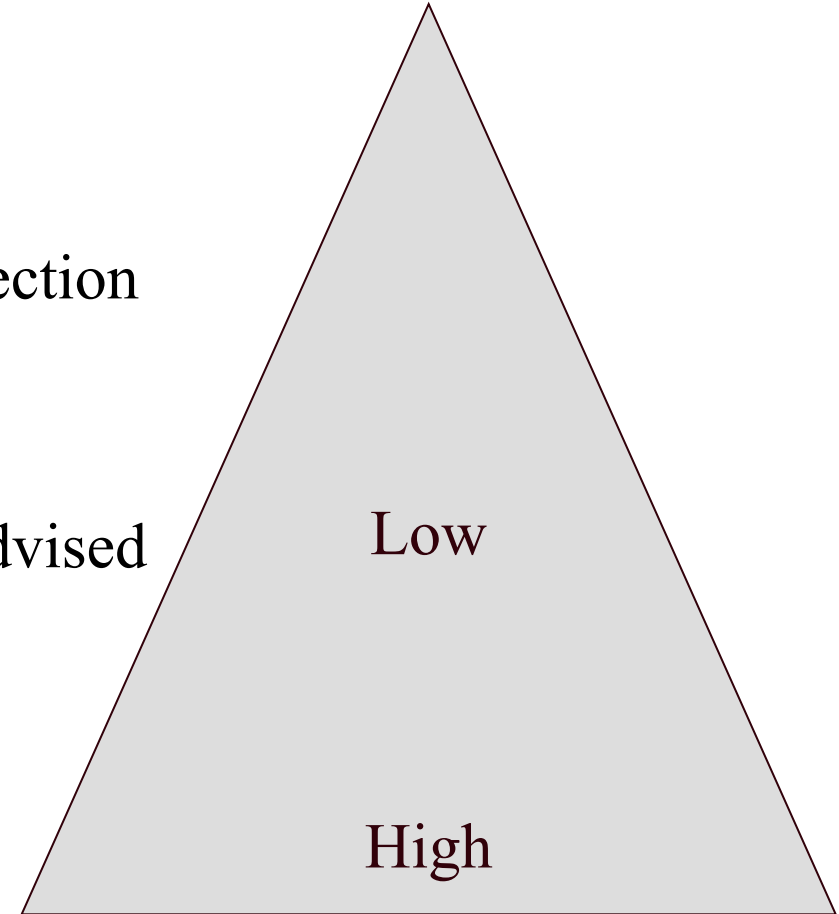


High

Low

- Open Account
- Documentary Collection
- Letter of Credit:  
(Un)Confirmed & Advised
- Cash in Advance

Buyer Risk



Low

High

# How Can I Expand My Foreign Sales?

Offering credit terms makes you more competitive.

Because your customers prefer to use *your* money rather than theirs.

# Obtaining Credit Locally Can Be Cost-Prohibitive.

## SAMPLE PRIME LENDING RATES AROUND THE WORLD

Colombia 13%

Mexico 7.5%

Peru 21%

India 12%

Russia 15%

Nigeria 18%

USA 3.25%

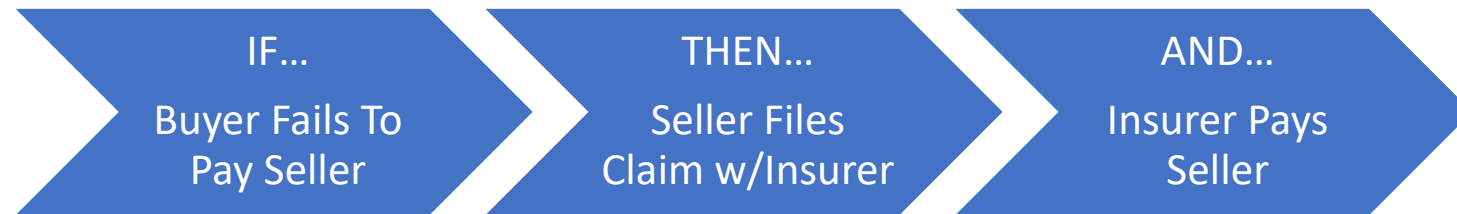
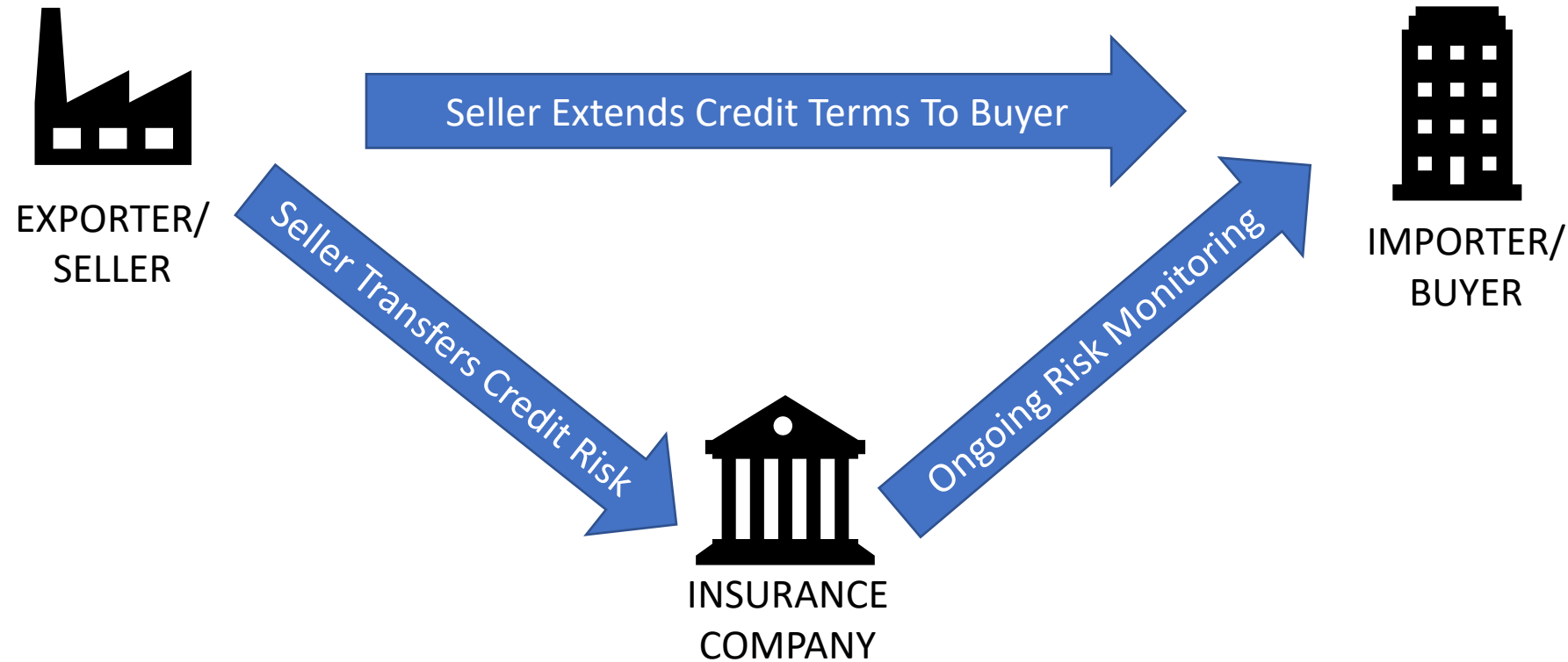
# How Can I Offer Customers Credit Without Taking on This Risk?

## BY PURCHASING EXPORT CREDIT INSURANCE!

- **Availability**
  - Can be purchased through credit insurers, private brokers, and the U.S. Export-Import Bank.
- **Coverage**
  - In the event your customer defaults, credit insurance can cover up to 95% of the invoice amount.
- **Cost**
  - From EXIM Bank
    - \$0.65 on \$100 invoice – pay as you go – \$100,000 invoice = \$650 premium
    - 25% discount offered to SBA customers.
  - From Private Insurers
    - \$5,000 - \$10,000 annual premium



# Export Credit Insurance – How Does It Work?



# What Types of Risk Does Credit Insurance Cover?

## Commercial Risks

Insolvency

Bankruptcy

Protracted Default

## Political Risks

War, Revolution, Civil Unrest

Expropriation

Currency Transfer Risk

Cancellation of Export/Import Licenses

# How Does Credit Insurance Benefit the Exporter?



- **MARKETING**

Allows you to offer your customers competitive payment terms.



- **FINANCING**

Allows you to borrow against your receivables.



- **PEACE OF MIND**

Allows you to sleep at night knowing your risk is covered.

# Export Credit Insurance

## Export Credit Insurance #1

A lower-cost alternative to LOCs

### Foreign A/R Insurance

- Protects against non-payment due to country & commercial risks
- Coverage Limits
  - For Country Risk: 85% - 95%
  - For Commercial risk: 80% - 95%

## Export Credit Insurance #2

Insurance Providers

- **EXIM Bank**
  - Federal Agency
  - Will do small policies
  - Has small business mission
  - Will insure in most countries
  - Requires majority US content
  - Limited use for military exports
- **Private Insurers**
  - [Euler Hermes](#), [Atradius](#), [Coface](#)
  - Offer fast, flexible service
  - Best for large-scale exporters
  - Policies become cost competitive @ \$3+ million in A/R as it costs ~ **\$15,000** to sign up.

## Export Credit Insurance #3

Insurer underwrites both you & your export sales

- Terms can't exceed 180 days for insurable A/R's
- Many Options Available
  - Single- vs Multi-buyer policy
  - Levels of underwriting autonomy & responsibilities can vary.
  - Deductibles, etc.
  - Consult an experienced broker to find the best fit for you.

# For More Information

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Export Finance Manager



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U.S. Small Business  
Administration

# Logistics: Getting Your Goods From Here To There



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# Agenda

- FedEx International Connect
- Understanding documentation
- Duties & Taxes
- HS, HTS, Schedule B numbers
- Shipping Methods
- Online Tools and Resources

# FedEx International Connect Plus benefits you & your customers.



## Features and benefits



- International day-definite shipping service reaching your online shoppers, typically in 2-5 days\*
- Offers door-to-door, customs-cleared delivery options
- Ideal for single-piece, lower-weight shipments (rates available for shipments up to 150 lbs.)
- Shipment is redirected to an alternate location for customers to collect at their convenience if the delivery attempt is unsuccessful (options vary by country)
- No residential delivery surcharge
- Service is available through latest FedEx automation platforms and many FedEx certified solution providers
- Available to over 190 key e-commerce destinations around the world.

## How to get started?

1. Work with your sales professional to sign your agreement.

2. Once your rates are activated, our customer technology experts will make sure you're using the latest FedEx automation solution.

3. After any upgrades, you can start shipping.

\* Transit times may vary depending on origin and destination. FedEx International Connect Plus is a contractual service. One delivery attempt is made. Customers need to be Known Shippers and have Electronic Trade Documents enabled in applicable countries.



# A step-by-step guide to international shipping

- Ensure the Item can be shipped as intended.
- Select a customs broker and determine the terms of sale.
- Gather important information.
- Determine which customs documents are required.
- Create an international label.
- Complete and submit customs documents.
- Package your item.
- Get the package to FedEx.

# International Documentation

Specific details are required on the international documentation.

- | ▪ Most commonly used                                | ▪ What is their purpose?                               |
|---|--|
| – International Air Waybill/Bill of Lading          | – The contract between the shipper and the carrier     |
| – Commercial Invoice                                | – Main entry document – used by Customs.               |
| – Shippers Export Declaration                       | – US Export Controls – data collected by Census        |
| – Export License                                    | – Validates approval to export - used by Govt.         |
| – Certificate of Origin/USMCA Certificate of Origin | – Establishes true origin of goods - used by Govt.     |
| – Packing Slip                                      | – Identifies contents                                  |
| – Insurance Certificate                             | – Identifies the insurance on the shipment in carriage |

# Electronic Export Information

(formerly known as Shipper's Export Declaration)

The U.S. Census Bureau documents and records export shipments with single commodities valued at \$2,500 or more that leave the U.S.

- Shippers must file electronically with the U.S. Census
  - Previously known as the 'Shippers Export Declaration'
  - Electronic filing mandatory as of Sept. 1, 2008
- Multiple choices are available to enable exporters to meet the requirement
  - Direct Filer - via U.S. Census site. Registration is required.  
[www.aesdirect.gov](http://www.aesdirect.gov)
  - Agent Filing - Contract with a broker to file on behalf of the exporter
  - Training is available through the U.S. Census Bureau for using their site – AES Direct and through your Vendor for filing via their on-line 'Agent' choice.

Do you have the internal resources to learn and self file?



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# Harmonized System (HS)

The World Customs Organization (WCO) maintains the base 6-digit Harmonized System (HS), which is an international goods classification system for manufacturers, transporters, exporters, importers, customs, and others.

- HOW IT WORKS
- The HS 6-digit code classifies goods moving in international trade for all participating countries and determines rates of duties and taxes, as well as regulations for particular products. Each country can create a unique classification system by adding up to 4 digits for internal purposes.
- The US Harmonized Tariff Schedule (HTS):
  - Adds 2 digits to distinguish rates and another 2 digits for statistical tracking, creating 10-digit codes
  - HS used for imported products. US Schedule B (administered by the US Census Bureau) is used for exported products

# Definition & Example for U.S. HTS Codes

[hts code example]

## 0901.21.0010

What these numbers mean

**09**

*Coffee, Tea, Mate And Spices*

*Chapter*

**0901**

*Coffee, Whether Or Not Roasted Or  
Decaffeinated; Coffee Husks And Skins;  
Coffee Substitutes Containing Coffee*

*Heading*

**0901.21**

*Coffee, Roasted, Not Decaffeinated*

*Sub Heading  
(HS code)*

**0901.21.00**

*No Distinction*

*Subheading  
(Determines Duty)*

**0901.21.0010**

*Coffee, Roasted,  
Not Decaffeinated,  
Certified Organic*

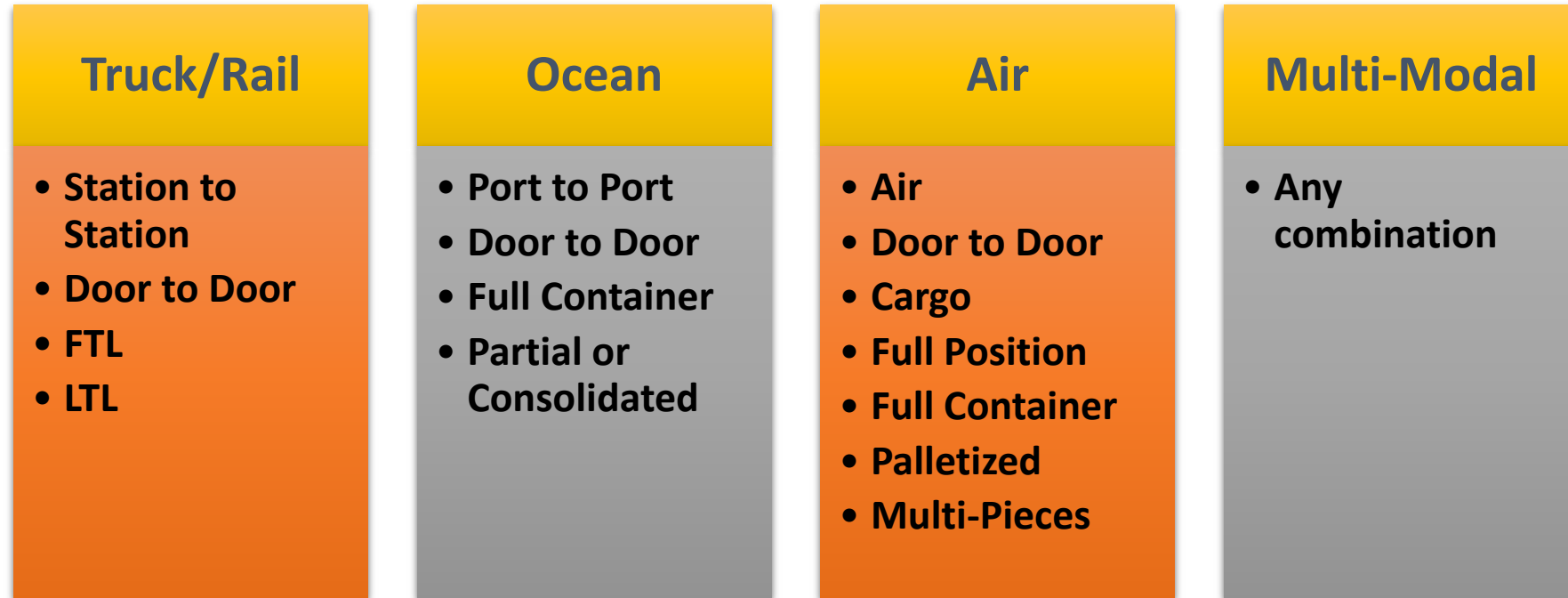
*Statistical Suffix  
(Further Definition and Makeup)*

# Duties and Taxes

Items entering foreign countries/territories are subject to customs inspections and duties/taxes assessment in accordance with each country's/territory's laws. Customs duties and taxes are assessed if merchandise is valued above the threshold set by each country/territory. FedEx provides international shipment strategy and duty and tax solutions.



# Modes of Transportation



# Ocean vs. Air vs. Land – How Do You Choose?

Consider the following when choosing the mode of transportation:

- Value of product
  - High
  - Low
- Time required – Speed to market
  - Need to get there fast
  - No rush
- Competitive environment and new product releases
  - You want to be first to market
  - No competition to worry about



# Types of Logistics Companies

## Integrators and Freight Forwarders – What do they do?

### Integrator

Lots of choices  
Cost inclusive  
Documentation prep and tools, brokerage inclusive  
Resource required

*Do you have some knowledge and resource?*

### Forwarder

Customized  
Costing based on line item needs  
They are your resources

*Do you need assistance? No resource?*

# Tools and Resources

- U.S. Commercial Service website
  - [Export.gov](http://Export.gov) – Free
- U.S. Census Harmonized Code Lookup
  - [uscensus.prod.3ceonline.com/#/p=0](http://uscensus.prod.3ceonline.com/#/p=0)
- A Basic Guide to Exporting – 11th Edition
  - Available online at [amazon.com](http://amazon.com) – Approx. \$20
- Dictionary of International Trade – Approx. \$65
  - Available online at [worldtradeexpress.com/Dictionary\\_of\\_International\\_Trade.php](http://worldtradeexpress.com/Dictionary_of_International_Trade.php)
- Incoterms
  - [iccwbo.org/incoterms/](http://iccwbo.org/incoterms/)

# For More Information

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# EXERCISE! FINDING YOUR “SCHEDULE B” #



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# Legal & Compliance Considerations



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# Domestic Compliance for Exporters

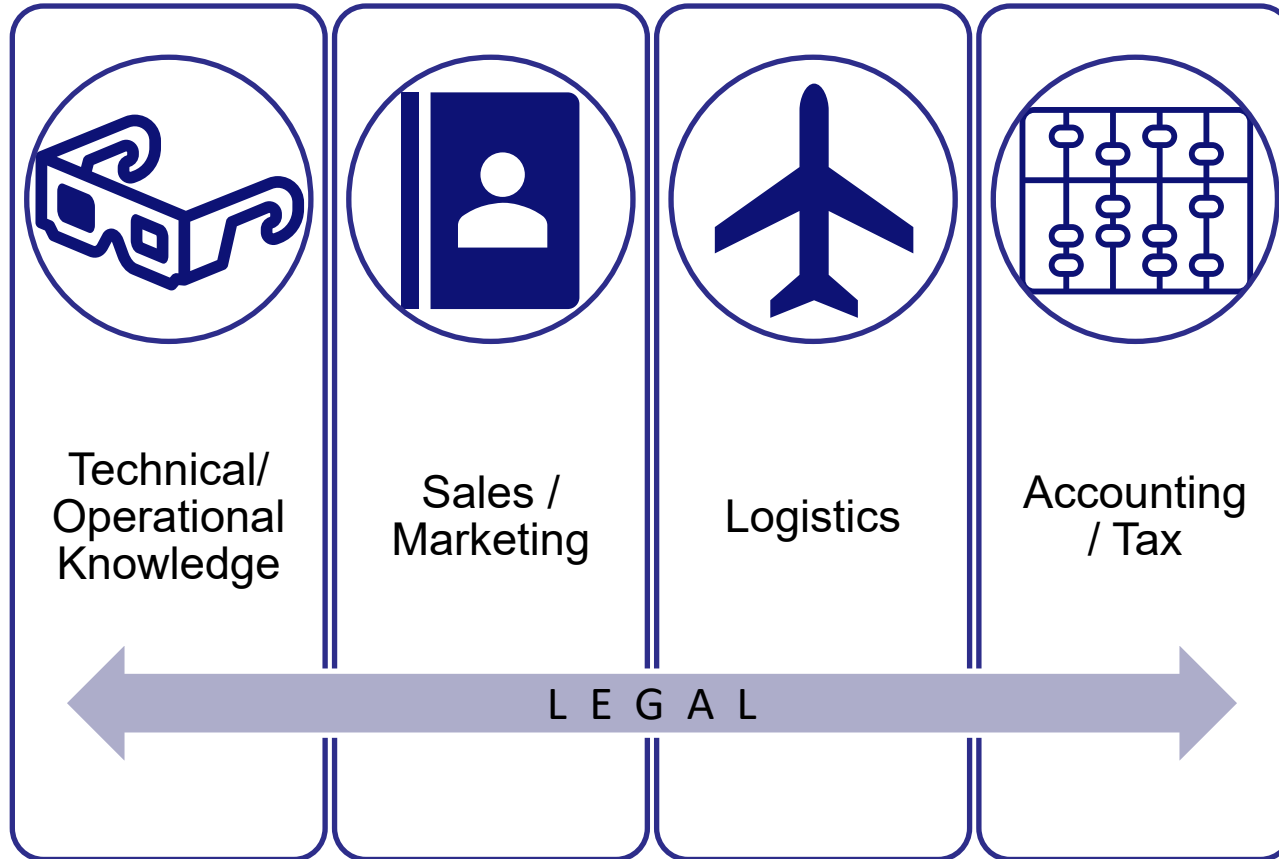


Three U.S. Export-Control Regimes:

- **Department of State** (Office of Defense Trade Controls) controls defense articles, defense services, and related technical data, including most space-related articles.
- **Department of Commerce** (Bureau of Industry and Security) controls all other items, including “dual-use” items – goods and technology with both civilian and military/strategic uses.
- **Department of the Treasury** enforces U.S. sanctions and embargoes (Office of Foreign Assets Control)



# Assemble Your International Team



# Legal Structure: The Risk/Reward Opportunity

Allow *risk v. reward* research to drive the opportunity & structure your international transaction:

- Assess the Risks and Reward:

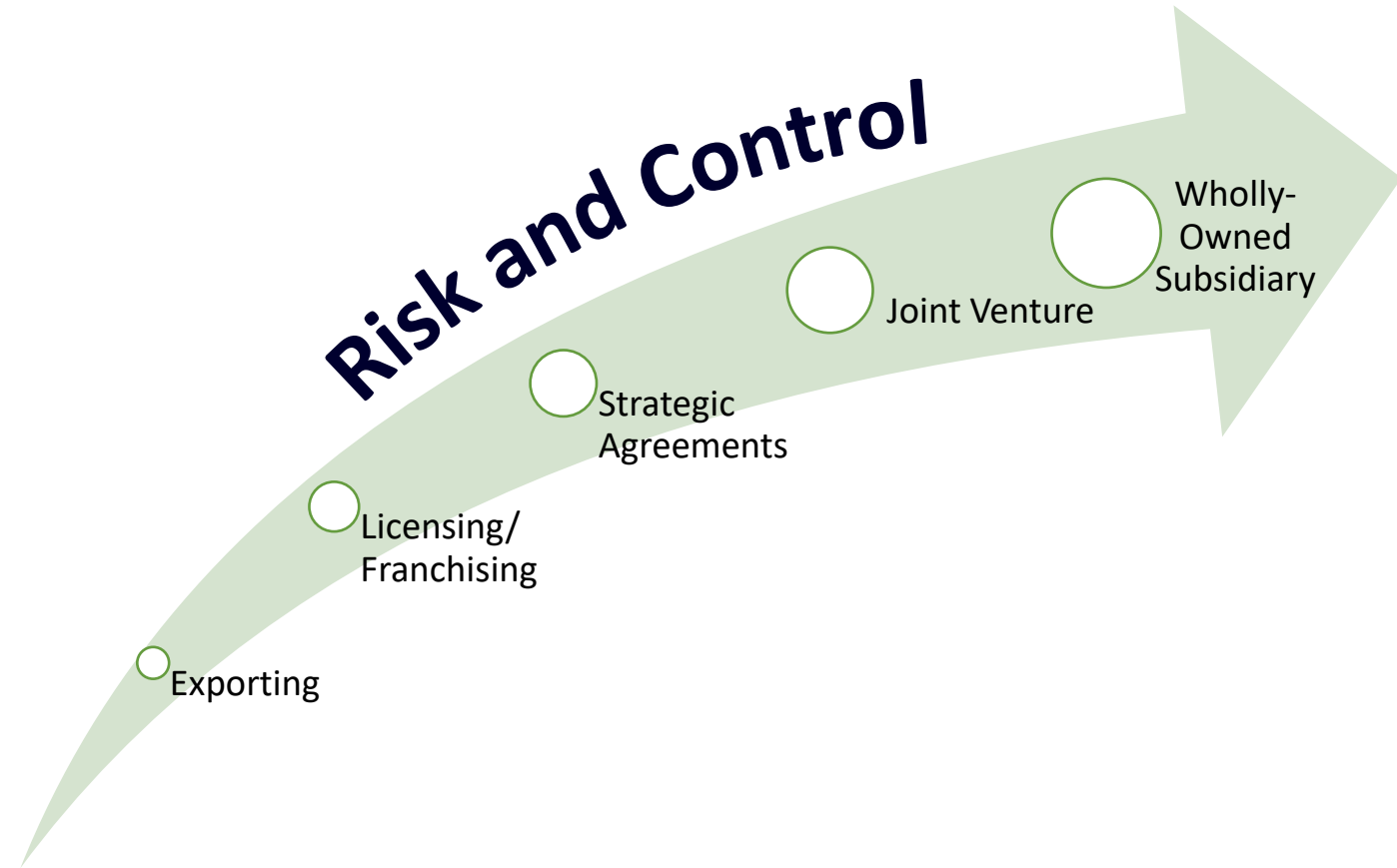
- Regulation
- Tax
- Liability
- Price

- Plan Accordingly:

- Storefront v. Online
- Employment v. Contractors
- Local Agent v. Distributor
- Insurance

- Reduce to Contract:

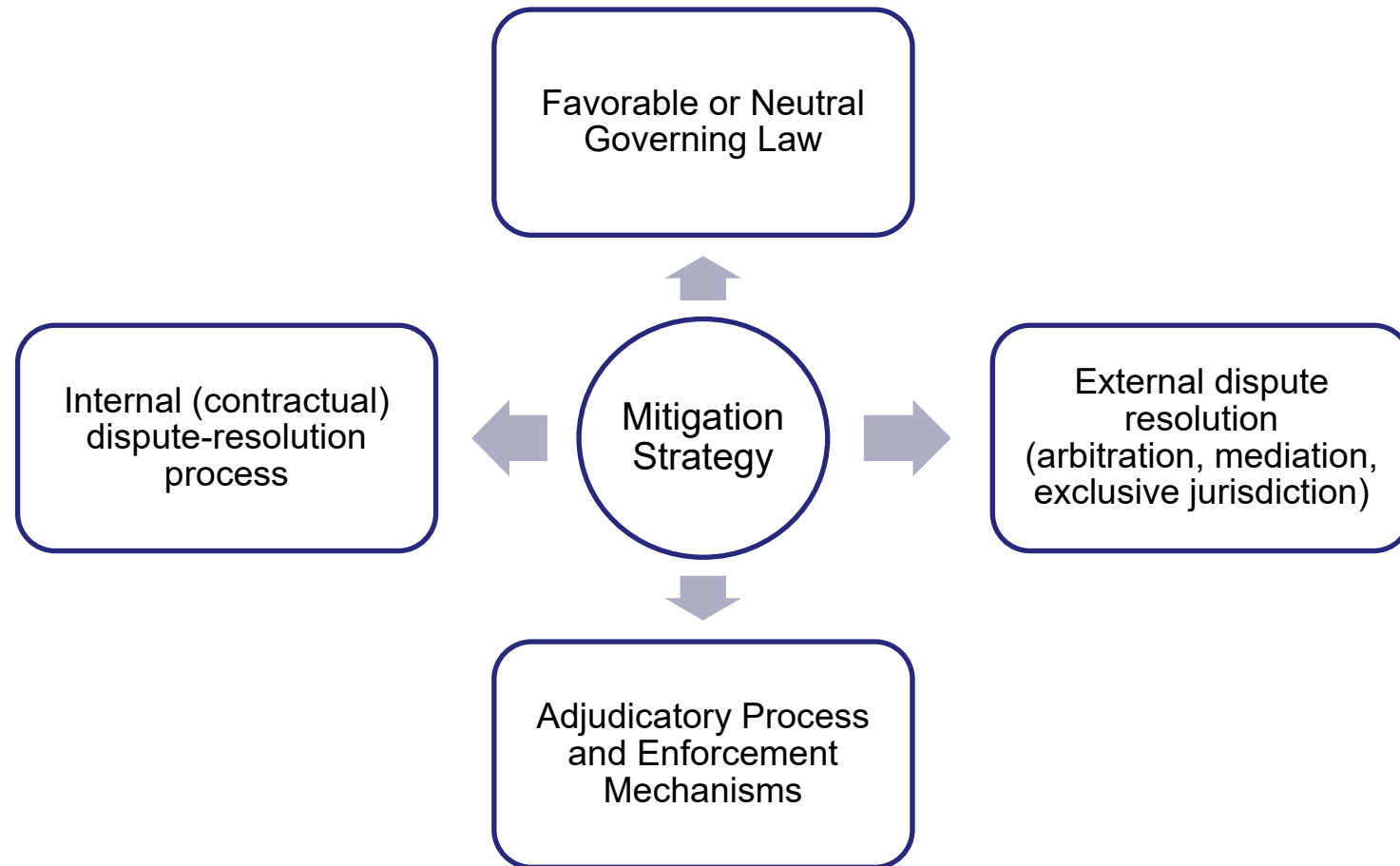
- Entity Formation
- Sales/Services Agreement
- License – Franchise
- Allocation of Risk





# Dispute Resolution and Risks

Consider the legal risk—for your specific business—in the region in which you want to expand:



# For More Information

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# LED's STEP Grant Program: Kickstarting Your Export Journey



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# STEP Grant

## State Trade Expansion Program (STEP) Grant for Export Promotion

### What's Eligible?

- Trade show exhibition/booth fees (virtual or in-person)
- Trade mission fees (virtual or in-person)
- Export training courses & workshops (virtual or in-person)
- U.S. Department of Commerce fee services
- Travel-related expenses such as airfare, lodging, and meals
- Marketing materials and media to promote exports
- E-commerce and website fees (internationally-focused)
- Cost of compliance testing
- Other approved activities and expenses

### Who's Eligible?

- Meet the SBA definition of a small business
- Have been in business for at least one year
- Be a for-profit business based in Louisiana
- Be new to export or seeking new export markets
- Have a plan for exporting (export strategy)
- Understand costs associated with exporting
- Be an export-ready U.S. company seeking to export goods or services of U.S. origin OR have at least 51% U.S. content
- Not be debarred from doing business with the Federal Government



**More Info:** <https://www.opportunitylouisiana.com/small-business/special-programs-for-small-business/step-grant>

# For More Information

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# The Export Expert Session: Lessons Learned Along the Way



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# For More Information

## Yaye Sarr



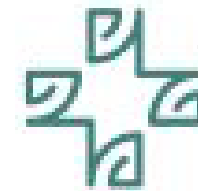
Founder & CEO



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TELEMEDICINE

# Your Louisiana Export Team



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SBA Office of International Trade

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For additional questions, contact us!

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