

First Quarter Meeting

Ball State Business Roundtable

February 12, 2014

Sponsored by



Katherine Onieal
INVESTMENT SERVICES, LLC

RAYMOND JAMES™

U.S. Economic Outlook



Michael Hicks, PhD

*Director, Center for Business and
Economic Research*

Ball State University

2013 Golden Dart Award

		GDP	Inflation	Unempl. Rate	10-yr T-bond
S. Anderson	Retired, FMC	1.6	2.1	7.6	2.4
D. Bahlmann	BSU	2.3	1.9	7.8	2.1
S. Bassett	General Truck Sales	1.5	2.3	8.4	2.3
M. Brown	Coldwell Banker Lunsford	1.8	1.9	8.2	1.9
T. Foote	Ameriprise	1.7	3.0	9.1	1.7
R. Gill	Gill Bros.	2.9	2.0	7.9	2.0
S. Gill	Gill Bros.	1.2	1.8	8.8	1.6
B. Kersey	American Lawn Mower Co	-0.4	2.0	7.9	1.7
J. Kouns	CB Lunsford	2.0	2.0	7.5	2.0
R. Lopez	VigilCorp	2.1	2.0	7.8	2.2
M. Lunsford	CB Lunsford	2.2	2.1	7.8	2.0
T. Matchett	First Merchants	2.8	1.9	7.8	2.5
J. Needham	CB Lunsford	-2.0	4.0	10.0	2.0
L. Needham	CB Lunsford	1.8	1.8	8.1	1.9
B. Osner	Ameriprise	1.8	3.0	7.5	2.3
S. Rhea	Verallia	2.0	2.0	7.0	2.0
S. Slavin	CB Lunsford	1.9	2.2	8.2	1.9
S. Smith	Mid-West Metal	1.9	2.0	8.1	1.9
M. Vaughn	Littler Diecast	1.8	2.2	8.3	2.1

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Keynote Speaker



Mark Cooper

Director, Indiana Office

U.S. Department of Commerce

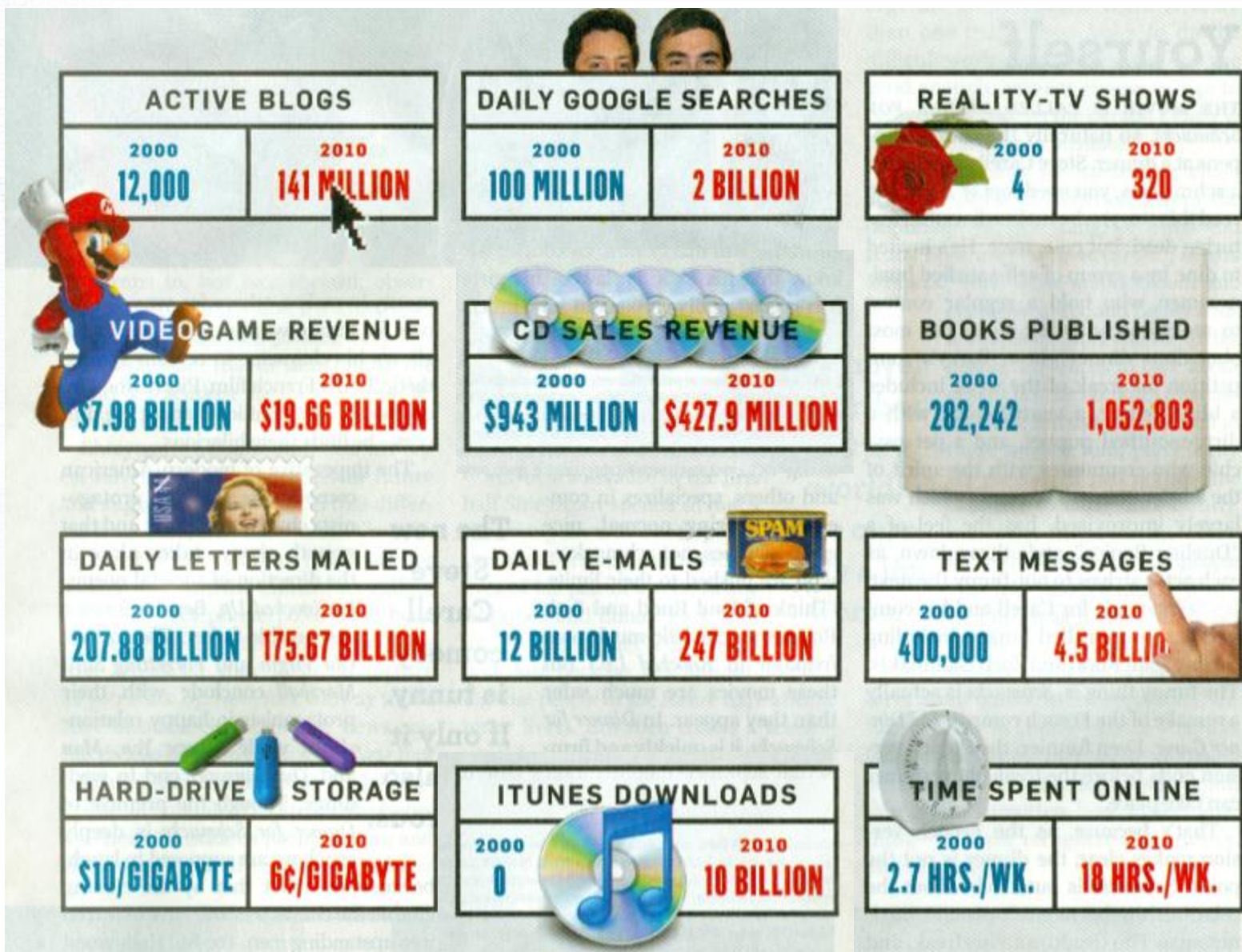


The 7 Deadly Sins... of Exporting!





Global Changes





U.S. Department of Commerce

The U.S. Commercial Service is a program of the U.S. Department of Commerce's International Trade Administration.

Our mission:

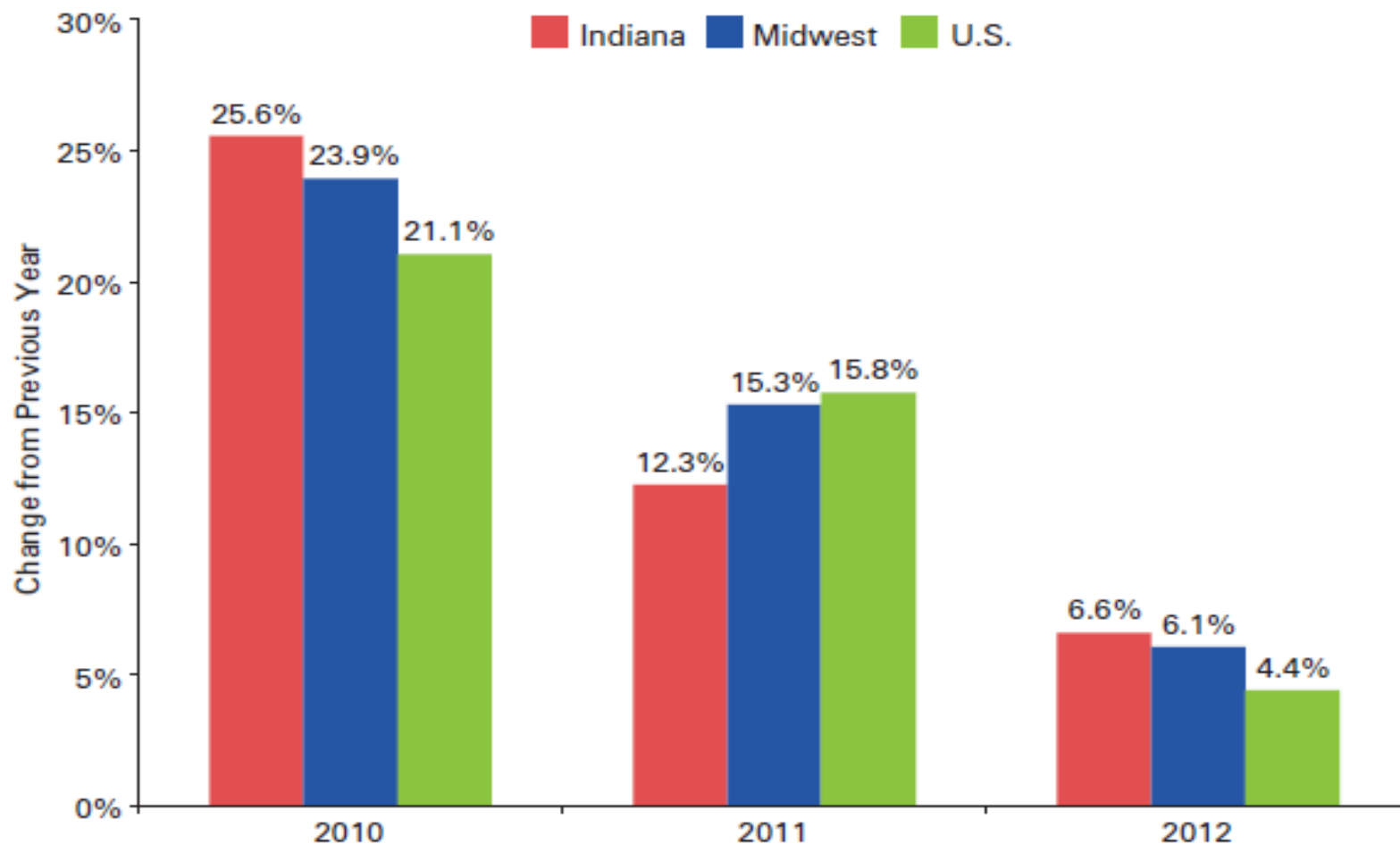
- ▶▶ To promote the export of goods & services from the United States, particularly by small- and medium-sized businesses
- ▶▶ To represent U.S. business interests internationally
- ▶▶ To help U.S. businesses find qualified international partners





Indiana vs. the Midwest

Figure 1: Annual Increase in Exports for Indiana, the Midwest and the United States, 2010 to 2012



Source: WISER Trade



Indiana Global Overview

- **Ranked 13th in the nation in exports**
- **Indiana Exports totaled appx \$34.4 billion in 2012**
- **7% increase from 2011**



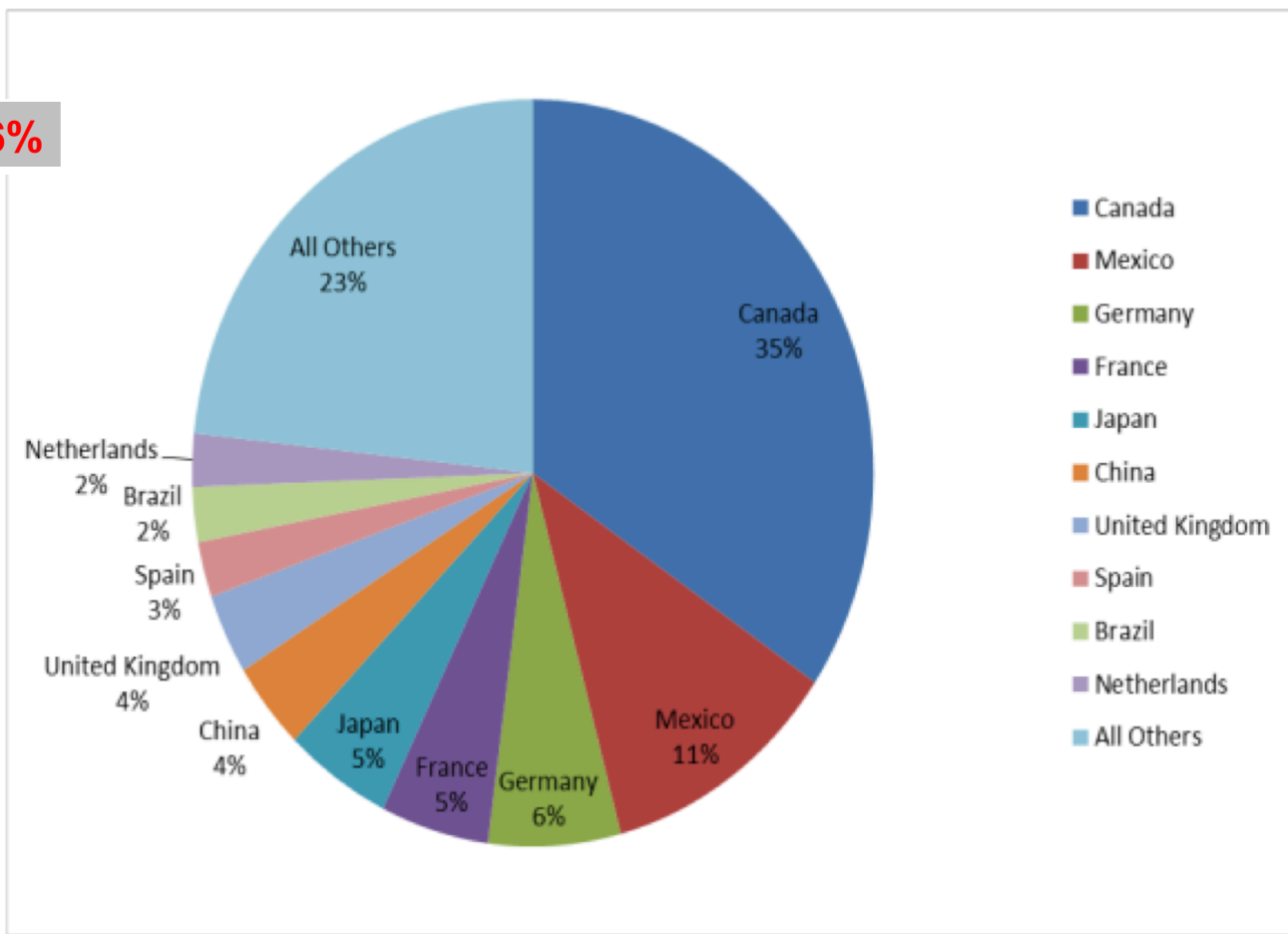


Indiana's Top 10 Export Markets

2012

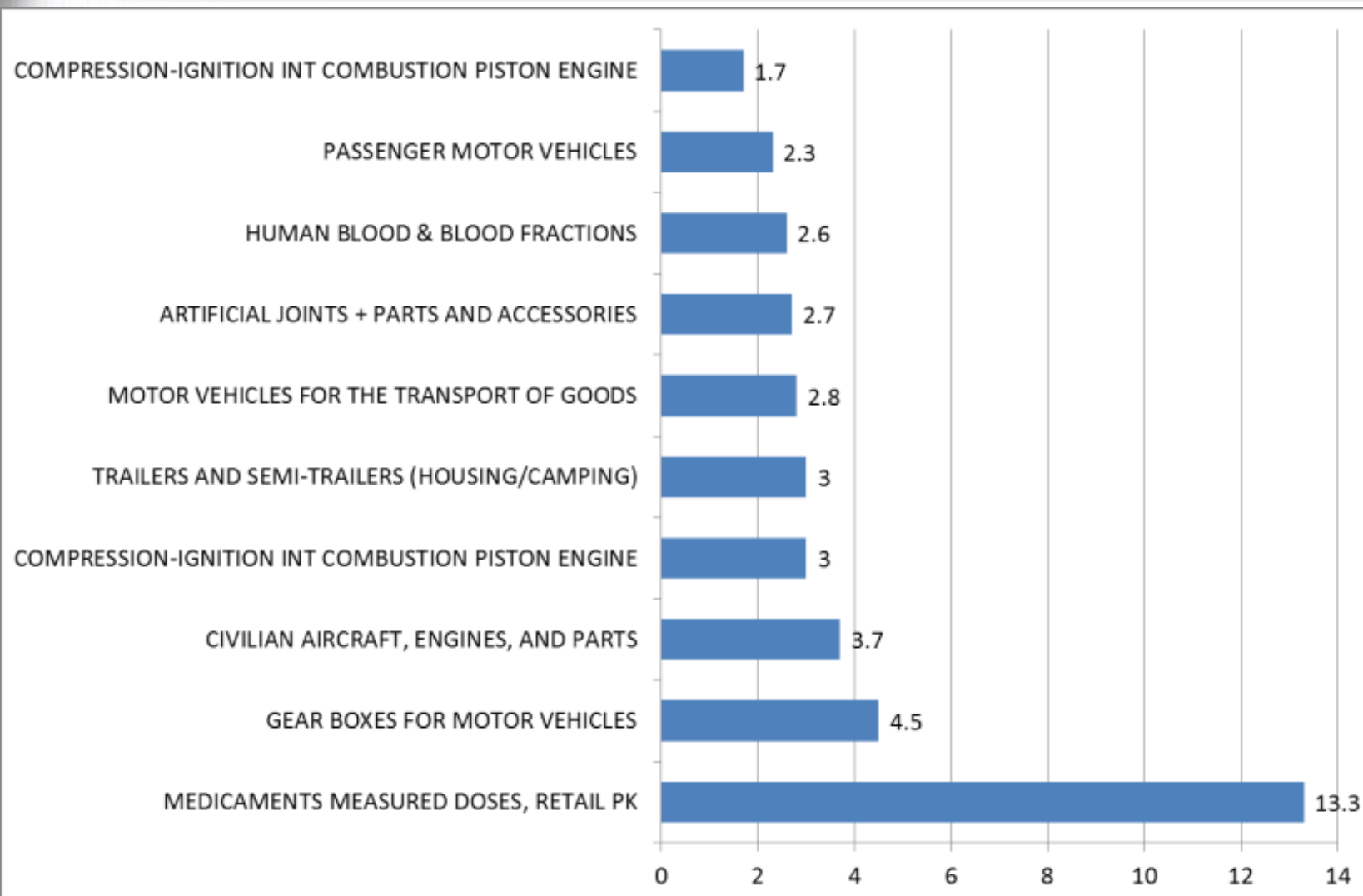
1. Canada
2. Mexico
3. Germany
4. France
5. Japan
6. China
7. UK
8. Spain
9. Brazil
10. Netherlands

46%



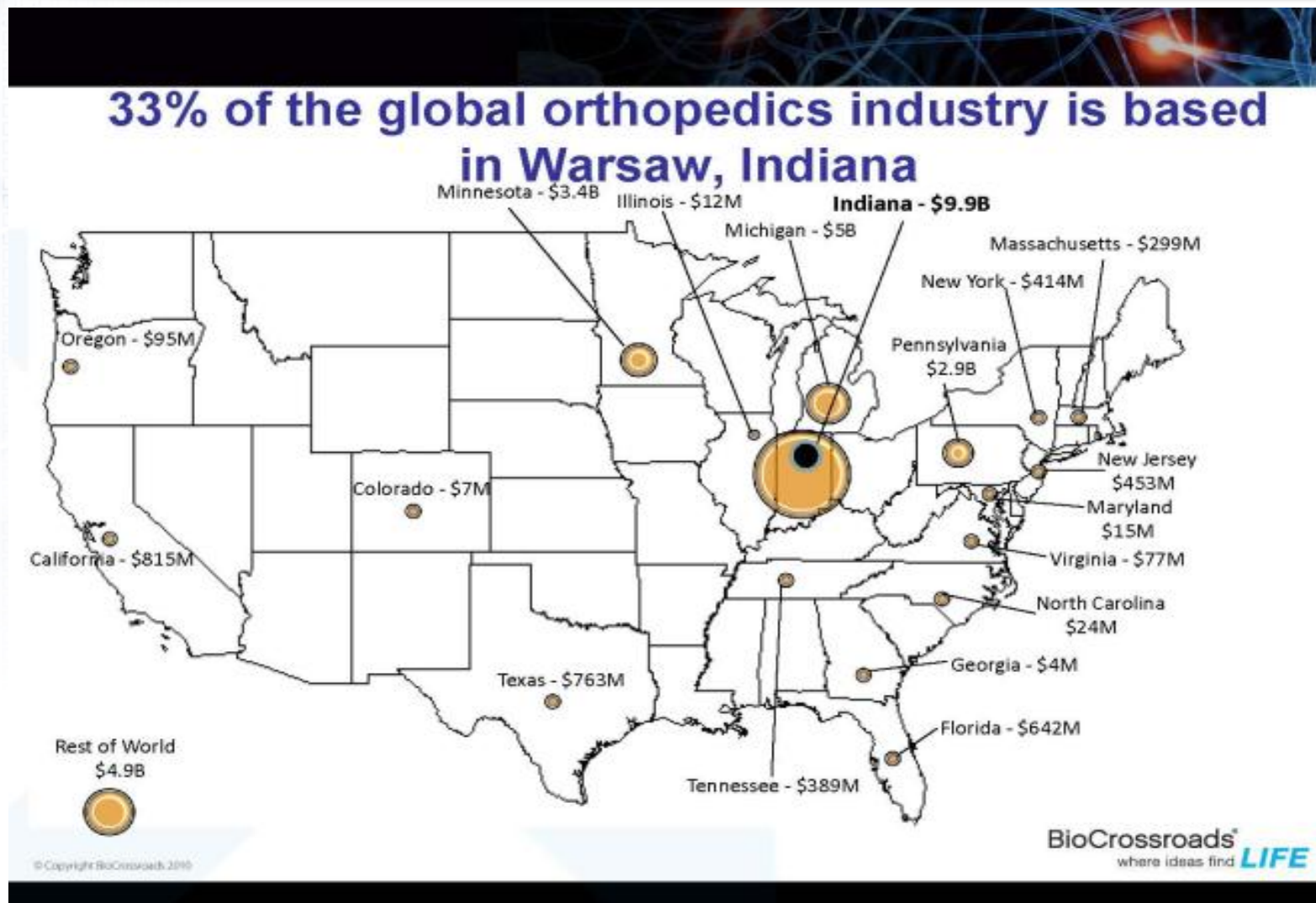


2012 Top 10 Indiana Export Commodities, by % Share of Total





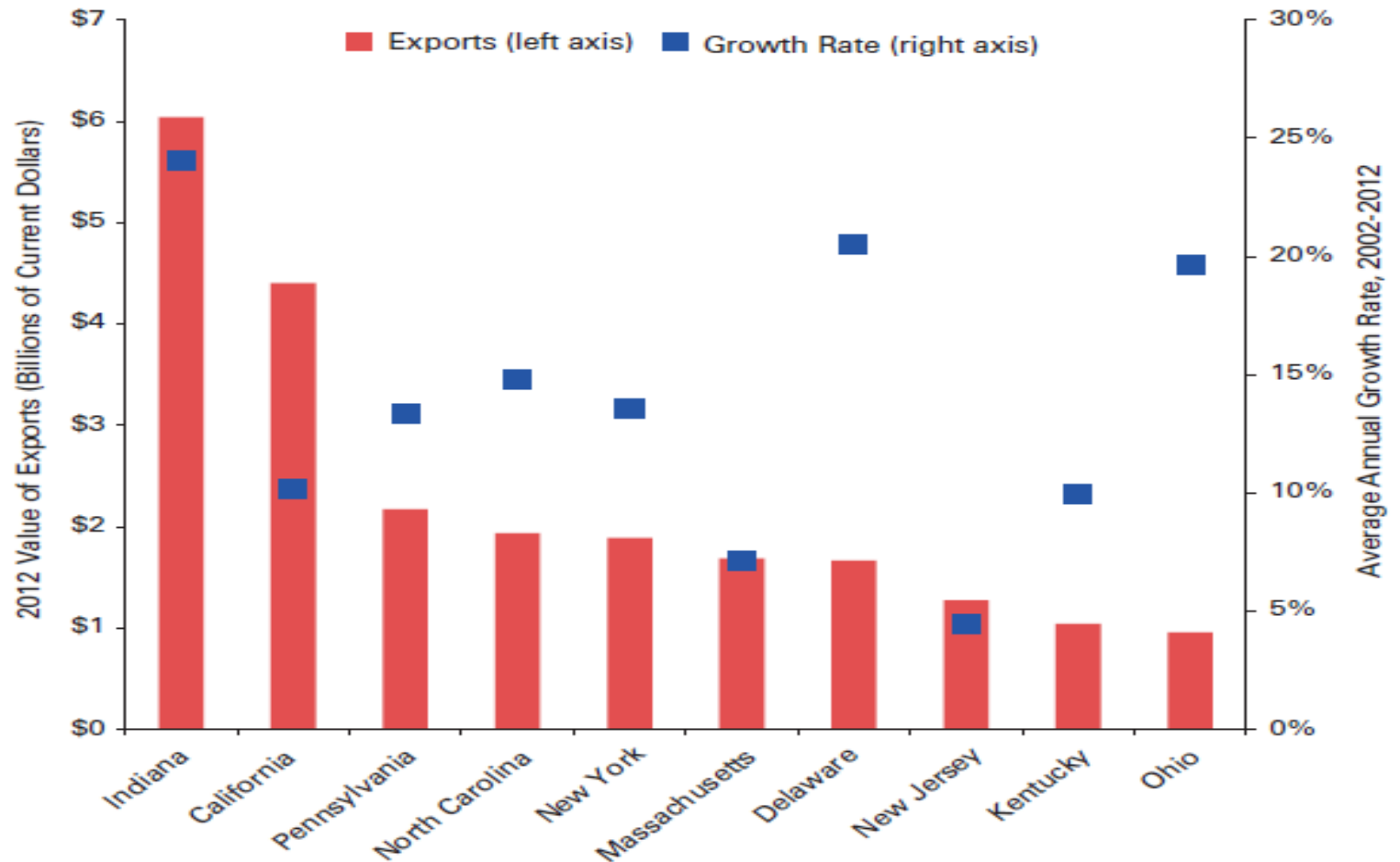
Orthopedics Hub.....





Indiana the Top Pharma Exporting State

Figure 29: Leading States in the Export of Pharmaceuticals, 2002 to 2012



Source: WISER Trade

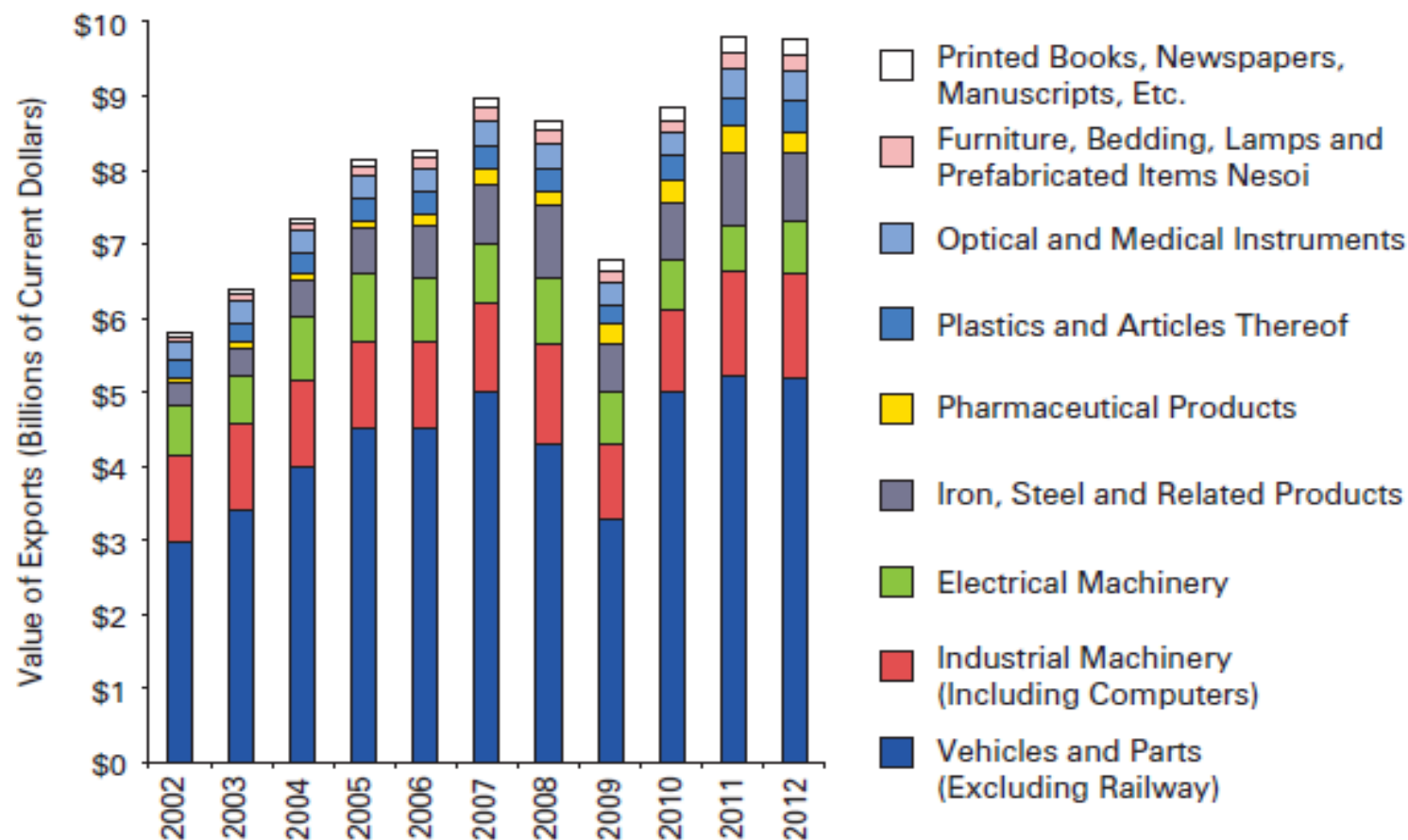


U.S. Department of Commerce



Indiana Exports to Canada by Industry

Figure 21: Indiana Exports to Canada by Industry, 2002 to 2012



Note: Nesoi stands for "not elsewhere specified or indicated."
Source: WISER Trade



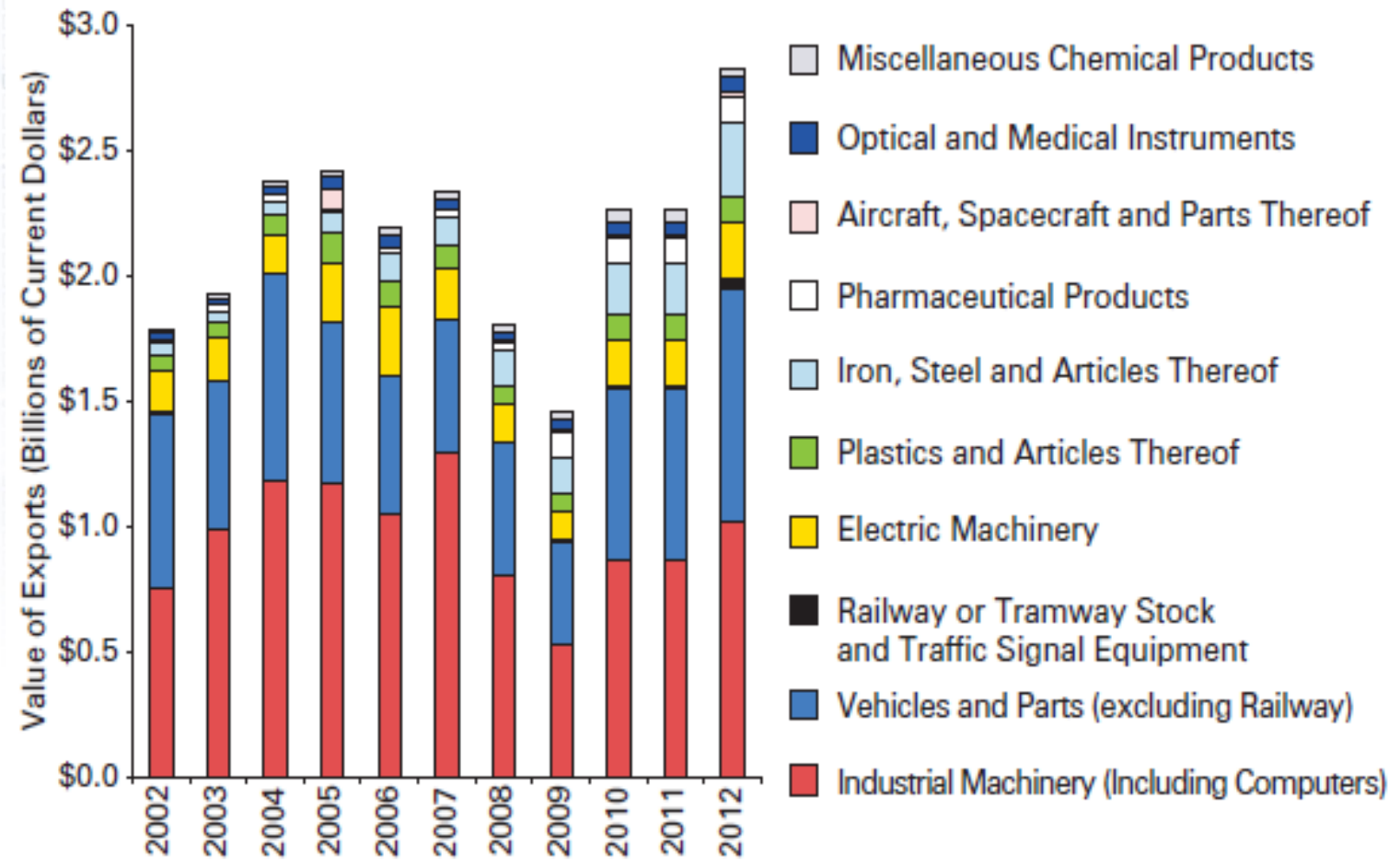
Source: WISER Trade

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Indiana Exports to Mexico by Industry

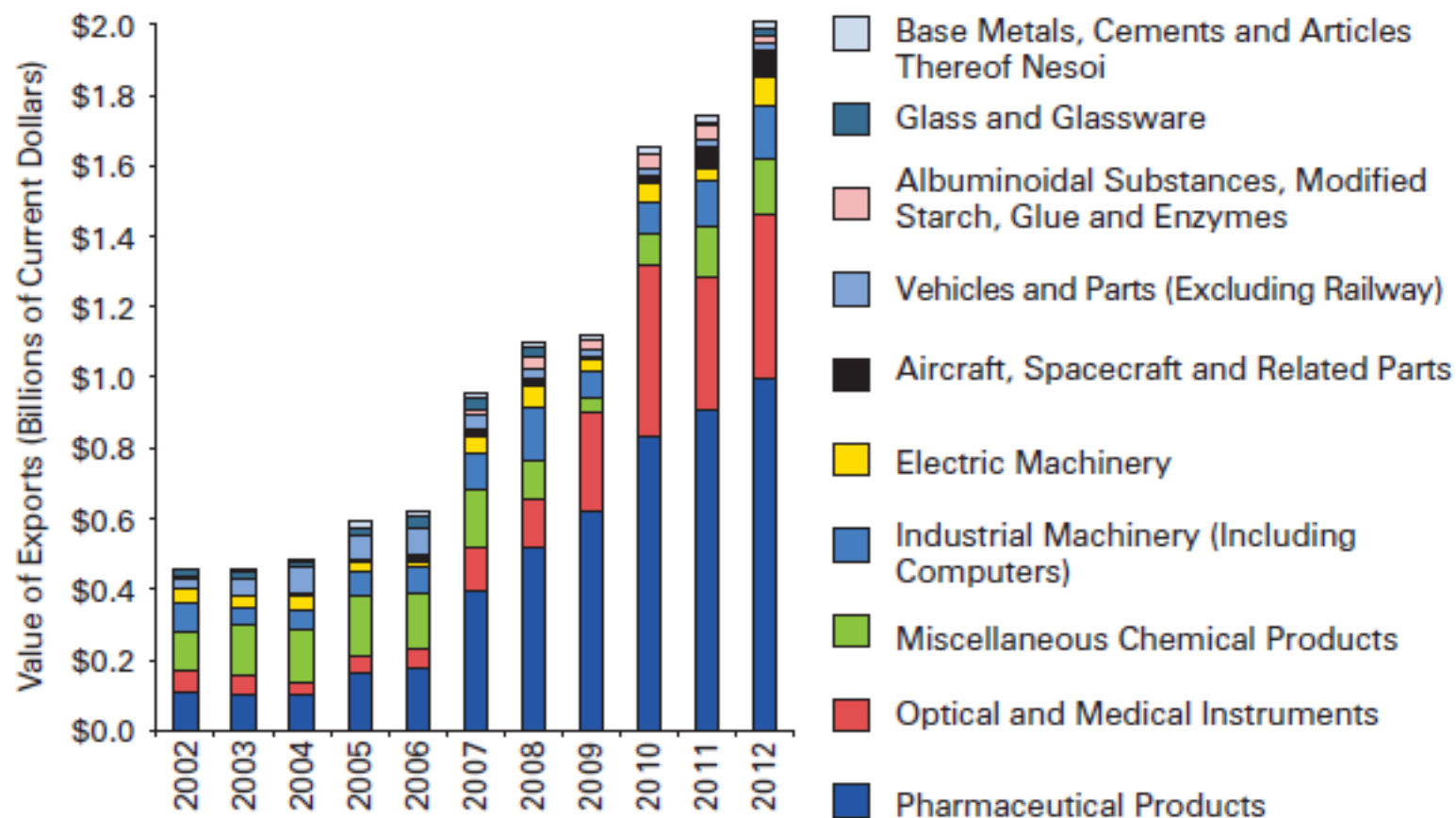
Figure 22: Indiana Exports to Mexico by Industry, 2002 to 2012





Indiana Exports to Germany by Industry

Figure 23: Indiana Exports to Germany by Industry, 2002 to 2012



Note: Nesoi stands for "not elsewhere specified or indicated."

Source: WISER Trade



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U.S. Department of Commerce



Small Business Impact

- 6,279 companies exported from Indiana in 2009. 5,400 (86 percent) were SME's with fewer than 500 employees.
- Dynamic growth in exports = firms with fewer than **20** employees
- Exports support 12 million U.S. Jobs, pay up to 18% more national average..
- 7.4% of Indiana's private sector employment
- 1 in 5 Indiana manufacturing jobs supported by exports





Sin #1...Don't Like Homework

- Know if your product will sell overseas
 - careful about **me too'** products
 - What makes it special, unique, different?
 - Just because it sells in U.S. doesn't mean it will sell over 'there'
 - Determine 'key market indicators' for your product
 - ex: paper, pens, and lawnmowers in EU



Sin #2... Management Doesn't 'Get It'

- Doesn't see international as 'real business'- takes away from domestic
- Won't hire an international sales person
- Doesn't want to spend the money to research or allow travel to markets
- Has unrealistic goals or time horizons for success- International business takes longer
 - Ex: 'who is in charge of exporting'?
 - NO FOLLOW UP.....



Sin #3...Using a Shotgun, not a Rifle

- Not Every Market is a good one
- There are over 180 countries in the world-
don't overdo it
- Focus on markets with greatest 'bang for the
buck' potential
- Homework + 1 or 2 markets
- Consider Canada or Mexico
 - Ex: I think China is sexy





Sin #4... Champagne Taste-Beer Checkbook

- ‘I will send a fax’
- ‘give me an unqualified list’
- ‘I can’t afford to travel’
- ‘translate it-can’t those foreigners read english’-
 - TIP: at least translate intro letter
 - ‘I don’t have a website’





Sin #5... If It's Good Enough for Americans....

- Unwilling to adapt product to the market
- Unwilling to change production runs- smaller runs
- Unwilling to change size or dimensions
- Unwilling to use metric system
 - Ex; furniture company- their low end was Brazilian middle to high end



6. I Can Sell Anything...!

- Signing exclusive distributor agreements
- Not doing background check on potential distributor
- Have distributor place initial order
 - (ex 20% of first year expected sales)
- Not treating foreign distributor like domestic- no training, no visit



7. In God We Trust...but All Others Use an LC

- Getting paid is top priority
- Be sure to consider shipping costs- know your incoterms-
- Know payment options such as cash in advance, LC's (types), EXIM



So....WHAT CAN WE DO FOR YOU?

- **Assist in developing an effective export strategy**
- **Help locate the best markets for your products**
- **Identify the most qualified buyers and partners**
- **Recommend financing options**
- **Payment issues and customs clearance, export licensing**
- **Regulatory and market entry hurdles**



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Core Market Services

Business Facilitation

- International Company Profile
- Gold Key Matching Service
- Single Company Promotion

Trade Promotion Events

- International Buyer Programs
- Trade Shows & US Pavilions
- Trade Missions

Customized Programs

- Platinum Key Service
- Advocacy & Trade Disputes
- Market Research

Market Research

- Market Research Library
- Country Commercial Guide (CCG)
- Due Diligence





U.S. Embassies Worldwide



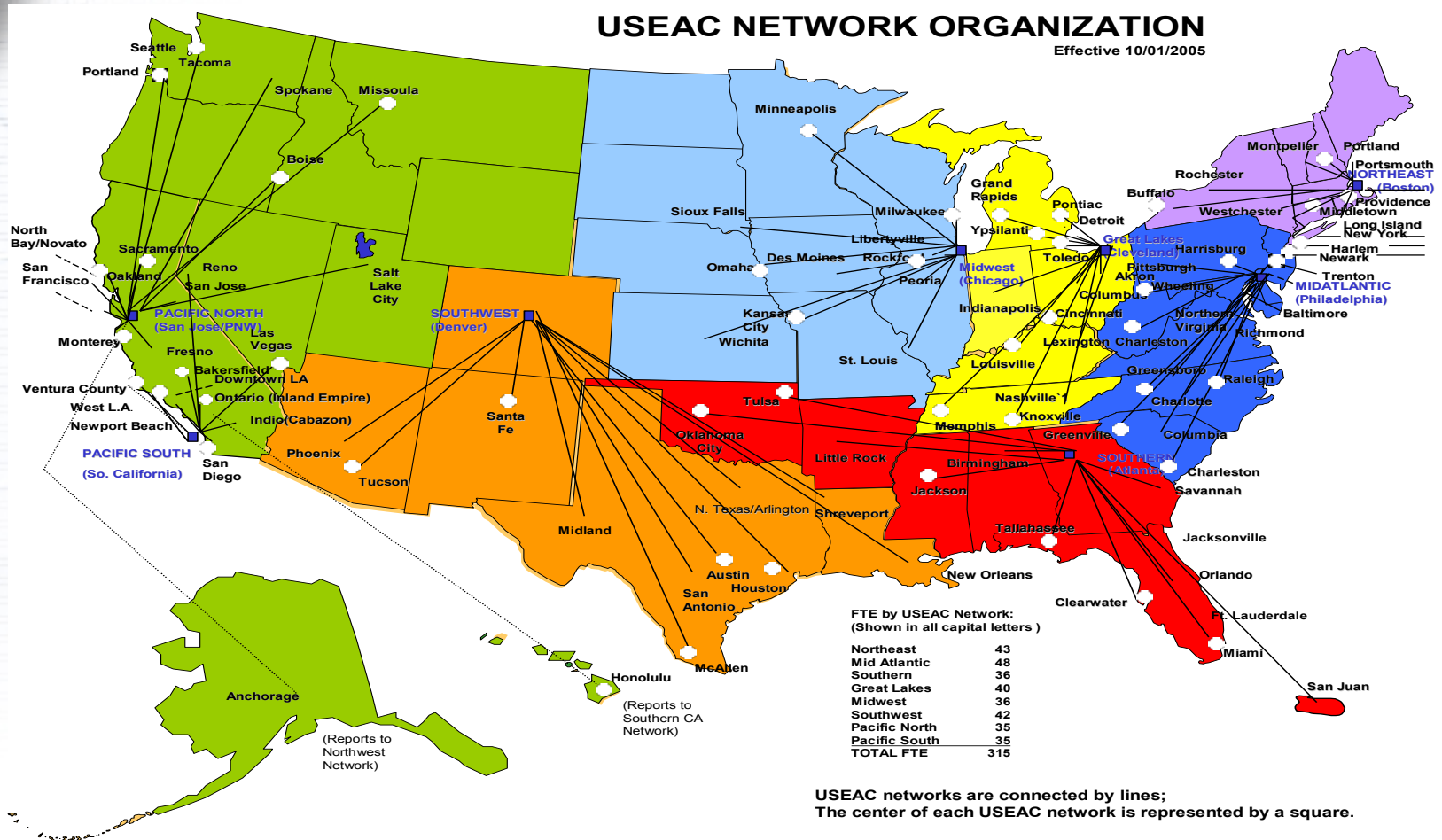
Our U.S. Embassy network includes 160 international offices in 82 countries, putting our commercial officers in 96% of world export markets--from Argentina to Zimbabwe



U.S. Department of Commerce



A Nationwide Network



We have trade specialists in 105 export assistance centers across the U.S.



U.S. Department of Commerce



How To Contact Us:

- By phone: **317-582-2300**
- Or email
mark.cooper@trade.gov
- See our website

www.export.gov/indiana



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Thank you



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