



U.S.
COMMERCIAL
SERVICE

United States of America ®
Department of Commerce

FINDING QUALIFIED BUYERS

In This Chapter

- U.S. Commercial Service programs to help you find buyers
- Department of Commerce agencies to assist you
- State and local government assistance



By now, your company has identified its most promising markets and devised a strategy to enter those markets (see Chapters 2 and 3). As discussed earlier, your company may sell directly to a customer or may use the assistance of an in-country representative (agents or distributors) to reach the end user. This chapter describes some of the sources that can help you find buyers, evaluate trade shows and missions, and generate sales.

U.S. DEPARTMENT OF COMMERCE WORLDWIDE BUYER FINDING PROGRAMS

The U.S. Department of Commerce can help exporters identify and qualify leads for potential buyers, distributors, joint venture partners, and licensees from both private and public sources. Along with its experts in various products, countries, and programs, the U.S. Department of Commerce has an extensive network of commercial officers posted in countries that represent 95 percent of the market for U.S. products.

Programs available through the U.S. Department of Commerce, including those of the U.S. Commercial Service, are listed in this section. Exporters should contact the nearest Export Assistance Center for more information or call the Trade Information Center at (800) USA-TRADE (800-872-8723). Information on these programs is also available at the Commercial Service Web site at www.trade.gov/cs.

BuyUSA.gov Matchmaking

BuyUSA.gov Matchmaking is a convenient online program of the U.S. Commercial Service that matches U.S. exporters with buyers and importers in overseas markets. On the basis

of the profiles that companies send to BuyUSA.gov, U.S. exporters receive the information that they need to contact potential importers in the overseas markets they select. There's no need to search a database or return to check for new importers; when an importer registers with a profile that matches your export objectives, BuyUSA.gov Matchmaking will automatically notify you. Whether you contact the potential importers is up to you, so you won't receive unwanted contacts by registering for the program.

This program is available to current clients of the U.S. Commercial Service with U.S.-made ready-to-export products or services. If your company is not a current client of the U.S. Commercial Service but you are otherwise qualified for this program, find your nearest U.S. Export Assistance Center in Appendix B or at www.export.gov/eac/ and make an appointment with a trade specialist. To register your company or to receive further information, visit www.buyusa.gov/matchmaking.

Commercial News USA

Commercial News USA (CNUSA) is the official U.S. Department of Commerce showcase for American-made products and services. It provides worldwide exposure for U.S. products and services through an illustrated catalog-magazine and through electronic bulletin boards. *CNUSA* is designed to help U.S. companies promote products and services to buyers in more than 145 countries. Each issue of the free bimonthly catalog-magazine reaches an estimated 400,000 readers worldwide. *CNUSA* is mailed directly to qualified recipients and is also distributed by Commercial Service personnel at U.S. embassies and consulates throughout the world.

CNUSA can help your company make sales. Its features include the following:

- **Direct response.** New customers around the world will read about your product or service and will receive information that enables them to contact you directly. Address-coded trade leads make it easy to track results.
- **Built-in credibility.** Distributed by U.S. Commercial Service officials at embassies and consulates, *CNUSA* enjoys exceptional credibility.
- **Follow-up support.** The U.S. Department of Commerce offers free individual export counseling at any of the Export Assistance Centers across the country. For the center nearest you, see Appendix B, call (800) USA-TRADE (800-872-8723), or visit www.export.gov/eac.

For more information, visit the *CNUSA* home page at www.thinkglobal.us/.

Featured U.S. Exporters

Featured U.S. Exporters (FUSE) is a directory of U.S. products presented on the Web sites of many U.S. Commercial Service offices around the world. It gives your company an opportunity to target markets in specific countries in the local language of business. This service

is offered free of charge to qualified U.S. exporters seeking trade leads or representation in certain markets. To find out if your company qualifies and to request a free listing, visit www.buyusa.gov/home/fuse.html.

Customized Market Research

Customized market research reports use the Commercial Service's worldwide network to help U.S. exporters evaluate their sales potential in a market, choose the best new markets for their products and services, establish effective marketing and distribution strategies in their target markets, identify the competition, determine which factors are most important to overseas buyers, pinpoint impediments to exporting, and understand many other pieces of critical market intelligence. These customized reports will be built to your specifications. To order a customized market research report, contact your local Export Assistance Center (see Appendix B or www.export.gov/eac/).

Gold Key Matching Service

The Gold Key Matching Service is a customized buyer-finding solution offered by the Commercial Service in key export markets around the world. The service includes orientation briefings; market research; appointments with potential partners; interpreter services for meetings; and assistance in closing the deal, shipping the goods, and getting paid. To request a Gold Key Matching Service, contact your local Export Assistance Center (see Appendix B or www.export.gov/eac/).

International Company Profiles

An International Company Profile (ICP) is a background report on a specific foreign firm that is prepared by commercial officers of the United States Commercial Service at American embassies and consulates. These reports include the following:

- Information on the firm
- Year established
- Relative size
- Number of employees
- General reputation
- Territory covered
- Language capabilities
- Product lines handled
- Principal owners
- Financial references
- Trade references

Each ICP also contains a general narrative report by the U.S. Commercial Service officer who conducted the investigation concerning the reliability of the foreign firm.

The ICP service is offered in countries that lack adequate private-sector providers of credit and background information on local companies. Credit reports on foreign companies are available from many private-sector sources, including (in the United States) Dun and Bradstreet and Graydon International. For help in identifying private-sector sources of credit reports, contact your nearest Export Assistance Center.

International Partner Search

With the U.S. Commercial Service's International Partner Search, teams of experts in more than 80 countries work to find you the most suitable strategic partners. You provide your marketing materials and background on your company. The Commercial Service uses its strong network of international contacts to interview potential partners and to provide you with a list of up to five prescreened companies. By working only with prescreened firms that are interested in buying or selling your products and services, you save valuable time and money.

The International Partner Search allows you to obtain high-quality market information in 15 days. The search yields information on each potential partner's size, sales, years in business, and number of employees, as well as a statement from each potential partner on the marketability of your product or service. You will also receive complete contact information on key individuals among the potential partners who are interested in your company. To obtain more information or to order an International Partner Search, contact your local Export Assistance Center.

DEPARTMENT OF COMMERCE TRADE EVENT PROGRAMS

Some products, because of their nature, are difficult to sell unless the potential buyer has an opportunity to examine them in person. Sales letters and brochures can be helpful, but an actual presentation of products in the export market may prove more beneficial. One way for your company to actually present its products to an overseas market is by participating in trade events such as trade shows, fairs, trade missions, matchmaker delegations, and catalog exhibitions.

Trade fairs are "shop windows" where thousands of firms from many countries display their goods and services. They serve as a marketplace where buyers and sellers can meet with mutual convenience. Some fairs, especially in Europe, have a history that goes back centuries. Also, it is often easier for buyers from certain regions of the world to gather in Europe than the United States.

Attending trade fairs involves a great deal of planning. The potential exhibitor must take into account the following logistic considerations:

- Choosing the proper fair out of the hundreds that are held every year
- Obtaining space at the fair, along with designing and constructing the exhibit
- Shipping products to the show, along with unpacking and setting up
- Providing proper hospitality, such as refreshments, along with maintaining the exhibit
- Being able to separate serious business prospects from browsers
- Breaking down, packing, and shipping the exhibit home at the conclusion of the fair

A trade magazine or association can often provide information on major shows. Whether privately run or government sponsored, many trade shows have a U.S. pavilion

that is dedicated to participating U.S. businesses. For additional guidance, contact your local Export Assistance Center or visit www.export.gov/tradeevents. You can find a complete list of trade events online, and you can search by country, state, industry, or date.

Examples of trade shows are Medtrade, which takes place annually and is geared toward the health care services sector, and the Automotive Aftermarket Industry Week, which is also held annually and is attended by companies in various parts of the automotive industry.

International Buyer Program

The International Buyer Program (IBP) supports major domestic trade shows featuring products and services of U.S. industries with high export potential. Commercial Service officers recruit prospective foreign buyers to attend selected trade shows. The shows are extensively publicized in targeted markets through embassy and regional commercial newsletters, catalog-magazines, foreign trade associations, chambers of commerce, travel agents, government agencies, corporations, import agents, and equipment distributors.

As a U.S. exhibitor at an IBP event, you will receive many valuable free benefits, including the following:

- Opportunities to meet with prospective foreign buyers, representatives, and distributors from all over the world who have been recruited by U.S. Commercial Service specialists in more than 150 cities overseas
- Worldwide promotion of your products and services through the *Export Interest Directory*, which is published by the show organizers and distributed to all international visitors attending the show
- Access to hundreds of current international trade leads in your industry
- Hands-on export counseling, marketing analysis, and matchmaking services by country and industry experts from the U.S. Commercial Service
- Use of an on-site international business center, where your company can meet privately with prospective international buyers, sales representatives, and business partners and can obtain assistance from experienced U.S. Commercial Service staff members

Each year, the Commercial Service selects and promotes more than 30 trade shows representing leading industrial sectors, including information technology, environmental products and services, medical equipment and supplies, food processing and services, packaging, building and construction products, sporting goods, and consumer products.

For more information, visit www.export.gov/ibp.

Trade Fair Certification Program

The U.S. Department of Commerce Trade Fair Certification Program is a partnership arrangement between private-sector show organizers and the International Trade Administration to

assist and encourage U.S. firms to promote their products at appropriate trade fairs abroad. Certification of a U.S. organizer signals to exhibitors, visitors, and the government of the host country that the event is an excellent marketing opportunity and that participants will receive the support of the U.S. government. Certified organizers are authorized to recruit and manage a U.S. pavilion at the show. They are especially focused on attracting small and medium-sized U.S. firms that are new to the market. Certified organizers can help with all aspects of freight forwarding, customs clearance, exhibit design, and on-site services.

Certified organizers receive government assistance, such as the following:

- Designation as the official U.S. pavilion
- Authorized use of an official Commercial Service certification logo
- On-site support and counseling for U.S. exhibitors from the U.S. embassy commercial staff
- Local market information and contact lists
- Press releases and other promotion actions
- Advertising and marketing assistance from Commerce Department Export Assistance Centers
- Support letters from the secretary of commerce and the president of the United States when appropriate
- Exhibitor briefings
- Opening ceremonies, ribbon-cuttings, and dignitary liaison

For more information, visit www.export.gov/tradeevents.

Trade Missions

The U.S. Department of Commerce organizes or supports numerous trade missions each year. The missions involve travel to foreign countries by U.S. companies and Commerce Department employees. Participants meet face to face with prescreened international businesspeople in the market they travel to. Trade missions save U.S. companies time and money by allowing them to maximize contact with qualified distributors, sales representatives, or partners. U.S. Commercial Service missions are industry specific and target two to four countries per trip. Commercial Service specialists abroad will prescreen contacts, arrange business appointments, and coordinate logistics in advance. This preparatory effort is followed up by a one-week trip by the U.S. company to personally meet with the new prospects. To learn more about trade missions, and for a list of upcoming trade missions, visit www.export.gov/tradeevents.

International Catalog Exhibition Program

The U.S. Commercial Service's International Catalog Exhibition Program offers U.S. companies a convenient, affordable way to stimulate interest in their products and services

while never leaving the office. Commercial Service trade specialists located in international markets will translate the company profile into the local language, display the company's marketing materials, collect sales leads from interested local buyers, and then assist the U.S. company as it follows up with the local contacts. There are three types of catalog events:

- *Multistate catalog exhibitions* target four or more promising international markets, promote U.S. exports in 20 or more high-demand product and service sectors, and leverage the partnership between the Department of Commerce and state economic development agencies.
- *American Product Literature Centers* target a single promising international market, focus on a single industry sector, and typically take place at a leading industry trade show.
- *U.S. embassy and consulate–sponsored catalog exhibits* target a single promising international market and are managed by a U.S. embassy or consulate.

For all three types of catalog events, the U.S. Commercial Service will coordinate support from local chambers of commerce, industry associations, and other trade groups; provide trade leads generated by each exhibition; and help capitalize on leads by providing any needed export assistance. For a complete list of catalog events, visit www.export.gov/tradeevents.

U.S. DEPARTMENT OF AGRICULTURE, FOREIGN AGRICULTURAL SERVICE

Through a network of counselors, attachés, trade officers, commodity analysts, and marketing specialists, the Department of Agriculture's Foreign Agricultural Service (FAS) can help arrange contacts overseas and provide marketing assistance for companies that export agricultural commodities. Extensive information on the FAS is also available on the Internet. Visit the Department of Agriculture FAS Web site at www.fas.usda.gov.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

The U.S. Agency for International Development (USAID) administers programs that offer export opportunities for U.S. suppliers of professional technical assistance services and commodities. Opportunities to export commodities are available through the commodity import programs that USAID operates in select USAID-recipient countries and through USAID's direct procurement of commodities. In addition, USAID funds may be available in certain recipient countries to finance developmentally sound projects involving U.S. capital goods and services. For exporters traveling to developing countries where a USAID program is in place, information is available on funds, projects under consideration, and contacts. Talk to someone at the nearest Export Assistance Center or call (800) USAID-4U (800-872-4348). The USAID Web site may be accessed at www.usaid.gov.

U.S. TRADE AND DEVELOPMENT AGENCY

The U.S. Trade and Development Agency (TDA) assists in the creation of jobs for Americans by helping U.S. companies pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits, specialized training grants, business workshops, and various forms of technical assistance, TDA helps American businesses compete for infrastructure and industrial projects in emerging markets.

TDA's mission is to help companies get in on the ground floor of export opportunities and to make them competitive with heavily subsidized foreign companies. Because of its focused mission, TDA considers only infrastructure and industrial projects that have the potential to mature into significant export opportunities for American companies and to create jobs in the United States. Projects are typically in the areas of agriculture, energy and power, health care, manufacturing, mining and minerals development, telecommunications, transportation, and environmental services.

To be considered for TDA funding, projects

- Must face strong competition from foreign companies that receive subsidies and other support from their governments
- Must be a development priority of the country where the project is located and have the endorsement of the U.S. embassy in that nation
- Must represent an opportunity for sales of U.S. goods and services that is many times greater than the cost of TDA assistance
- Must be likely to receive implementation financing and have a procurement process open to U.S. firms

Contact TDA at (703) 875-4357, or visit its Web site at www.tda.gov for more information.

STATE AND LOCAL GOVERNMENT ASSISTANCE

Most states can provide an array of services to exporters. Many states maintain international offices in major markets; the most common locations are in Western Europe and Japan.

FACT:

According to the World Health Organization, diarrhea causes 1.6 million deaths every year—the vast majority among children under five years. Those deaths are related to unsafe water, sanitation, and hygiene. More than a billion people lack access to a clean water source.

INSIGHT:

By building infrastructure in the developing world, U.S. companies are improving the quality of life of millions of people and are saving lives.

Working closely with the commercial sections of U.S. embassies in those countries, state foreign offices can assist exporters in making contacts in foreign markets, providing such services as the following:

- Specific trade leads with foreign buyers
- Assistance for trade missions, such as itinerary planning, appointment scheduling, travel, and accommodations
- Promotional activities for goods or services, including representing the state at trade shows
- Help in qualifying potential buyers, agents, or distributors

In addition, some international offices of state development organizations help set up and promote foreign buyer missions to the United States, which can be effective avenues of exporting with little effort. Attracting foreign investment and developing tourism are also very important activities of state foreign offices. More and more cities and counties are providing these same services.

PROMOTION IN PUBLICATIONS AND OTHER MEDIA

A large and varied assortment of magazines covering international markets is available to you through U.S. publishers. They range from specialized international magazines relating to individual industries, such as construction, beverages, and textiles, to worldwide industrial magazines covering many industries. Many consumer publications produced by U.S.-based publishers are also available. Several are produced in national-language editions (e.g., Spanish for Latin America), and some offer “regional buys” for specific export markets of the world. In addition, several business directories published in the United States list foreign representatives geographically or by industry specialization.

Publishers frequently supply potential exporters with helpful market information, make specific recommendations for selling in the markets they cover, help advertisers locate sales representation, and render other services to aid international advertisers.

Many of these magazines and directories are available at libraries, Export Assistance Centers, or the U.S. Department of Commerce’s reference room in Washington, D.C. State departments of commerce, trade associations, business libraries, and major universities may also provide such publications.

CASE STUDY:

SCIFIT Systems Inc.

"I have the best job in the world. I travel around visiting friends."

—Bo Young, vice president of international sales, SCIFIT Systems Inc.

THE COMPANY

In the late 1980s, Bo Young had an idea for a business and, with some partners, approached venture capitalists in Tulsa, Oklahoma. At first, the business focused on equipment to help people with disabilities in their homes. Young remembers burning through the investment money pretty fast with limited success in building the business. He needed a new approach.

In 1995, Young and his partners formed SCIFIT Systems Inc, with new product lines such as physical therapy equipment and exercise machines. Young and his colleagues predicted that the wellness market was moving toward an emphasis on physical fitness.

THE CHALLENGE

The new formula worked. SCIFIT now has 50 employees, including engineers and other specialists. The main customers are fitness clubs and hospitals. But would SCIFIT find customers overseas?

THE SOLUTION

Rather than waiting until the company was firmly established in its home market, SCIFIT pursued international

sales from the beginning. To Young's surprise, his U.S. competitors were not well known overseas. Young found his first international clients by accident: "An Irishman, who'd read about us on our Web site, called me one day from San Francisco. 'I'll pay your expenses if you come to visit us,' I told him." He came, Young paid, and the visitor became a distributor for SCIFIT.

Exporting expanded quickly. Exports now account for nearly 20 percent of sales and are growing by about 15 percent per year. SCIFIT has customers in more than 30 countries.

In these markets, SCIFIT has received assistance from trade specialists at the U.S. Commercial Service. Young recalls working with the Commercial Service years ago, before SCIFIT was an idea: "I was 30 and with a new company. I called the organization. Don't remember why. It was telexes then, and the trade specialist sent a bunch to her colleagues abroad. I got inundated with requests, and I got into all kinds of new markets."

To market SCIFIT abroad, Young sought Commercial Service expertise again. "Thanks to my previous work

with the Commercial Service and my own experience, I know a lot about the export process, including financing, trade law, and logistics," he says. "But the Commercial Service saves me time and money, and the legitimacy the U.S. government gives me in market after market is just invaluable."

SCIFIT's fastest market entry was into Brazil. In August 2005, Young did prep work with the Tulsa Commercial Service office and the Commercial Service office in São Paulo. He traveled to São Paulo later that month and attended a fitness trade show there in September. In October, he was selling products.

He was assisted in São Paulo by Commercial Service specialist Patricia Marega, who follows the Brazilian fitness industry and spends time cultivating distributors. Young used the Gold Key Matching Service in São Paulo and Rio de Janeiro and received matches with overseas buyers and distributors. "Patricia did a great job researching the market for us," he says. "We had 20 interviews in four days. The Commercial Service people asked great questions of the candidates. If I wasn't covering my butt, Patricia was."

“Bo was extremely impressed with one of our local clients, Pórtico Artigos Esportivos,” says Maregas. “We went to their factory and met their distributor. The fact that the U.S. Commercial Service was accompanying Bo to this meeting made the Brazilians comfortable.”

“We settled on one distributor for the entire country,” says Young, “because we found that if you have more, they start competing with each other and pretty soon they’re cutting the prices on each other.” That distributor wanted SCIFIT’s equipment for a trade show only a month after closing the deal. A month is normally not enough time to ship large pieces of equipment, but Marega successfully expedited the goods through customs in time for the show.

LESSONS LEARNED

It took three months for SCIFIT to enter Brazil, but six years to enter Japan. Does this mean your business should forget about Japan? No, says Young, you can learn things of value about your business, your products, and yourself from every market you enter. “The Japanese will absolutely improve your product,” he says. “They can see more things wrong with what you make than any other culture. They’ll check everything. ‘On the left side of this piece of equipment you have two different screws. Why?’ If our software has 20 stages in it, they’ll suggest a way to reduce it to 10. These insights are very valuable to our competitiveness in all markets.”

SCIFIT also learned from other markets. In England, SCIFIT partnered with the U.K. government to improve its paint bases and to add instructions in Braille. “Australians helped us identify a new and better tread for our treadmill

machines,” Young says. “We tell them, ‘Don’t be afraid to tell us how we can improve our products.’”

Young learned that international business is about relationships. “We Americans tend to be colder or in too big of a hurry,” he observes. “Building relationships has become a mantra in our company. Invite your customers home. Stay in their homes. Send flowers when they’re in the hospital. Remember birthdays of wives and children. When my daughter got married, she got gifts from my distributors.”

Young laments that U.S. businesspeople are on the whole “myopic.” “Mention a letter of credit and people’s eyes glaze over. Most people don’t even have passports. If they only knew what’s possible. I have the best job in the world. I travel around visiting friends.”

ACTION

Here are some ways you can start learning about other markets:

- **Find a Commercial Service office in your target market.** Select the link for your country of interest at www.buyusa.gov/home/worldwide_us.html.

On the country Web sites, you’ll find local trade events, directories of specialists in your industry, and links to other useful information. Be sure to visit the Featured U.S. Exporter showcase, which is available on most Commercial Service country Web sites and includes product descriptions and links to the exporter’s Web site.

- **Visit trade shows.** Trade shows are a proven way of generating sales. The Commercial Service certifies more than 100 overseas trade shows that have U.S. pavilions, and it recruits international buyer delegations for more than 40 major U.S. trade shows. For a complete list of shows, updated weekly, visit www.export.gov/tradeevents.



Larry Born, chief executive officer (left), poses with Nikki Frasier, international sales coordinator (center), and Bo Young, vice president of international sales (right), at SCIFIT’s headquarters in Tulsa, Oklahoma. Young is now selling physical therapy equipment and exercise machines to fitness centers and hospitals worldwide.