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As this magazine hits the stands, Denver is hosting trade ministers from 34 Latin American countries in the Hemispheric Trade and Commerce Forum, a follow-up to last year's Summit of the Americas in Miami. Besides developing a Free Trade Area of the Americas, the aims of the nearly 900 participants attending from June 29 to July 2 are to build relationships, strengthen democracies, assure ease of exporting and importing, and build a stable middle class hemisphere wide, according to U.S. Trade Representative Mickey Kantor.

The forum is "the most important opportunity we've ever had to have [these dignitaries] get an idea of what Colorado is," says Morgan Smith, director, Colorado International Trade Office. With a new airport, a new U.S. Export Assistance Center and University of Colorado at Denver's Aspen Global Forums expanding into additional countries, Colorado seems to be on a roll. And there's more than the behemoths that make the daily papers:

- \* Superior Saddle Trees in Grand Junction is the world's leading manufacturer of saddle trees for western saddles.
- \* All the beef in the box lunches sold in Japanese 7-11s is from Colorado.
- \* Arvada-based Mark VII sells touch-free, automatic car wash equipment world-wide.
- \* SuperFlow in Colorado Springs has provided most of Mexico City's vehicle emissions testing equipment.

Caveat: Historically, both government and business have focused on exports when the domestic market was down, but pulled back when it improved. "The key is sticking it out, being consistent and wanting those relationships," says Smith.

("A personal relationship with our South American distributors is more important than in the U.S.," says Montrose-based TEI Rock Drills President John Patterson, who stays at his Peruvian distributor's home when he travels and has hosted his child as an exchange student here.)

But the debate rages on over government's role in supporting international trade

development. After a grueling review in January, the state's International Trade Office survived, but with a budget cut.

"About 80 percent of the U.S. exports come from 50 companies," says ITO Deputy Director Laurel Alpert. "But, some of the highest growth rates among companies exporting are among the smaller companies."

In a field dominated by large manufacturers, Patterson of TEI (\$1.5 million in revenues) says, "If we were going to expand sales, we needed to look elsewhere [than the U.S.]. We chose South America because I can always get there in one day and it's one language. I can speak Spanish now, but Portuguese I'm still working on. And there's a lot of mining in South America." TEI's drills for mining, construction, utilities and exploration can be found in Mexico, Venezuela, Brazil, Peru, Chile and Bolivia.

While Patterson estimates it's about five percent more expensive to do business abroad, he's also found a greater openness. "It's easier to introduce new equipment because they like to save money more than Americans do. Americans want to know name brands and if you've been in business for 100 years."

Delta Translation International, which moved to Denver from Chicago three years ago, has doubled its business every year and plans to triple in 1995. Delta hires in-country nationals with technical expertise (medicine, law, mining, etc.) to translate, edit and proof in more than 30 languages.

"As we look at these [client] companies, any company that's growing or plans to grow in the next 10 years is looking international," says CEO Mary Easterday. "That's where the opportunity lies." Fifty-five percent of Easterday's Colorado-based clients are in mining and telecommunications, 20 percent in manufacturing, 15 percent in high tech, and 10 percent in other industries, including advertising and tourism.

Colorado's industry no longer is limited to agriculture, mining and tourism. "Colorado has a lot more good technology than people realize," says Smith. "When I give speeches, people are surprised to hear that manufactured products outdo agriculture three to one."

Colorado's manufactured exports totaled \$4.09 billion in 1994, contributing to the state having the fastest U.S. two-year export growth rate. According to the Massachusetts Institute for Social and Economic Research (MISER) and the U.S. Bureau of the Census, Colorado's top three manufactured export categories are: industrial and commercial machinery and computer equipment; measuring, analyzing and controlling instrumentation, photographic, medical and optical goods, watches and clocks; and electronic and other electrical equipment and components. Top markets are Japan, Canada and the United Kingdom.

Agriculture's \$886 million in exports for 1993 made it second only to industrial machinery and computer equipment, making up 22 percent of that year's total exports. Top agriculture markets are Japan, Canada, Mexico and South Korea.

Though services are known to contribute substantially to the balance of trade, they're difficult to track and figures aren't available.

Export-related jobs are the least expensive to create and pay an average of 12 to 17 percent more than other jobs, says the Small Business Exporters Association. According to the Colorado ITO, international business directly accounts for roughly 80,000 manufacturing and 20,000 agriculture jobs in Colorado. As for foreign-owned companies in Colorado, a 1993 KPMG Peat Marwick study identified 21,879 jobs in 182 companies.

The MISER/Census figures place Colorado's exports at .88 percent of the U.S. total. Washington D.C.'s Corporation For Enterprise Development says Colorado accounts for more than one percent of the United States' total exports. Colorado's foreign trade dollars have risen 74 percent since 1987 - though relative to other states Colorado has dropped from 13th in 1987 to 17th in 1993, possibly because exports are not always credited to the state where they were produced. Hewlett Packard's Colorado-built exports are 65 percent of its production - more than \$500 million - but have never appeared on the state's manifests.

"People are now saying," says Smith, "that Colorado's caught up to the Silicon Valley in terms of some areas of technology, that maybe Colorado is one of the nation's leaders in terms of environmental technology." Colorado's environmental industry is organizing to give itself a presence, which may serve as a model for action for other industries in the same boat.

The Colorado Environmental Business Alliance was formed two years ago by Ralph Peterson of CH2M Hill and Holme, Roberts and Owen attorney Skip Spensley. By 2000, says co-chair Spensley, the environmental market in the U.S. alone - 40 percent of the global sum - is expected to reach \$300 billion.

"We're trying to bring visibility to Colorado as an international place to do environmental business. We feel we're on the forefront of air and water and solid waste, hazardous waste kind of activities, just by virtue of the issues we've dealt with here in Colorado. We really do have a unique set of resources in Colorado through our universities, research centers and businesses."

The Colorado ITO has put together profiles in Spanish and English of Colorado's air and water treatment resources; a solid waste profile is due soon. Smith says the profiles present several Colorado organizations with experience to solve other country's problems; his office arranges meetings among interested parties.

The Colorado ITO also has helped put together joint agreements with Mexico and Chile to solve their air pollution problems. It's the best route to credibility, says Smith. "In a lot of those countries, they're way behind the U.S., they don't have the trained personnel, they're being overrun by salesmen, and they're saying, 'We're tired of all these people coming in. We need some people to come down and actually help us figure out what to

do. We need some relationship between our scientists and your scientists."

"In South America," says TEI's Patterson, "governments are well-respected, so when the Colorado ITO people say they're from the state of Colorado, we get immediate attention and invitations that we wouldn't get otherwise." Since 1991, TEI's international trade has grown from 15 to 48 percent of the 10-employee firm's sales.

Over the past 18 months, Denver's Roybal Corporation has expanded its environmental services division from three to 21 members. It now makes up one-third of both its employees and revenues (70 percent of which is international). In that period, Roybal's done water quality assessment, asbestos inspection and asbestos abatement oversight and central air conditioning evaluation in 40 U.S. embassies around the world, and many more are on the agenda.

"One of the biggest challenges has been hiring staff that's interested and capable of heading to Russia or Pakistan or some place in western Africa on two days' notice and to be able to work there effectively," says Doug Cushing, division director. "You have to be willing to go to the rough places. Our people who just came back from Pakistan said that every night they could hear gunfire from the balcony of their hotel rooms."

The environmental industry's cooperative approach is nothing new - it's worked for wheat growers since 1958. Colorado wheat producers contribute one penny per bushel to fund the Colorado Wheat Administrative Committee and the U.S. Wheat Associates, whose 17 worldwide offices are also partially funded through the federal government's Cooperator Program for overseas market development.

Known for its high quality, Colorado produces about four percent of U.S. wheat and is the ninth-largest wheat-producing state. Colorado Wheat shows the state's 1994 wheat exports totaled \$249.1 million.

Because of Colorado's small population, lack of substantial milling and baking industries, and improvements in technology, exports are critical to wheat producers' survival. While only about 50 percent of U.S. wheat is exported, more than 80 percent of Colorado's goes abroad. Exporting keeps wheat prices up, just as it does for other commodities like cattle.

Patience and long-term thinking are key to developing new markets. Japan is Colorado's largest wheat market. "We started market development in Japan in the 1960s," says Darrell Hanavan, Colorado Wheat's executive director. "Wheat was introduced through the school lunch program there and that's how diets changed. It took a generation to do it. Per capita consumption of wheat in Japan is nearly the highest in Asia."

In Mexico, U.S. perseverance and ability to think long-term are being sorely tested. "I'm essentially writing off 1995," says the ITO's Smith. "The dilemma for us is that we have an office in Guadalajara. We have to find a way to continue that presence even though we know that the business is not going to be really strong. We don't want to get into a position of having Mexicans turn around and say, 'You guys are only here during the

good times."

Despite the recent downturn, NAFTA has made Mexico "more attractive to us," says Laurie Good, planning and analysis manager for worldwide field operations at StorageTek, where exports total \$400 million, about 40 percent of total sales. "This year we actually purchased our Mexican distributor and turned [that operation] into a subsidiary."

Mexico is just one of the challenges of going international. Roybal's had to learn each country's pricing structures (in western Europe, certain services and equipment can be extremely expensive), how to bring equipment across borders (many countries don't have hardware stores and customs can get mired in red tape, delaying projects for months), and the intricacies of air travel (African countries may only have one or two flights each week, which they greatly over-book. Besides, those flights can't be purchased from the U.S.).

When it tried to penetrate the eastern European bloc countries, StorageTek discovered that technology wasn't sufficiently developed in the region.

And financing can be difficult. The federal government's Export-Import Bank has doubled the size of its programs, but they remain limited.

Still, if Colorado Silica Sand, Inc., a Colorado Springs-based firm, can sell sand to Saudi Arabia ...

The 40-employee company's high-quality silica sand is used in hydraulic-fracturing and gravel-packing oil and gas wells, filter media for water, and waste water and industrial effluent processes. Its environmental sand for waste cleanup is finding success in developing countries. International sales comprise 30 to 45 percent of CSSI's total. "Historically, our market would be local," says CEO Run Singh. "Now the market is global and if you sell a high-quality product, you can sell it anywhere."

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