



Agency Priority Goal Action Plan

Increase US Small Business Export Sales

Goal Leader:

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Overview

Goal Statement

- By September 30, 2021, increase the dollar of SBA's small business export sales to \$4.7 billion (FY 2018 baseline = \$3.1 billion).

Challenge

- While 98% of exporters are small businesses, only 1% of the 30 million small businesses export. International markets provide untapped potential for the nation's small businesses.
- Nearly 33% of U.S. businesses find it difficult to access financing for international sales despite many of them being in export industries.

Opportunity

- Small businesses that enter international markets have the potential to grow their revenues, diversify their customer bases, and increase their profits. Companies that export expand faster and create American jobs with higher wages. International trade has become a more integral part of the U.S. and world economy and constitutes 28% of the U.S. economy. Nearly 95% of consumers and more than two-thirds of the world's purchasing power reside outside the United States.
- This Agency Priority Goal advances the agency's mission to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses. It aligns with the FY 2018-2022 SBA Strategic Plan Strategic Goal 1 to support small business revenue and job growth through Strategic Objective 1.2 to help small business exporters succeed in global markets.

Leadership & Implementation Team

Core Team:

- Office of International Trade (OIT)
 - Associate Administrator/Deputy Associate Administrator
 - Director, International Trade Finance
 - Export Finance Managers (EFM)
 - State Trade Expansion Program (STEP) Team
- Office of Field Operations (OFO)
 - Lender Relations Specialists
- Office of Capital Access (OCA)
 - Financial Policy and Financial Systems
- Office of Entrepreneurial Development (OED)
 - Resource Partners
 - Small Business Development Centers (SBDC)
 - Women's Business Centers (WBC)
 - Veteran's Business Outreach Centers (VBOC)
 - SCORE
- Office of Communications and Public Liaison (OCPL)
 - Regional Communication Directors

Goal Structure & Strategies

Implementation Strategy Overview:

1. Implementation of Partner Referral Protocols – The SBA will establish a process for how qualified export loan referrals will be made between the Trade Finance Division and key internal and external partners.
2. Lender Utilization – The SBA will institute a new business development and relationship management model between the Trade Finance Division and partners (OFO and OCA) to increase the number of lenders using the Core Export Loan Programs.
3. Manufacturer Outreach Campaign – The SBA will launch an outreach campaign to increase the number of manufacturers using SBA's Core Export Loan Programs, STEP grants, and international trade policy assistance tools.
4. STEP Data Management Improvement Project – The SBA will streamline the administration of its STEP grants through improvements in data management and processes. The SBA will use the resulting efficiencies to shift their state grantees' focus from compliance requirements to meeting performance measures (e.g., return on investment, utilization of funds, eligible small business concerns assisted, and new exporters assisted).

Goal Structure & Strategies

External Factors and Mitigation Strategies:

- The under-utilization of the export loans by lenders and small businesses and lack of awareness of the resources provided by SBA and our resource partners poses a challenge. This awareness could eliminate the barriers to exporting cited by small businesses, including lack of export knowledge, concerns with receiving payment, regulatory barriers and complexity, and access to capital.
- Insufficient coordination among the various resource partners (STEP Grantees, SBDCs, WBCs, SCORE) to ensure small businesses receive full access to export-support products and services poses a challenge. The SBA will increase awareness of the trade services and products it offers, particularly the export loans, by engaging in systematic outreach to businesses and lenders and establishing business referral protocols between OIT's Export Finance Managers STEP Grantees, and SBDCs.
- Manufacturing has declined across the country and small business manufacturers may not be aware of export opportunities. The SBA will target this sector for its export loan products, holding webinars, meeting with trade associations, and distributing manufacturer-relevant content via our newsletter and marketing materials to increase awareness.
- STEP grantees can use their awards for approved activities described in the Trade Facilitation and Trade Enforcement Act; however, the SBA would like to better understand which activities are the most effective. The SBA will conduct an evaluation of STEP to help grantees better serve small businesses by having better information on what works.

Key Indicators

Key Indicator:

- Cumulative value of core export sales (dollars)*

Supporting Indicators (all measured quarterly):

- Cumulative number of Core Export Loans approved
- Cumulative number of Export Working Capital Program (EWCP) loans approved
- Cumulative number of small businesses counseled
- Cumulative number of lenders trained

**Data lag in STEP reporting by grantees is a challenge. Although export sales are reported quarterly, data is preliminary until the end of the grant (two full FYs of performance) and reported 90 days after the end of the grant.*

Summary of Progress – FY 2020 Q1 & Q2

- The SBA supported \$904 million in export sales through core export loans, which represents 19% of the target, in FY 2020 Quarter 1 and Quarter 2.
- The SBA approved 154 core export loans in FY 2020 Quarter 1 and Quarter 2.
- The SBA approved 66 EWCP loans in FY 2020 Quarter 1 and Quarter 2.
- The SBA provided counseling to 1,735 small businesses and trained 2,579 lenders in FY 2020 Quarter 1 and Quarter 2.
- To increase referrals of qualified small businesses, the SBA established business referral protocols with five SBDCs and four STEP grantees through the end of FY 2020 Quarter 2. In addition, SBA completed a referral protocol (Communique) with the U.S. Commercial Service's which includes staff in over 100 USEACs locations across the country.

Key Milestones – FY 2020 – Q1

		Milestone Summary	
Key Milestone	Milestone Due Date	Milestone Status	Comments
\$646 million in core loan export sales (25% of FY 2020 goal)	Q1, FY2020	Below Target	\$462 million in sales were made. A drop in core export loan volume impacted the volume of export sales supported. In Q2, SBA will implement: 1) new oversight tools to improve productivity of Export Finance Managers; and 2) new sales tools will be available to improve effectiveness of outreach.
\$180 million in STEP export sales (25% of FY 2020 goal)	Q1, FY2020	Below Target	\$168 million in STEP export sales. In Q2, SBA will refer STEP clients to Export Finance Managers to determine if additional export financing can increase export sales.
50 Export Working Capital loans approved	Q1, FY2020	Below Target	31 loans were approved. In Q2, SBA will start new outreach campaign to increase volume by marketing to prior EWCP loan recipients.
969 lenders trained	Q1, FY2020	On Track	1,255 lenders were trained. SBA will continue to monitor progress and implement new strategies to increase loan volume from lender trainings.
558 businesses counseled	Q1, FY2020	On Track	540 small businesses were counseled. Sales tools will be available in Q2 will help SBA reach more businesses.
Referral protocols with 2 STEP grantees	Q1, FY2020	On Track	Grantees in Utah and Arizona
Referral protocols with 2 SBDCs	Q1, FY2020	On Track	SBDCs in Texas, Washington, and Virginia
One of six forms (Standard Form 425) for the User Interface Project complete	Q1, FY2020	On Track	

Key Milestones – FY 2020 – Q2

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
\$1.3 billion in core loan export sales (50% of FY 2020 goal)	Q2, FY2020	Below Target	SBA reported \$904 million of export sales supported by Core Export Loans. Export sales volume was lower due to significant drop in International Trade Loans and lower than expected results in EWCP, compared to prior year. In Q3, SBA will: 1) assist exporters with COVID-19 funding; 2) work with existing export loan borrowers to manage delayed export sales; and 3) provide export financing to businesses who's existing financing dropped by lenders.
\$360 million in STEP export sales (50% of FY 2020 goal)	Q2, FY2020	---	Preliminary data typically received 30 days after end of quarter but delayed due to COVID-19 response.
97 EWCP loans approved	Q2, FY2020	Below Target	SBA reported 66 EWCP loans. In Q3, SBA will be reaching out to lenders to help exporters who may lose private sector export financing.
1,116 businesses counseled	Q2, FY2020	Above Target	SBA reported 1,735 small businesses counseled. In Q3, SBA will continue to use full suite of new marketing tools to enable Export Finance Team to work with businesses.
1,937 lenders trained	Q2, FY2020	Above Target	SBA reported 2,579 lender trainings. In Q3, SBA expects to train lenders on tools to help existing borrowers impacted by COVID-19 and structuring new export financing for exporters who lost private sector export financing.
Referral protocols with 4 STEP grantees, 4 SBDCs, one USCS Region	Q2, FY2020	Above Target	Referral protocols with 4 STEP grantees, 5 SBDCs and a communique with the entire USCS (more than 100 US Export Assistance Centers) were completed.
Three of six forms for the User Interface Project complete	Q2, FY2020	Above Target	Six forms complete; awaiting final to be tested by States.

Key Milestones – FY 2020 – Q3 & Q4

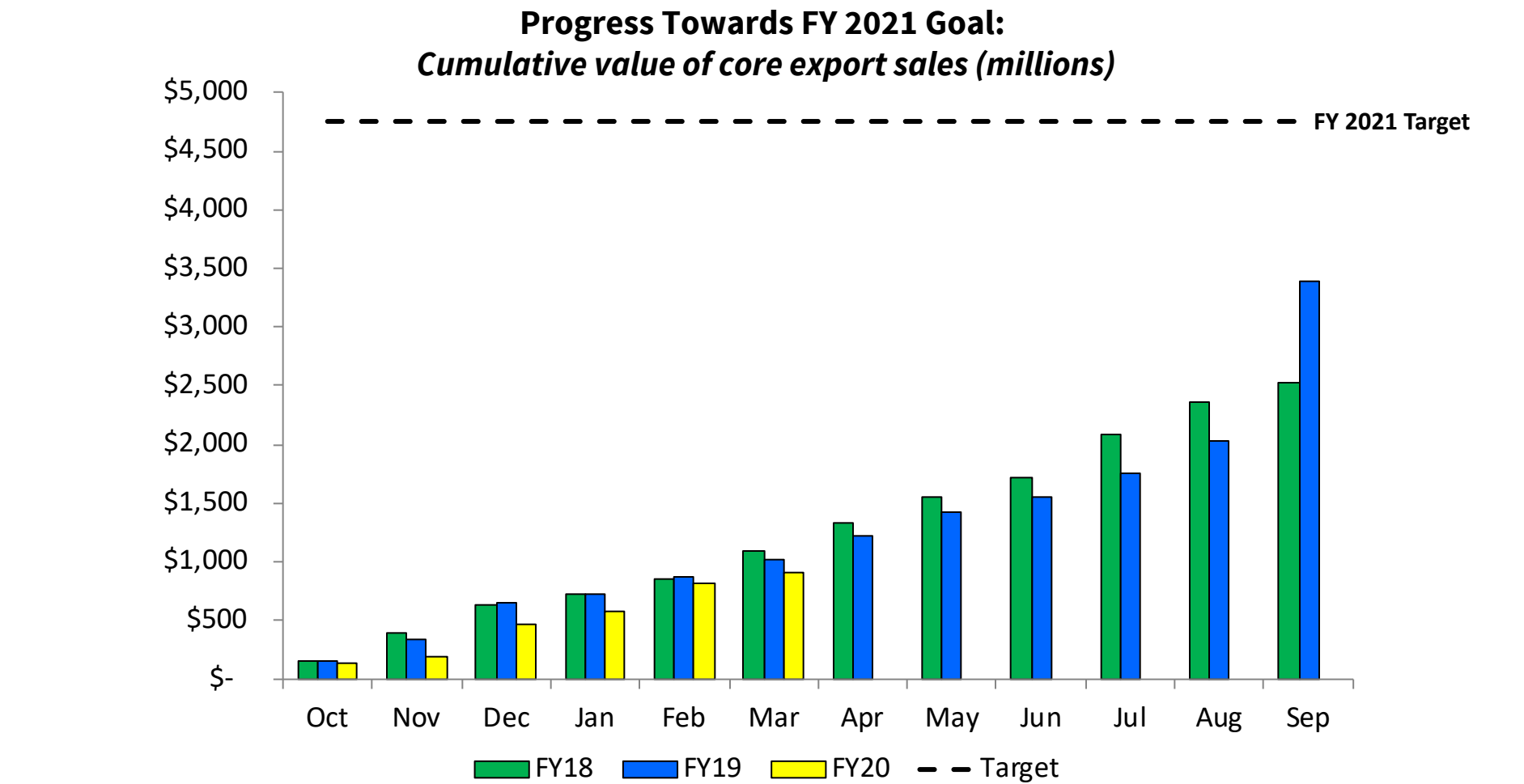
Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
\$1.9 billion in core loan export sales (75% of FY 2020 Goal)	Q3, FY2020		
\$540 million in STEP export sales (75% of FY 2020 goal)	Q3, FY2020		
146 EWCP loans approved	Q3, FY2020		
1,674 businesses counseled	Q3, FY2020		
2,906 lenders trained	Q3, FY2020		
Referral protocols with 6 STEP grantees, 6 SBDCs, one USCS Region	Q3, FY2020		
FY 2020 Goal: \$3.3 billion in export sales, of which: <ul style="list-style-type: none"> \$2.6 billion in core loan export sales \$720 million in STEP export sales 	Q4, FY2020		
195 EWCP loans approved	Q4, FY2020		
2,232 businesses counseled	Q4, FY2020		
3,875 lenders trained	Q4, FY2020		
Referral protocols with 8 STEP grantees, 8 SBDCs, one USCS Region	Q4, FY2020		
Completion of User Interface Project	Q4, FY2020		

Key Milestones – FY 2021

Milestone Summary			
Key Milestone	Milestone Due Date	Milestone Status	Comments
Conduct 8,700 acquisition reviews	Q1, FY2021		
Review 825 sub-contracting plans	Q1, FY2021		
Host 3 SBPAC meetings	Q1, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q1, FY2021		
Conduct 10,500 acquisition reviews	Q2, FY2021		
Review 1,650 sub-contracting plans	Q2, FY2021		
Host 3 SBPAC meetings	Q2, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q2, FY2021		
Complete 70% surveillance reviews	Q3, FY2021		
Conduct 26,100 acquisition reviews	Q3, FY2021		
Review 2,475 sub-contracting plans	Q3, FY2021		
Host 3 SBPAC meetings	Q3, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q3, FY2021		
Complete 100% surveillance reviews	Q4, FY2021		
Conduct 31,000 acquisition reviews	Q4, FY2021		
Review 3,300 sub-contracting plans	Q4, FY2021		
Host 3 SBPAC meetings	Q4, FY2021		
Counsel 1,600 small businesses (PCRs sessions)	Q4, FY2021		

Note: Quarterly milestones are based on the cumulative number of reviews performed by SBA PCRs and on the cumulative number of surveillance reviews performed.

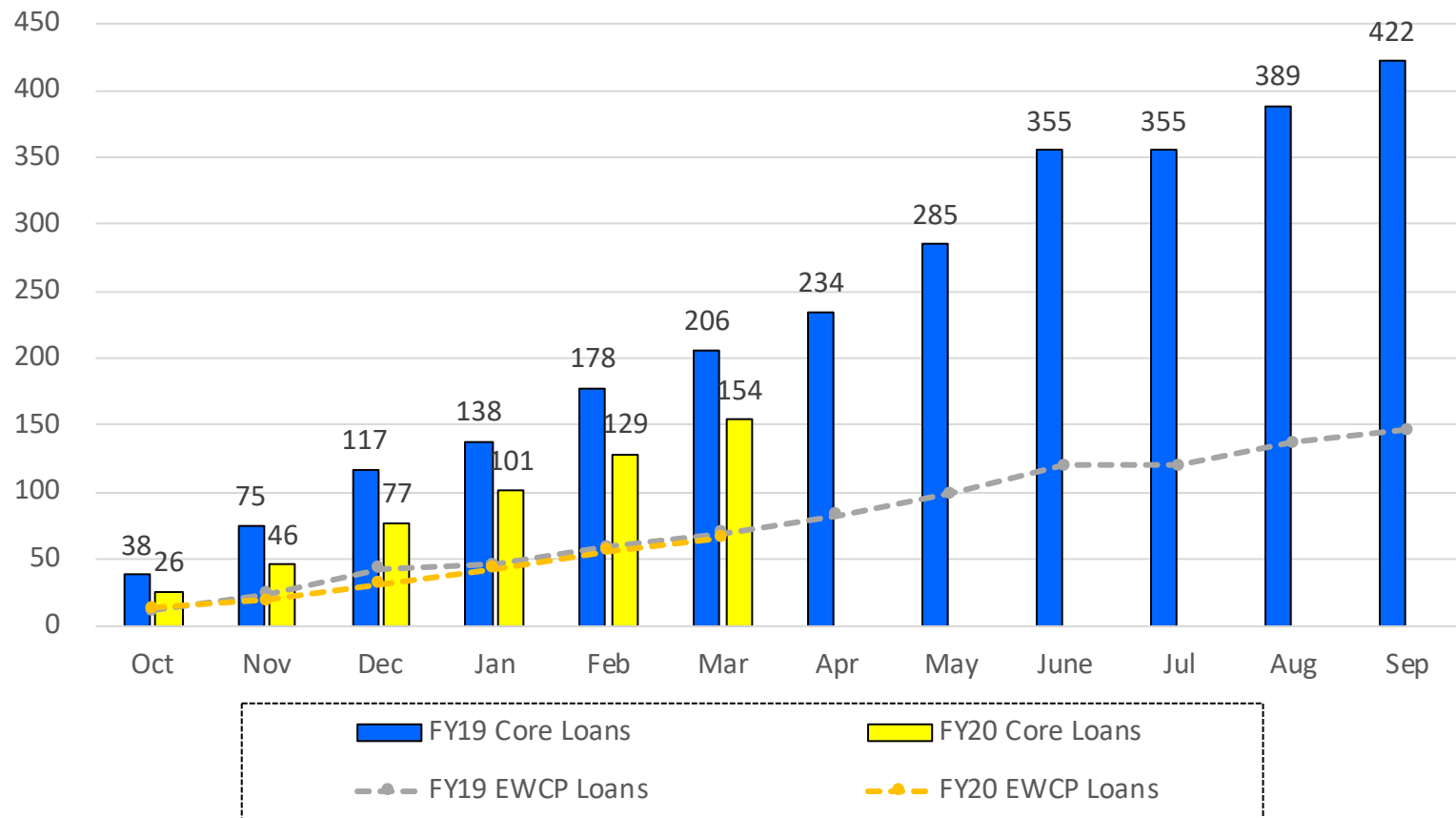
Key Indicators



The SBA supported \$904 million in export sales through core export loans in FY 2020 in Quarter 1 and Quarter 2, which represents 19% of the two year target.

Key Indicators

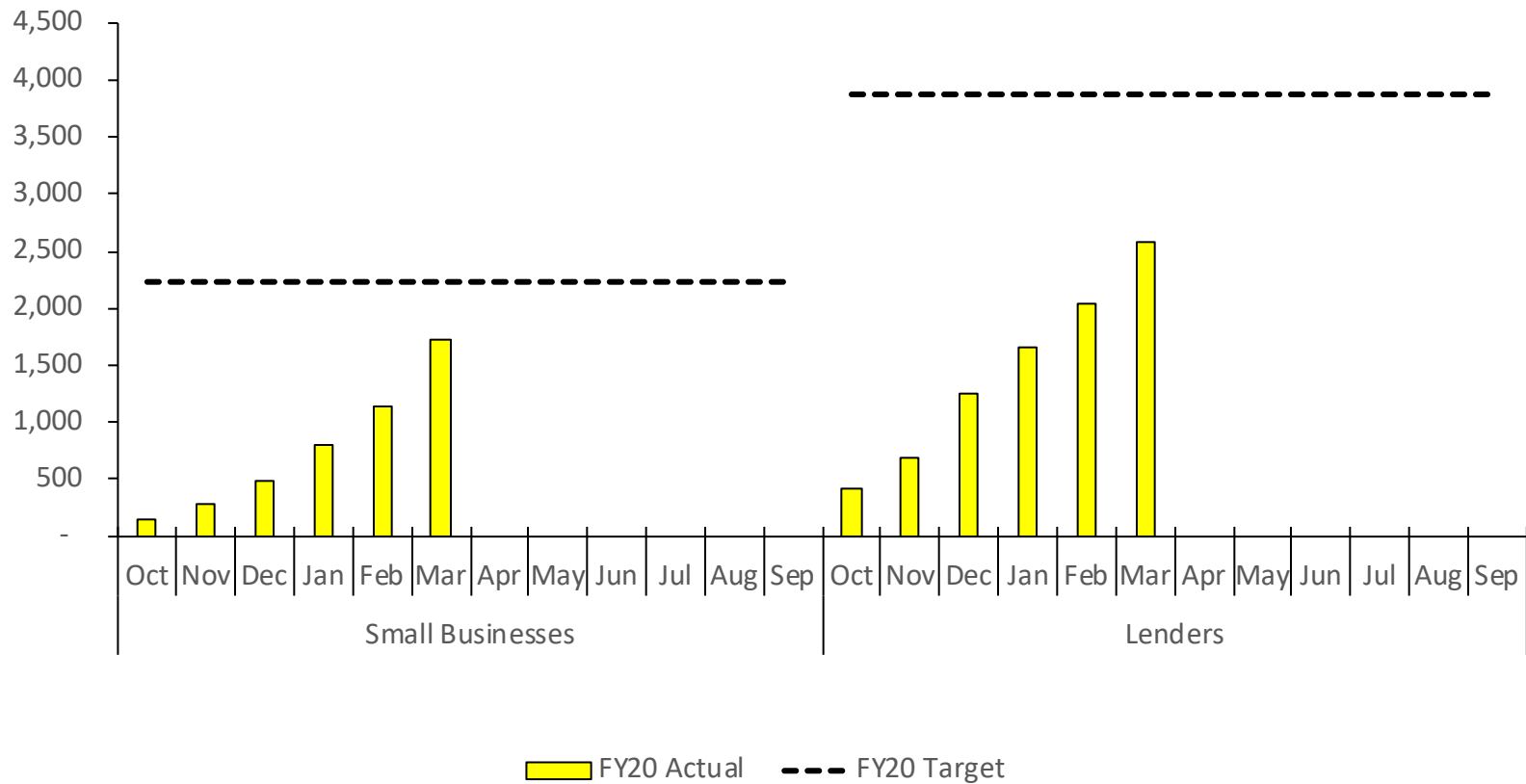
Supporting Indicators: *Cumulative number of core export loans and EWCP loans approved*



In FY 2020 Quarter 1 & Quarter 2, the SBA approved 154 core export loans and approved 66 EWCP loans.

Key Indicators

Supporting Indicators: *Cumulative number of small businesses counseled and lenders trained*



In FY 2020 Quarter 1 & Quarter 2, the SBA provided counseling to 1,735 small businesses and trained 2,579 lenders.

Data Accuracy and Reliability

Export loan data are available in E-Tran. Export sales data are self-reported by the borrowers and loan data are provided by lenders. Numerous rules are built into the E-Tran system to minimize errors.

STEP data are available four months upon the close of each quarter and are not verified by SBA upon receipt from the grantee. Recipient data are reported to SBA on small business sales facilitated by STEP assistance.

Salesforce data are reported by the Export Finance Managers after consultation with small businesses and lenders.

Additional Information

Contributing Programs

- 7(a) Loan and 504 Loan programs provide financial assistance to small businesses by providing access to capital.
- Small Business Development Centers (SBDC), Women's Business Centers (WBC), Veteran's Business Outreach Centers (VBOC), and SCORE help entrepreneurs connect with training and funding opportunities.
- State Trade Expansion Program (STEP) supports small business trade by making grants to states and territories to help them assist eligible small businesses enter and succeed in the international marketplace.
- US Export Assistance Centers (USEAC) provide front-line outreach and service operations for U.S. exporters.

Other Federal Activities:

- The U.S. Department of Commerce, U.S. Export-Import Bank, the U.S. Department of Agriculture, and other relevant state agencies work to ensure that small businesses receive greater access to federal and state export programs and services.
- The Trade Promotion Coordinating Committee Small Business Working Group is an interagency task force that ensures the coordination and development of a government-wide export promotion plan.

Stakeholder / Congressional Consultations

The SBA consulted with congressional appropriation and authorizing committees and with other federal agencies including the U.S. Department of Commerce.