

YOUR EXPORTING JOURNEY STARTS HERE.
A GUIDE TO GROWING YOUR BUSINESS GLOBALLY.



WANT TO GROW YOUR BUSINESS? EXPORTING IS JUST THE TICKET.

The ability to grow and compete globally is crucial to your business. Exporting creates a diversified customer base and can stabilize your company's sales, grow your business, and contribute to new and better jobs in your community.

- 321 Michigan companies found the support they needed to increase their exports to 117 countries with the International Trade Program from Oct. 2020 to Sept. 2021
- 95% of the world's consumers are located outside the U.S.
- More than 85% of the world's purchasing power is located outside the U.S.
- 89% of Michigan exporters are small businesses
- \$4.7B in Michigan exports facilitated by MEDC's International Trade services since 2011
- \$55.9B in total goods exported from Michigan in 2021
- 33% of Michigan's GDP is from inbound/outbound trade, the fourth largest in the country





MAKING CONNECTIONS UTILIZE MEDC'S FIRST CLASS SERVICES

When considering whether to export, Michigan business leaders may have questions:

- Is my business ready for export?
- What markets should I be in?
- What if I lack financial or staff resources?
- How do I make the connections I need?
- What if I don't speak the language?

MEDC can help. We will provide the resources and support needed to open doors to global market opportunities.



HELPING YOUR BUSINESS TAKE FLIGHT MEDC'S INTERNATIONAL TRADE PROGRAM

The sky's the limit for Michigan businesses interested in exporting and MEDC's International Trade Program is the gateway to export services. The program facilitates opportunities for small to medium-sized businesses to export their products around the world so they can grow and prosper in the state.

Regionally based International Trade Managers (ITMs) act as a concierge service to help identify companies' export objectives and recommend appropriate export programs and resources. Connect with your dedicated ITM to get started with a variety of tools:

PARTNERS: Michigan businesses have access to a comprehensive network of experts in international trade. MEDC leverages partnerships at the federal, state and local levels to deliver export services statewide.

FINANCIAL ASSISTANCE: Eligible Michigan businesses can receive financial assistance for export-related activities, helping them access global markets and buyers while improving their bottom line.

TRADE MISSIONS AND SHOWS: MEDC leads Michigan business delegations in trade missions to foreign markets and international trade shows to facilitate connections with international companies in promising export markets. Trade mission participants benefit from their own itinerary of B2B matchmaking meetings, customized for each companies' objectives and target audience.

INTERNATIONAL TRADE CENTERS: MEDC's in-market experts serve over 135 countries by offering market entry strategy development, business matchmaking services, customized market research, pricing analysis and more.



"It is definitely worthwhile for any company here in Michigan to understand all the different ways MEDC can Michigan to understand all the different ways will can hanks in large part to MEDC and the Michigan smarter. Thanks in large part to MEDC and the MI-STEP program, We're engaged with more than 175 non-U.S. companies in 28 countries worldwide." —Paul Ry≥nar, OPS Solutions, President and CEO

FUNDING THE JOURNEY APPLY FOR COMPETITIVE FINANCIAL ASSISTANCE

MEDC offers a federally and state-funded Michigan State Trade Expansion Program, also known as MI-STEP, to help eligible Michigan-based small businesses increase their reach in international markets as part of their export journey.

Qualifying companies can apply for this competitive financial assistance grant to help offset the cost of export-related activities, reducing the cost of doing business in global markets so they can increase and diversify their customer base. Eligible Michigan small businesses can receive 75 percent reimbursement up to \$15,000 annually for export-related activities, including:

- Foreign trade missions and sales trips
- Reverse trade missions
- International website development
- International trade shows
- Export training
- U.S. Department of Commerce services
- International marketing media
- eCommerce platform expenses
- Sample product shipping
- Compliance testing of existing products
- International certifications
- EXIM and private provider export insurance premiums

Contact an International Trade Manager to see if your business qualifies for MI-STEP or to inquire about other available financial assistance.

EXPLORING YOUR OPTIONSPROGRAM ESSENTIALS IN EXPORTING





SCAN FOR MORE RESOURCES



STEP 1 Determine export readiness

Schedule a one-on-one consultation with your dedicated <u>International Trade Manager</u>.



STEP 2Classify your product for export

Identify the six-digit Harmonized System Code and Schedule B number associated with your export, which are used by most countries to classify globally traded products.



STEP 3 Select the right market(s) for your product

Define potential customers, identify main competitors in the market, learn how to find qualified buyers and create targeted marketing materials to present to global audiences.



STEP 4 Check duties, taxes and trade agreements

Identify rules of origin to determine if your product qualifies for a free trade agreement or trade promotion agreement. Determine an advantage to claiming preferential tariff treatment.







STEP 5Pricing your product for export

Knowing your product's final landed cost will help you effectively price your product for a foreign market. The landed cost will include the original product price, transportation fees, duties, taxes, tariffs, insurance, currency conversion and more.



STEP 6 Navigate export logistics

Export logistics include mode of transport, shipping documentation, roles of customs, export packaging method and marine cargo insurance.



STEP 7 Export documentation and regulations

Prepare key documents, such as shipper's letter of instruction, customs and consular invoices/pre-shipment inspection, certificate of origin for general use, bill of lading and packing list.



STEP 8 Get paid for your export sales

Evaluate payment options such as cash in advance, open account, documentary collection and commercial letters of credit. Consider factors such as country risk, buyer's bank reputation, credit worthiness of the buyer, competition, volume and value of the shipment.

Let MEDC be your guide. Get connected with an ITM to learn more about the export journey and customized support available at each step of the way.

PLANNING YOUR EXPORT ITINERARY INTERNATIONAL TRADE CENTERS

MEDC's network of trade representatives cover 135+ countries in support of Michigan's small business export development. For companies looking to reach established or emerging markets, MEDC's international trade centers offer customized services to simplify entry into foreign markets.

The centers offer local connectivity and market expertise that enable Michigan companies to identify, evaluate and pursue international business opportunities. Each center offers:

- Customized market research
- Country market and sector information
- Foreign company background checks
- Market entry strategy
- Matchmaking meetings
- Prequalification of agents, distributors, partners and customers
- Pricing and competitive analysis
- Product review and company assessment
- \bullet Regulatory, customs, logistics and certification information
- Trade show and trade mission assistance
- Translation services
- Other export counseling service



A HUB OF ACTIVITY
MICHIGAN'S TRADE CENTERS
AND THE MARKETS THEY SERVE

MEDC has five international trade centers* and representatives that cover over 135 countries around the world.

export@michigan.org



Center São Paulo,

Brazil

*MEDC has affiliate trade centers through a partnership with the Conference of Great Lakes and St. Lawrence Governors and Premiers.





"Challenger Communications has benefited greatly from the assistance of MEDC and the MI-STEP program, which helped fund our participation in five trade missions. In-market experts arranged face-to-face meetings with strong international prospects in the satellite communications market in five countries." —Jill Sorgi,

Challenger Communications, Director of Sales and Marketing



MEDC and its strategic partners provide geographically accessible export programs, trainings and events statewide. Leveraging partnerships at the federal, state and local levels reduces duplication and diversifies the technical assistance available to exporters. Through one-on-one consultation, ITMs help businesses identify their export development needs and make connections to partners that service those areas.

INTERNATIONAL TRADE SERVICES

By working with MEDC and their dedicated partners, Michigan businesses can learn how to overcome barriers to exporting, identify new markets, access logistics consulting, utilize export legal services, leverage digital business tools, alleviate the challenges of foreign currencies and more to strengthen their potential for market entry or expansion.

CUSTOMIZED SUPPORT

With the assistance of regionally located ITMs around the state, you'll learn what services are available and best matched to your company's objectives. Connect with an ITM to get started today.

INTERNATIONAL TRADE TRANSLATOR

LEARNING THE LINGO

Exporting doesn't need to be confusing or complicated. MEDC is here to help.

Bill of lading

Serves as a contract of carriage between an exporter and a service provider. It defines the parties to the transaction and their responsibility for payment of transportation and other accessorial fees.

Certificate of origin

Used to determine the proper duties to be applied by customs at the destination.

Electronic Export Information (EEI)

EEI is data that is mandated to be filed in the Automated Export System and is a declaration of merchandise leaving the U.S. for export to a foreign country. The EEI includes information about the sender, receiver of the goods, and goods being exported.

Harmonized System (HS) Code

The six-digit <u>HS Code</u> is used to determine duties and taxes, identify the goods being exported, claim preferential tariff treatment and establish pricing.

Packing list

Used by shipping companies to identify the weight and dimensions of your product. Should be completed in metric form.

Schedule B number

The 10-digit Schedule B number is used for statistical purposes and when filing Electronic Export Information (EEI).

Shipper's letter of instruction (SLI)

This document includes information necessary to complete the bill of lading and other documents.





MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

michiganbusiness.org/export