

Success Story

Attila's Guide to Conquering Export Markets

Advanced Superabrasives



Attila Szucs (second from left) accepting the President's "E" Award for Exports, 2013.

The Company

Attila Szucs started Advanced Superabrasives in Asheville, North Carolina, with one employee in the early 1990s. The company manufactures superabrasive grinding wheels for other manufacturers. Superabrasive grinding wheels can grind hard materials such as ceramic, glass, quartz, and steel—all materials that need to be manufactured to very high tolerances. The best way to do that is through grinding. In the years that followed, Szucs grew the domestic market for his products, then expanded internationally when the going got rough in the United States during the recession. His company is now a formidable exporter, selling to buyers in 16 countries; in testament to this success, in 2013 the company received the President's "E" Award for Exports.

The Challenge

The company started with no sales whatsoever in 1993. It spent that time doing research and development and testing to improve the product. And slowly but surely it started penetrating the domestic U.S. market and then started exporting

in 1995 to Canada. In 2002, when the economy took a hit in the United States, Advanced Superabrasives started to look at how it could diversify to protect the company from further economic swings. That was why it looked seriously at export markets, specifically China and Brazil.

The second challenge was its choices: China and Brazil. Brazil's duties and taxes are very high. In comparison, China's duties and taxes are lower but are still more than what the United States charges. The issue in China is intellectual property protection. In addition, the Chinese make grinding machines for 10 percent of the Advanced Superabrasives price.

The Solution

For entry into Brazil, Szucs contacted the U.S. Commercial Service in Charlotte, North Carolina. Specifically, he used the business matchmaking program to find buyers. He said, "That program is so helpful that they set everything up for you, and basically all we had to do is show up." He also used the North Carolina Department of Commerce to navigate the documentation requirements.

To prevent reverse engineering in China, he mixes up some of the chemical components of the product, which makes it hard to copy. The company also does the final assembly in Hong Kong. By law, Hong Kong requires that 30 percent of the value of products be added there to be considered “Made in Hong Kong.” To expand to more markets, Szucs and his colleagues (including his son, an engineer) started a trade show in Asheville. It’s an international show called Grind Tech USA. Companies from all over the world come to display their products before an international audience of buyers. Szucs’s solution? If there’s not a trade show in your industry—start one. He also attends trade events, such as the Trade Winds series, sponsored by the U.S. Department of Commerce. “We attend events like Trade Winds Asia because we get to meet companies from the region—potential customers, potential distributors. Plus, we learn about the culture of each country in the region and what they’re looking for so we can better prepare ourselves when we start dealing with these companies. It was invaluable for us.”

Lessons Learned

Szucs said he learned that because different cultures have different needs, he has to cater to those needs. “We can’t use the same approach in Europe that we’re using in Asia.” He has also learned the value of the “Made in the USA” brand.

“The United States does have a good following. People around the world, especially in Asia, look up to the United States and to U.S. products. So if you’re sincere and you have a good product, you have a very good chance of selling overseas, especially in Asia.”

He also learned the value of creating a customized niche product. “We try to tailor-make each product to each manufacturer. And then on top of that, if there is a need, what we do is we send some of our sales engineers to actually coach the people and help the people grind and make the product work for them.”

Lastly, he learned to ask for help from those most capable of providing it, especially from the federal and state government. “You don’t have to be a large company to export. That’s number one. And we’re a prime example. Second, take one country at a time, and, most important, get help.”

