

## Smaller Exporters: Minimize Risk, Export with Confidence

*EDC and its Emerging Exporters Team are on call for smaller exporters — companies with annual exports of up to \$1 million — to help them grow their exports through specialized insurance and financing support.*

The Emerging Exporters Team is staffed by a wide variety of specialists who are in the business of managing risks associated with exporting.

The team offers services including export credit insurance and export financing. Export credit insurance is a risk management tool that protects exporters against 90 per cent of a loss if foreign buyers don't pay. Small business will often use this security to obtain working capital financing from their bank. Export financing involves loans to foreign buyers so that they can purchase Canadian capital goods.

Small businesses involved in exporting have three key needs: quick decisions, accessibility and the elimination of red tape. Everything about the way the group works — from the application processes through to the ongoing relationship with exporters — has been designed with these fundamentals in mind.

EDC offers export credit insurance and line of credit financing over the phone. The difference between this and other call-centres is that you're reaching an experienced decision maker (not an operator), someone who can make decisions on the spot. That means EDC can put coverage in place on the spot in as little as 15 minutes, handle all ongoing export credit needs of customers, and refer entrepreneurs to others if EDC cannot help

directly. The team can also fax applications and information regarding its services instantly while on-line with customers. Customers and potential customers can dial a 1-800 line from 9:00 a.m. to 5:00 p.m. their time from anywhere in Canada.

It is this streamlined approach that has won kudos from its many new customers. Since the team's inception in early 1995, more than 2,000 small businesses have better risk protection on their exports to the U.S. and overseas.

Philip Humfrey, President, Excalibur Machine & Tool Co. says the team's efforts to respond to his unique needs as a small business involved in exporting is welcome.

For smaller exporters like Excalibur, obtaining bank financing can be a challenge. "With the support of EDC, we have been able to arrange bank financing on our foreign accounts receivables, growing our U.S. customer base to more than 60 per cent of annual sales."

Another new way to obtain financing against a company's export business is the Master Accounts Receivable Guarantee (MARG). Developed in co-operation with eight major financial institutions, the program helps exporters increase their operating lines of credit. MARG works because EDC provides a guarantee to the bank, turning the exporter's receivables into working capital. Companies apply for

the program through their banks. Once approved, the funds are available under their operating line of credit up to a maximum of \$500,000.

Not all exports are sold on 30-day or 60-day credit terms. Exporters whose foreign buyers are requesting medium-term financing (i.e., a repayment period of more than one year) in order to purchase Canadian capital goods and related services now have a number of options available to them. Depending on the needs and characteristics of the deal, EDC's team of specialists can work with Northstar Trade Finance, a B.C.-based company specializing in financing for capital goods exports, or directly with exporters and their foreign buyers to find the right solutions.

No company is too small to export, and no company is too small for EDC. The emerging Exporters Team can be reached at 1-800-850-9626.

