

Exporting Results In Business Expansion In Arizona

So How Can We Do More Exporting Arizona?

Why is Exporting Important?

What are the Benefits to the Company and the Community?

Presenters:

Kevin Hull and Chris Rude

**BMO Harris Bank – Arizona
Region**

Why is Exporting Important to Arizona?

For the Community: Jobs, Revenue and “Growth Attracts Growth”

For the Company: Diversified Revenue Stream can potentially Reduce Risk and Increase Value

A Case Study:

- Background: West Valley based company obtained sales orders from entities in Europe, Asia and Canada
- Challenge: The company could not find financing to support the new orders (i.e. fund the inventory, labor costs, etc. until the receivables were collected)
- Solution: SBA Export Working Capital Program (allows foreign based AR and inventory tied to foreign sales to be used as collateral).
- Results: Approximate 50% increase in revenue and more than 40 new hires (full time jobs with benefits).



What Can We Do To Help ?

Continue to make business owners aware of the various programs that are available to support business growth (EXIM Bank, SBA Export Working Capital Program, ACA, AZSBDC, etc).

Communicate the Quality of the Labor Pool (and availability of talent)

Quality of Education

Manage Export Risk



What Prevents Companies from Increasing Exports? RISK

- ***Risks with exporting include but are not limited to:***

- ❖ Collecting from a Foreign Entity
- ❖ Foreign Laws
- ❖ Currency Exchange Rate Risk
- ❖ Logistics, Tracking, Etc.

- ***Mitigate Risk By: Leverage Local Experts in Finance, Law, Insurance and Logistics***

- ❖ Optimize credit lines to support your global trade strategy
- ❖ Streamline trade finance by automating key processes
- ❖ Develop and execute a strategy to manage foreign exchange risk
- ❖ Leverage the local experts who have extensive ties with banks and governments around the world to gather information and resolve trade issues

- ***Employ Risk Mitigating Trade Finance Products:***

- ❖ Issuance, confirmation, discounting, and refinancing of documentary letter of credit
- ❖ Stand-by letter of credit or guarantees
- ❖ Documentary collections

US Canada Cross Border



Expansion in AZ market by Canadian companies – continuing (already at 250+ Canadian companies who maintain AZ operations).

BMO Harris Bank – US & Canada Cross Border Services



**Seamless cross border banking
(transferring funds on line versus expensive
wires)**

Managing currency conversion risk

**Banking Services for Canadians who
relocate to AZ**