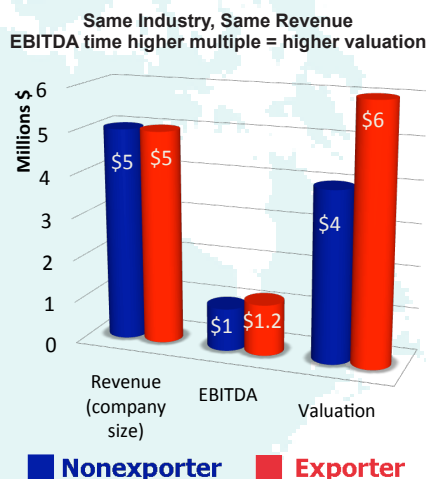


# Why Exporting Makes Sense For Cedarburg Companies

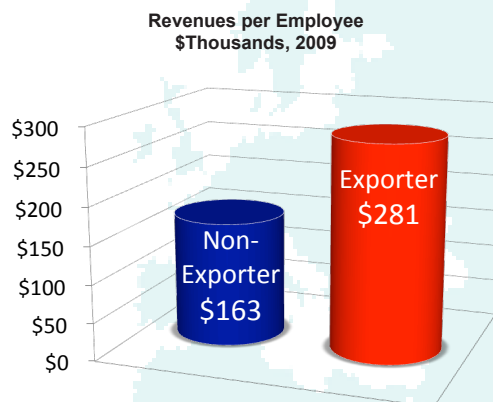
## Exporting Can Accelerate Company Valuation.

Exporters enjoy higher valuations than their nonexporting peers. One of the key factors that determines the Valuation Multiple is market risk. Because exporting companies operate in more than one economy, they spread their market risk, and thereby reduce it. This causes the Multiple to go up. Additionally, the majority of exporters enjoy higher margins and that raises their earning before interest, taxes, depreciation and amortization (EBITDA). Thus, a higher Multiple (5X for the exporter, 4X for the nonexporter in our example) applied to a slightly higher EBITDA results in a 50% lift in valuation.



## Exporters Enjoy Higher Productivity.

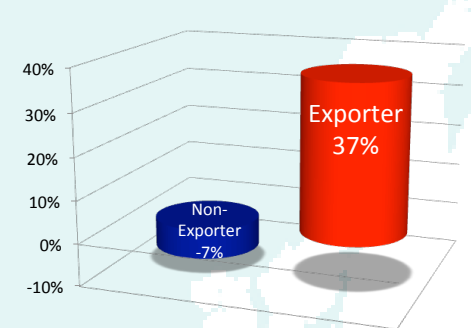
Exporting plants with less than 250 employees had 1.9 times more revenue than nonexporting plants according to the U.S. Census. The U.S. International Trade Commission found that U.S. small and medium-sized enterprise (SME) manufacturers who export earned more per firm than nonexporters. Also, labor productivity as measured by revenue per employee was over 70% greater for manufacturing SMEs that exported than for their nonexporting peers.



## Exporters Grow Faster.

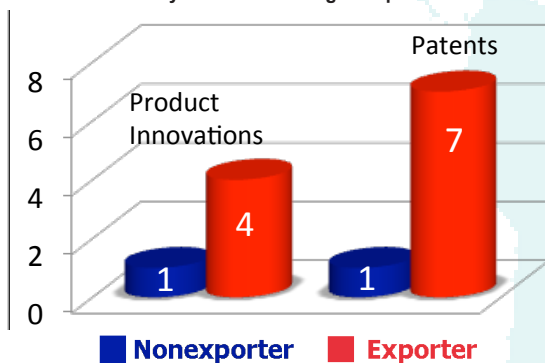
The U.S. International Trade Commission, in examining the domestic and global operations of SMEs, found that U.S. exporting SMEs outperform their nonexporting SME counterparts by several measures. Whether they deal in services or manufacturing, exporting SMEs show higher total revenues, faster total revenue growth, and higher labor productivity than their nonexporting SME counterparts.

Growth Rate 2005-2009



## Exporters Become More Innovative 2 Years After Starting To Export.

Competitive Advantage for Exporters  
2 years after starting to export.



A study done by professors at USC and the University of Minnesota found that two years after exporting, exporters file seven times more patents and deliver four times more product innovations than their non exporting peers. That's because exporters can often access diverse knowledge not available in the domestic market.

## Exporters Enjoy Stronger Workforce.

In an analysis of 94 of the largest 100 metropolitan areas, for every \$1 billion in exports of a metro area industry, workers in that industry earn roughly 1 to 2 percent higher wages, including employees without high school diplomas. This wage effect can be seen even adjusting for worker characteristics, occupation, or the characteristics of the metropolitan area. Firms that export have been shown to be more skill and capital-intensive, more productive, and pay higher wages than nonexporting firms, regardless of their size.

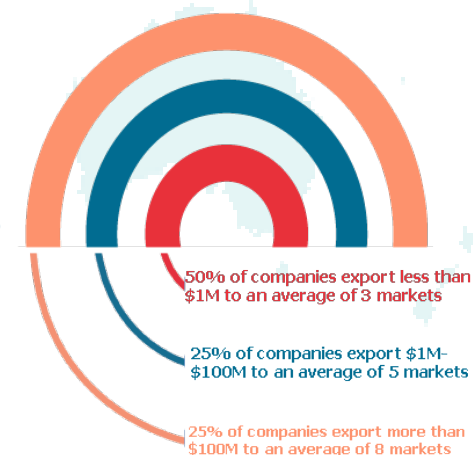


## The Scale Of The Export Opportunity Is Huge.

95% of consumers and 84% of spending power resides outside the U.S. As the middle class grows around the world, an increasing share of spending power will be outside the U.S. Just 6% of SMEs in our region export at all. Twice as many more SMEs could export but don't.

The majority of the SMEs who do export are reactive or passive exporters rather than strategic exporters. Even the largest companies in the region export to less than nine countries on average.

Canada and Mexico make up 42% of the region's exports. Canada ranks 11th in the world and Mexico 66th in spending power. There are over 100 viable country markets around the world.



# Exporting Roadmap

## Step #1

### Do I have an export opportunity?

- ☐ I could sell and deliver my product or service to a customer 500 miles away (e.g. in Toronto, Canada).
- ☐ The right people in my company are willing to travel.
- ☐ I am willing to build an international marketing plan with defined goals and strategies.

If you checked ✓ all three boxes...keep reading.

## Step #2

### How do I get started?

If you like to do-it-yourself, you may try:

The **Export Business Planner** is a free, customizable tool for small business owners who are exploring exporting. Using the planner, you can work through the critical processes of export readiness and planning.

[http://bit.ly/SBA\\_Planner](http://bit.ly/SBA_Planner)

**Wisconsin Economic Development Corporation Exporting 101** is a series of well-organized, easy-to-understand documents that will help answer basic questions you have about exporting terminology, documentation, regulations and more.

[http://bit.ly/WEDC\\_Exporting101](http://bit.ly/WEDC_Exporting101)

The **Export.gov Questionnaire** highlights characteristics common to successful exporters. Many of the questions will guide you into areas of the homepage where you can obtain more information on exporting that will help you to assess your export readiness.

[http://bit.ly/Export\\_Questionnaire](http://bit.ly/Export_Questionnaire)

## Step #3

### How do I get help?

**Milwaukee 7 (M7)** One phone call to **(414) 287-4118** can put you in touch with all the right exporting resources to make it easier for you to get started. The M7 has strong links into the broad community and it maintains an online directory of private service providers. <http://bit.ly/M7Export>

**ExporTech™** is a three session training and strategy development program providing proven methods to develop or expand an export program. It offers: targeted training focused on your company's specific needs; individual support provided by a team of export specialists; increased speed-to-market. [http://bit.ly/WMEP\\_Export](http://bit.ly/WMEP_Export)

**MMAC World Trade Association (WTA)** provides a broad spectrum of trade education programs. As the region's largest trade association, its membership includes leading trade service providers such as banks, law firms, freight forwarders, customs brokers, export consultants, etc.



**US Export Assistance Center (USEAC)** provides local trade counseling, market intelligence, business matchmaking and advocacy for U.S. business commercial diplomacy with representatives in nearly 80 countries. The region's local USEAC office helps Wisconsin exporters assess the market potential of their products/services; develop and implement a market entry/expansion strategy; identify and evaluate potential international business partners; complete export transactions.

[http://bit.ly/Wisconsin\\_USEAC](http://bit.ly/Wisconsin_USEAC)

### Wisconsin Economic Development Corporation (WEDC)

offers customized training using a team of export specialists to provide targeted support designed to increase speed-to-market. They offer the following support:

- **Global Business Development Grant Program;** accelerate international sales development
- **WEDC Trade Ventures;** help build the relationships necessary for increased international sales
- **WEDC Global Network;** has market development directors in 54 countries to help you make connections and complete transactions.

[http://bit.ly/WEDC\\_Online](http://bit.ly/WEDC_Online)

**Waukesha County Technical College (WCTC)** provides the WCTC Global Business program; teaches skills relevant to importing and exporting products and services; and explores the potential for global expansion through e-commerce and emerging technologies.

[http://bit.ly/WCTC\\_Global](http://bit.ly/WCTC_Global)

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OLD ASSUMPTION	NEW REALITY
Exporting is too risky.	Exporting to some markets, such as Canada, is no more risky than selling in the United States. Any risk can be identified and reduced thru affordable export assistance now available.
Getting paid is cumbersome and I'll lose my shirt.	Trade finance and banking have evolved to the point where selling things internationally is routine, safe, and efficient.
Exporting is too complicated.	Most exporting requires minimal paperwork. Researching markets and finding buyers can be done right here.
My domestic market is very good. I don't need to export.	Few markets remain static. To remain truly viable most companies must recognize it's a global marketplace.
I'm too small to go global.	Not true. Even 10 years ago, nearly 42 percent of all U.S. exporters had fewer than 19 employees.
My product or service probably won't sell outside the U.S.	If it sells here then chances are it sells elsewhere. Plus, help is available to test its acceptance in more than 100 countries.
I won't be successful because I don't speak another language and have never been abroad.	Cultural knowledge is always helpful, but you can learn as you go. English usually is enough and help is readily available for situations in which interpreters and translators are necessary.



The mission of Cedarburg's Economic Development Office is to encourage new business, as well as retention and expansion of existing businesses in Cedarburg. Our goal is to strengthen and enhance Cedarburg's image as a charming, accessible, historic city that offers great shopping, dining, and unique venues to enjoy the arts.

Here are just a few of the reasons to do business in the City of Cedarburg:

- Historic Downtown Cedarburg is listed on the National Registry of Historic Places
- Cedarburg was voted Wisconsin's Best Shopping Town
- The City is on Forbes Top 11 list of Prettiest Towns in America
- Cedarburg Chamber of Commerce and Cedarburg Merchants Organization – two organizations offering support and membership for local businesses.
- Thriving arts community with many artists in residence.
- Cedarburg Festivals and other events
- Visitor Destination – Many people travel from out of town to stay at our two historic Inns, to shop downtown, tour the Cedar Creek Winery and enjoy the Festivals and Art events.
- Cedarburg is located 30 minutes north of downtown Milwaukee, just off Interstate 43.
- The City is designated as a Tree City USA.

Cedarburg is the ideal location for your business, and the Economic Development Office is ready to assist you with your new venture! We are proud of our beautiful city and we are ready to welcome your business!

Contact the Economic Development Office at 262-387-2050