

Guam State Trade and Expansion Program (STEP) Export Readiness Training Program

Getting started with export

Disclaimer: The Guam STEP grant is a state-federal partnership funded in part through a grant with the U.S. Small Business Administration (SBA). All opinions, conclusions and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA. Requests for reasonable accommodation for persons with disabilities will be made is requested at least two weeks in advance. For arrangements or inquiries, please contact the Guam Economic Development Authority at 671-647-4332 or email Step@investguam.com.



Before we start

Attendance

Please Sign-In

Use the Rename feature in Zoom to enter your first and last name, followed by the name of your business.

Powerpoint Deck

This presentation will be posted on the Guam Economic Development Authority's webpage as a resource.

1

After launching the Zoom meeting, click on the "Participants" icon at the bottom of the window.

2

In the "Participants" list on the right side of the Zoom window, hover over your name and click on the "Rename" button.

3

Type in the display name you'd like to appear in the meeting and click on "OK".

Agenda

Guam Step Program Information

Melvin Tabilas, GEDA

GUMA Program Information

Monica Guzman, GUMA

What is export? How to assess if your company is ready

Researching the market

Understanding the common costs to help set your pricing

Determine how customers will be able to find your products

Develop a plan

Guam Economic Development Authority

STEP Program Information

The Guam State Trade Expansion Program (Guam STEP), funded in part by the U.S. Small Business Administration, is intended to assist eligible small businesses enter and succeed in the international marketplace. The program's objectives are to increase the number of small businesses that are exporting, and to increase the value of exports for those small businesses that are currently exporting.

- Export Readiness Program
- International Marketing Program
- Trade Promotion Program
- Export Conference
- Eligibility Requirements



<https://www.investguam.com/step-grant/>

Funded in part through a Grant with the U.S. Small Business Administration



Guam Unique Merchandise and Art

GUMA Programs

Guam Unique Merchandise & Art's mission is to assist Guam Residents with training and support as needed to develop and succeed as a sustainable business. Our programs are developed to assist passionate & motivated artists, cultural producers, and local entrepreneurs become self-sustaining small businesses. GUMA provides access to mentoring, training, tools, and support from a variety of expertise and resources through our programs.



I BISINUN MAMI PROGRAM

Our twelve-hour training program designed to assist home-based businesses develop strong business plans.

A online training program will be available soon.



TRAINING & MENTORING (16-WEEK) PROGRAM

Come and see how GUMA can help turn your ideas and dreams into a self-sustaining Business.

Learn about our sixteen-week training program designed to train and mentor small business entrepreneurs, both new and established.

[Program Registration](#)



GRANT OPPORTUNITIES

GUMA offers grant opportunities to small and home-based businesses who have completed one or both training programs.

Learn more about how to apply by exploring the options linked below.



Celebrating 10 years
GUAM UNIQUE
MERCHANDISE & ART
GUMA

Are
you
the
next ...



Entrepreneurial Training & Mentoring Program

CLASSES START, FEBRUARY 10

Register at gumaguam.com



Come and see how GUMA can help you turn your ideas and dreams into a self-sustaining Business. We are accepting applications for our GUMA Entrepreneurial Training Program. Registration ends February 1, 2024 at 12:PM. Applications will be reviewed and those selected will be contacted by our GUMA team.

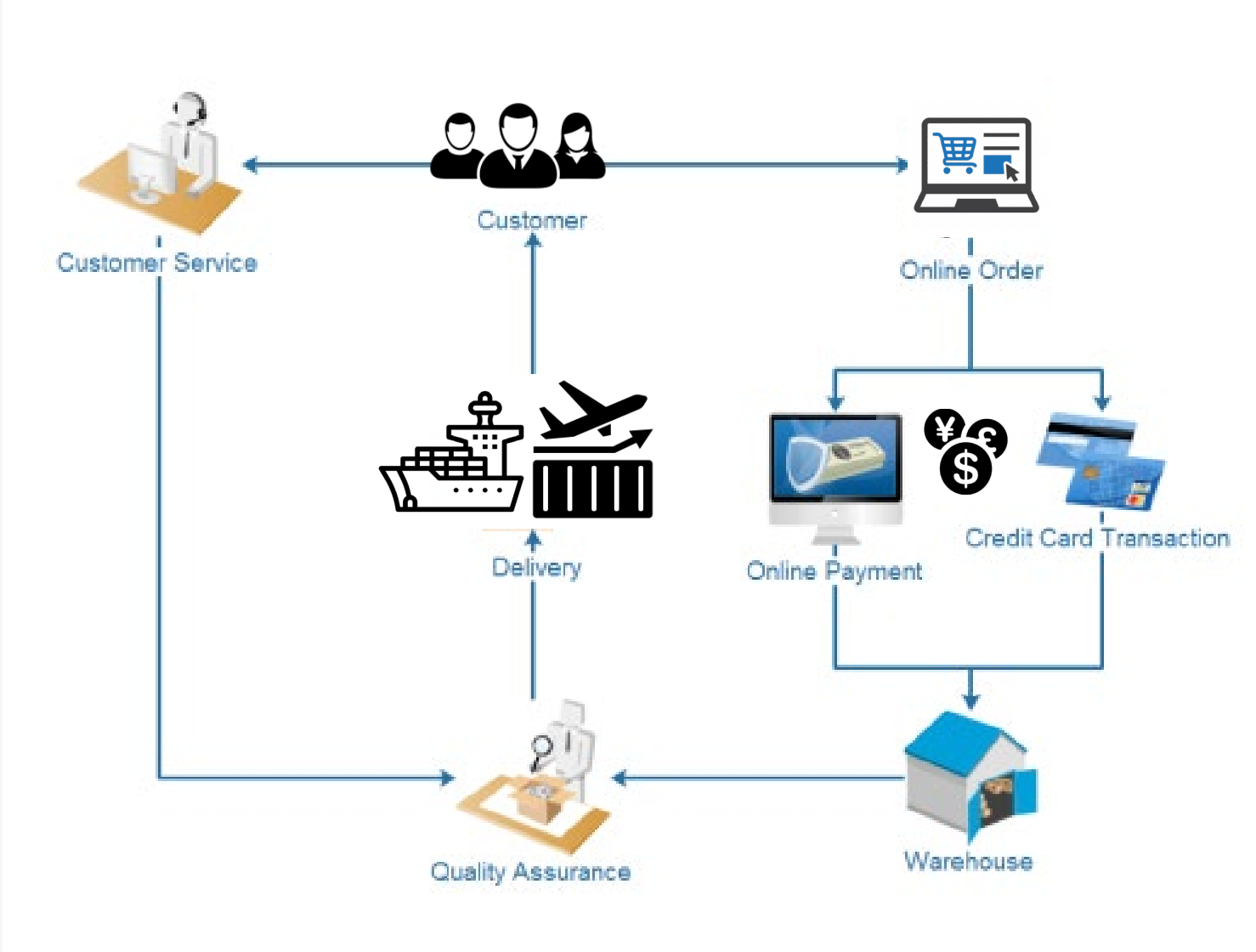


Guam Unique Merchandise and Art (GUMA) is a 501(c)(3) local nonprofit organization.



<https://www.gumaguam.com/training-mentoring-program>

The Basics of Exporting



Assessing your Business

Is your product export ready?

Use this checklist to help you determine if your product is export ready. Companies should research what the demand is for your product in the market you are targeting. These include products (and services) that are similar in shape, size, functionality, color, taste, intended benefits, and so on. Each market has a different appeal for your product. Knowing what changes or modifications need to be made to your product(s) before you start exporting, will save you time and money in the long run.

Is your product already selling reasonably well in the domestic market?	Findings	Action
Choose a period to compare your sales and financial reports. Choose a period of high-peak sales and one during a slower sales period.		
Which product(s) are selling well?		
What periods yield lower sales or are typically slower than others? What are possible reasons for slower sales during this time?		
Which distribution channel has the highest sales activity? What are possible reasons the product(s) sells better in this channel?		
Which distribution channel has the lowest sales activity? Rank them by highest to lowest. What are possible reasons the product(s) does not sell well in this channel?		

Assessing your Business

Do you have a strong share of the domestic market?

Is your company considered a market leader in the industry you're in? Or are you looking to add a new product(s) to allow you to become a market leader in your industry? There are many opportunities for companies to expand if they are seen as the go-to provider by the local market.

Assess your company's ability to produce, set competitive pricing, and the level of ease to fulfill orders on demand by customer(s)	Findings	Action
What is the current output or production rate for your product(s)?		
What are your current inventory levels?		
How often are you receiving order requests from repeat customers? Are those orders consistently stable, growing, or decreasing?		
Have customers requested for other product(s)? If so, how has your product(s) mix changed?		
Based on your current pricing strategy, are you competitive with other product(s) in the industry? What steps are you taking to establish competitive pricing for your product(s)?		
How often do you communicate with your customer(s) about product offerings, incentives, or other company offers?		

Assessing your Business

Do you have production capacity?

Manufacturing production capacity is the number of items your employees can produce in a specific period of time, like an hour, day, or week. The production capacity is the limit at which your employees can manufacture products using materials, equipment, and resources available to them in their workday.

Assess your company's current production workflow	Findings	Action
How many machines does the company have to produce product(s)?		
How many products can a single machine complete in an hour, day, or week?		
How many employees are needed to effectively run production and how many hours can employees use the machines?		
Are there other product(s) that can be created with those machines? If		
Are your machines meeting production demands for your current orders? How often are production machines maintained?		
How many additional machines will need to be procured to meet export demands? How many additional employees will need to be hired and trained?		
What is the ability for existing machines to handle product modifications?		

Assessing your Business

Do you have financial resources to support expansion?

Companies looking to export may need a significant amount of cash on hand to support initial expansion expenses. This could include costs for travel for trade shows, increase in volume for raw materials to support production, labeling and packaging, and additional shipping costs. Here are some things to consider.

Assess your company's current production workflow	Findings	Action
How many machines does the company have to produce product(s)?		
How many products can a single machine complete in an hour, day, or week?		
How many employees are needed to effectively run production and how many hours can employees use the machines?		
Are there other product(s) that can be created with those machines? If		
Are your machines meeting production demands for your current orders? How often are production machines maintained?		
How many additional machines will need to be procured to meet export demands? How many additional employees will need to be hired and trained?		
What is the ability for existing machines to handle product modifications?		

Assessing your Product

Activity



\$4.50 / 5 oz. jar



\$6.50 / 8 oz. jar



\$12.50 / 24 oz. jar



\$5.50 / 5 oz. jar

- Are these the same product?
- Target customer(s)
- Why would a customer buy their product?
- Does the company have other products?
- Where can you find these items?

Researching the Market

Identify your product's Harmonized Code

- 10-digit product identifier also known as an HS code or a Schedule-B number
- Global product classification system
- Simplifies the process to determine tariff rates when goods enter a country and for export market intel.
- Coffee beans: 090121
- Coffee beans: 090111



Researching the Market

Identify your product's Harmonized Code

Broader
category of
product

Specific
product
category

SCHEDULE B NUMBER	DESCRIPTION	UOM
19.01	<input type="checkbox"/> Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40 percent by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 0401 to 0404, not containing cocoa or containing less than 5 percent by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included:	
1901.20	<input type="checkbox"/> - Mixes and doughs for the preparation of bakers' wares of heading 1905:	
1901.20.0005	-- Cookies (sweet biscuits), waffles, and wafers	kg
1901.20.0015	-- Pastries, cakes and similar sweet baked products, including gingerbread and the like; puddings	kg
1901.20.0025	-- Other	kg

Researching the Market

Identify your product's Harmonized Code

ACTIVITY – Research your product's HS Code

- ❑ Visit: <https://www.census.gov/foreign-trade/schedules/b/index.html>
- ❑ Search the HS Code for your product. Answer product specifics.
- ❑ Enter your HS Code in your export plan
- ❑ Keep that number to see if it requires an export license.
- ❑ HS codes fit precisely 80% of all product, but there are gray areas.



Researching the Market

Do you need an export license?

The majority of commercial products are designated EAR99 (Export Administration Regulations) and generally will not require a license to be exported or reexported.

- Determine if your product fits any of the 10 designated categories used in the [Bureau of Industry and Security's Commerce Control List \(CCL\)](#).
- If the product has a specific Export Control Classification Number (ECCN) you'll need a license.

Commerce Control List Categories

0 = Nuclear materials, facilities and equipment (and miscellaneous items)
1 = Materials, Chemicals, Microorganisms and Toxins
2 = Materials Processing
3 = Electronics
4 = Computers
5 = Telecommunications and Information Security
6 = Sensors and Lasers
7 = Navigation and Avionics
8 = Marine
9 = Propulsion Systems, Space Vehicles, and Related Equipment

Five Product Groups

A. Systems, Equipment and Components
B. Test, Inspection and Production Equipment
C. Material
D. Software
E. Technology



Researching the Market

Filing for export documentation

- Export classification and any license numbers must appear on export documentation such as the Commercial Invoice and the Automated Export System (AES) filing.
- For certain exports, BIS requires AES filing regardless of value or destination.
- USPS and major freight carriers may require you to enter “NLR” – No license required – for certain EAR shipments.
- Shipments where the ultimate destination is the United States or shipments to international waters where the person/entity assuming control of the shipment is a citizen or permanent resident of the United States are not required to be filed in the AES.



Sections

Export Filing AES

The Automated Export System (AES) is the export component of the Automated Commercial Environment (ACE). It is the system for collecting, processing, and storing Electronic Export Information (EEI) from persons or entities exporting goods from the United States, Puerto Rico, or the U.S. Virgin Islands.

Getting Started in AES

Who May Participate in AES?

The following parties can file or transmit EEI to the AES.

What are the Various AES Filing Methods?

Filer may choose their EEI method of communication to the AES, including ACE AESDirect and a direct connection.

What is the ACE AESDirect Portal?

The ACE AESDirect portal is the primary, free filing tool for submitting your EEI to the AES.

What is the AES Software Certification Process?

Filing using a direct connection requires the completion of the AES Software Certification Process.

Researching the Market

Who are your customers?

Before entering a new market, companies should know who they are selling to. Are your products meant for customers or businesses? Knowing these strategies will help you to determine pricing, understand the next steps in the fulfillment and shipping process, and help to build quality relationships.

01

Demographics

Age, income, gender, family size, occupation, marital status

02

Cultural Factors

Adapt company products to fit tastes and conditions, build long-term relationships

03

Ease of business

FTA, contract disputes, FTZ, onsite agent, verified buyers

04

Logistics

Ship to ground transportation, customs, shipping costs

05

Selling Factors

Safe secure transactions, uniqueness, quality, speedy delivery, flex pay options

06

Trends

Identify most popular foreign-sourced products,

Researching the Market

How to identify current market conditions

- [CIA World Factbook](#) - provides country comparison data on demographics, economy, communications, and defense.
- [ITA Country Commercial Guides](#) - publishes annual Country Commercial Guides (CCG) designed to help companies make smart, strategic market entry decisions. Each country is detailed with information regarding market conditions, purchasing power, consumer trends, distribution channels, navigating entry constraints, best sectors, key contacts and more.
- [U.S. Department of State](#) - obtain up to date travel information about the country you are visiting. (visas, vaccinations, licenses, etc.)
- [ITC TradeMap](#) - collects trade data from 200 countries, organizes it, and makes it available online. Use data comparison tables by year to determine trade trends.

Researching the Market

How to identify current market conditions

- [Office of Textiles & Apparel](#) - OTEXA publishes reports on a monthly or annual basis. Customized reports can be done on an as-needed or as-requested basis. These statistics provide up-to-date information on the state of imports and exports of textiles, apparel, footwear, leather and travel goods industries.

<

OTEXA U.S. Exports of Footwear & Luggage: Annual Data by Category

Number of rows: 19

Selected Countries:
Federated States of Mic

October 2023

Country	Category	Description	Units	2018	2019	2020	2021	2022	2022_YTD	2023_YTD
Federated States of Mic	10	TOTAL FOOTWEAR	\$	60,262	23,658	44,288	96,962	40,318.00	40,318	6,300.00
Federated States of Mic	19	TOTAL TRAVELGOODS	\$	10,015	0	23,799	8,993	4,621.00	4,621	5,773.00
Federated States of Mic	100	RUBBER AND PLASTIC FOOTWEAR	\$	19,856	0	0	0	18,654.00	18,654	6,300.00
Federated States of Mic	101	ALL NON-RUBBER FOOTWEAR	\$	40,406	23,658	44,288	96,962	21,664.00	21,664	0.00
Federated States of Mic	105	LEATHER FOOTWEAR	\$	16,200	0	0	85,586	0.00	0	0.00
Federated States of Mic	110	PROTECTIVE RUBBER FOOTWEAR	\$	0	0	0	0	0.00	0	0.00
Federated States of Mic	111	RUBBER-CANVAS FOOTWEAR	\$	19,856	0	0	0	18,654.00	18,654	6,300.00
Federated States of Mic	112	HOUSE SLIPPERS	\$	0	0	0	0	8,082.00	8,082	0.00
Federated States of Mic	113	MEN'S FOOTWEAR (EXCEPT ATHLETIC)	\$	16,200	0	0	11,376	13,582.00	13,582	0.00
Federated States of Mic	114	WOMEN'S FOOTWEAR (EXCEPT ATHLETIC)	\$	24,206	23,658	27,638	80,070	0.00	0	0.00
Federated States of Mic	119	OTHER FOOTWEAR	\$	0	0	16,650	5,516	0.00	0	0.00
Federated States of Mic	133	LEATHER AND HIDE TANNING	\$	0	91,317	0	0	0.00	0	0.00
Federated States of Mic	134	LEATHER GLOVES & MITTENS	\$	0	0	0	0	0.00	0	5,234.00
Federated States of Mic	139	ALL OTHER ARTICLES OF LEATHER	\$	0	0	10,872	0	0.00	0	0.00
Federated States of Mic	143	FURSKIN ARTICLES NESOI	\$	0	0	0	0	0.00	0	0.00
Federated States of Mic	190	LUGGAGE/BRIEFCASES	\$	0	0	0	0	0.00	0	0.00
Federated States of Mic	191	TRAVEL/SPORTS BAGS	\$	10,015	0	23,799	8,993	4,621.00	4,621	5,773.00
Federated States of Mic	192	WOMEN'S HANDBAGS AND PURSES	\$	0	0	0	0	0.00	0	0.00
Federated States of Mic	193	FLATGOODS/PERSONAL LEATHER GOOD...	\$	0	0	0	0	0.00	0	0.00

Researching the Market

Register your company for Made in the USA Sourcing Directory

- [Office of Textiles & Apparel](#) – Register your company in the Made in the USA Sourcing directory. It's free of charge and assists buyers in sourcing U.S.-made textiles, apparel, footwear and travel goods from U.S. vendors.

The screenshot displays the 'Made in USA Directory' search results for the query 'shirt'. The search bar at the top shows 'shirt' with a search icon and a filter icon. Below the search bar, the results are categorized by gender and product type. The main results are displayed in a grid of 12 company cards, each with a company name, location, and industry. A dropdown menu is open over the search bar, showing a list of product categories for 'Men's & Boys' and 'Women's & Girls'.

Made in USA Directory

Search By Company Name or Products

shirt

Search Filter

439 Results
Page 1 of 28

PAPILIO PRINTS LLC
LINCOLN PARK, NJ
Textiles (Fabrics, Fiber, Yarn)
Additional Details

Mitts Nitts Inc
Durham, NC
Apparel
Additional Details

Precision Fabrics Group, Inc.
Greensboro, NC
Textiles (Fabrics, Fiber, Yarn)
Additional Details

Sterlingwear of Boston
East Boston, MA
Apparel, Textiles (Fabrics, Fiber, Yarn)
Additional Details

ReadyOne Industries Inc.
El Paso, TX
Apparel, Textiles (Fabrics, Fiber, Yarn)
Additional Details

WSI SPORTSWEAR
Eagan, MN
Apparel, Textiles (Fabrics, Fiber, Yarn)
Additional Details

American & Efird LLC
Mt Holly, NC
Additional Details

Unifi Manufacturing, Inc.
Greensboro, NC
Additional Details

Men's & Boys'

- Men's & Boys' > Tops > Woven dress and business shirts
- Men's & Boys' > Tops > Woven sport shirts
- Men's & Boys' > Tops > Knit t-shirts and tank tops made for outerwear
- Men's & Boys' > Tops > Sweatshirts
- Men's & Boys' > Tops > Other knit shirts
- Men's & Boys' > Underwear and nightwear > Undershirts

Women's & Girls'

- Women's & Girls' > Tops > Woven blouses and shirts

Determining costs

How to determine costs for export

Product Costs				
Categories	Estimated Budget	Current	Total	Additional funding needed
Supplies	\$ for addt'l raw materials to meet inventory levels	Current supply budget	Total of current and estimated amts	Remaining amount
Product modifications	\$ for addt'l raw materials for market specific profile	Current R&D budget	Total of current and estimated amts	Determine how soon mods need to be made before export
Equipment	\$ for addt'l equipment to support production	Current equipment / maintenance budget	Total of current and estimated amts	Consider renting v. purchase options. Include costs for warranties and maintenance.
Packaging	\$ for addt'l shipping materials (labels, boxes, tape, wrap)	Current shipping budget	Total of current and estimated amts	Remaining amount
Shipping (Services), duties	\$ for shipping services (logistics, FTZ, trade agents)	Current Shipping services budget	Total of current and estimated amts	

Determining costs

How to determine costs for export

Marketing Costs				
Categories	Estimated Budget	Current	Total	Additional funding needed
Promotional materials	\$ for content creation, ad spend	Current marketing budget	Total of current and estimated amts	Include any print promo materials in shipments.
Website	\$ maintenance, fees, payment portal, setup	Current marketing budget	Total of current and estimated amts	Will a new site need to be created or can you upgrade an existing one? Identify what is recurring v. as needed.
Translation	\$ for translation services for all products	Current marketing budget	Total of current and estimated amts	
Consultant Fees	\$ for market consultant services overseas	Current consultant fees	Total of current and estimated amts	Will you have a consultant on retainer or one time fee?
Trade Fairs	\$ travel costs, room and board, booth setup, etc.	Current Travel or R&D budget	Total of current and estimated amts	How often will you participate? Identify which is for R&D v. vendor participation.

Determining costs

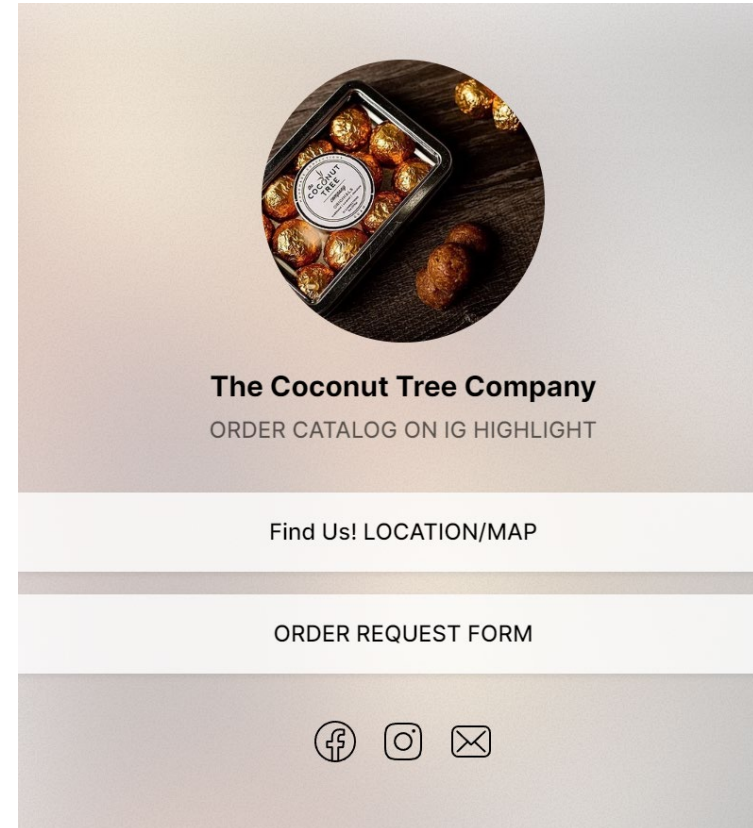
How to determine costs for export

Overhead Costs				
Categories	Estimated Budget	Current	Total	Additional funding needed
Salaries	\$ for addt'l manpower to support production	Current salaries budget	Total of current and estimated amts	Remaining amount
Lease	\$ for additional space needed for production, storage, etc.	Current Lease budget	Total of current and estimated amts	Will a new site need to be created or can you upgrade an existing one? Identify what is recurring v. as needed.
Utilities	Estimated \$ increase in usage of power and water.	Current Utilities budget	Total of current and estimated amts	Factor the rise of utility costs per year.
Insurance	\$ for addt'l insurance (shipping, health, cybersecurity)	Current insurance rates	Total of current and estimated amts	
Legal	\$ for legal services, licensing, etc.	Current Legal Budget	Total of current and estimated amts	Factor cost of licensing, IP in various markets, contracts, and retainer fees.

Distribution Channels

How will customers find your product?

- On your website
- On social media
- In online marketplaces
- Through partner sites
- Trade fairs and shows
- From reviews and word of mouth
- Sent directly from customers purchasing in store
- From newsletters and email
- Phone orders



Plan Ahead

Develop an export plan to help your prioritize

Sample Outline of an Export Plan

Table of Contents & Executive Summary

I. Introduction and Export goals

II. Situation or Background Analysis

- Product/Service for export
- Operations
- Personnel and export organization
- Resources inside the company
- Resources outside the company
- Industry Structure, competition, and demand
- Export License (if needed)
- Export control compliance
- Product classification(s)
- Products that qualify under FTAs

III. Marketing Component

- Identifying, evaluating, and selecting markets
- Product selection and pricing
- Distribution methods
- Terms and conditions
- Internal organization and procedures
- Sales goals (P&L forecasts)
- Pricing including consideration of duties, taxes, freight costs, and logistics

IV. Tactics – Action Steps

- Primary target countries
- Secondary target countries
- Indirect marketing efforts
- Quarterly accomplishments

Plan Ahead

Develop an export plan to help your prioritize

Sample Outline of an Export Plan

V. Export Budget

- Pro-forma financial statements
- Website enhancements
- Trade show visits
- Marketing materials
- Travel
- Other costs

VI. Implementation schedule

- Follow-up
- Periodic operational and management review
(Measure results against the plan)

Addenda: Background data on target

- Basic market statistics (historical and projected)
- Background facts
- Competitive environment

Success Stories

Exports from Guam



Everything Guam, LLC



Denanche' Brand



The Coconut Tree Company



Local Jerk

Thank you for attending!

Questions?

For questions about the Guam STEP Program and additional information, please contact the Guam Economic Development Authority.



GEDA (671) 647-4332



Step@investguam.com



www.investguam.com

For questions about training and business advisement, please contact the Guam Unique Merchandise and Art program.



GUMA (671) 646-3448



info@gumaguam.com



www.gumaguam.com