

# Global From Day One - Small Business Mantra of the 21st Century

Some people may think that international business is too complicated and out of reach; however, you don't have to be a multinational superstar to diversify abroad.

The cost of doing international business has never been so low - and the opportunities have never been so readily available. For the first time, small businesses can reach across borders and compete in overseas markets in much the same way as the multinational leviathans.

Revolutions in trade and production have brought down many barriers to entry. Galvanized by emerging technologies like digitization, ecommerce and 3D printing – production costs of everything from an e-book to complex machinery have come down dramatically. More people around the world (including U.S. Americans) are learning multiple languages and taking advantage of numerous low cost collaboration tools that are available to anyone with an internet connection. Tools like Google Translate, Gmail, Skype, DropBox, PayPal and eLance.com – just to name a few.

The data supports this growth of doing business across borders – 97 percent of U.S. small and mid-sized enterprises (SMEs) that sell on eBay also export on eBay. As if the urgency was not completely clear, HSBC Bank estimates that global goods trade will grow at eight percent annually through 2030, doubling by 2022, and tripling by 2028.

**The next generation of high performing small businesses will be “born global companies,” ready to compete anywhere in the world where there is money to be made.**

Here is a story to help illustrate my point:

Three years ago, I joined a startup company in the medical device space. The business plan - written before I came on board - included the typical expansion verbiage, “Build domestic sales in years one through three and then expand into overseas markets.”

When the website went live, customers from around the world were trying to give us money for our product.

The decision was simple - move up the timeline. I happened to have an international business background and began ramping up our intellectual property, regulatory paperwork, and marketing materials right away. Pushing us forward, our better funded, multinational competition also made it clear that they were right on our heels. To be clear, our new product advantage was going to be short – so we had to launch fast, launch smart, and sell in as many markets as we could before our competition caught up.

This story is quickly becoming the norm.

This situation is also becoming the hallmark of the most successful small and mid-sized enterprises (SMEs). According to a General Electric and Ohio State University study, the

top-10 percent of the best-performing SMEs are selling in global markets far more often than the rest. This top 10% also see expansion abroad as “absolutely essential” to future growth and profitability. Making the point even stronger, in 2005-09, U.S. SME manufacturers that exported grew by 37 percent, while non-exporter companies shrank by seven percent.

So how do you expand your international business?

Contact your local International Trade Center (ITC) and join an international trade association.

International Trade Centers are some of best and underutilized resources your tax dollars have already purchased. This coupled with the knowledge base of a good international trade association can be an extremely effective way to navigate most global trade challenges.

The moral of the story - first-world markets are maturing and other markets around the world are growing fast. Kati Suominen, founder and CEO of TradeUp Capital Fund, put it well, “No longer do companies need scale to trade internationally; they need international trade to scale.” The new 21st century twist is that access to these markets has never been easier, and there are more tools than ever to sell a good product in global markets.