

Services exports comprise one-third of U.S. total exports. With America becoming more of a services-oriented economy, this sector is an important source of value added growth and job creation.

EXIM provides support for U.S.-based companies selling services internationally. Past EXIM support for services includes engineering and consulting, information technology and telecommunications, services related to oil and gas, and mining.

EXIM can also finance services in conjunction with sales of U.S.-made products as well as free-standing services such as architectural services, and those performed by freight forwarders.

## REDUCING RISKS AND UNLEASHING OPPORTUNITIES

EXIM's export credit insurance provides your business with the confidence necessary to enter new markets, gain new customers, and boost sales. This simple tool has significant benefits:

- **Limits Your Nonpayment Risk** for many commercial and political reasons. It covers up to 95 percent of your sales invoice. You can protect export sales to a single buyer or multiple buyers.
- **Allows You to Extend Credit** to your qualified foreign buyers. It can improve the cash flow of your customers by replacing methods such as cash-in-advance and letters of credit.
- **Provides You with Access to Financing** by enhancing the quality of your company's balance sheet. Your foreign receivables become insured by the U.S. government, allowing your company to borrow against them.

## POLICY OPTIONS

EXIM offers support for services performed by a U.S.-based personnel, invoiced to and paid for by a foreign entity. There are several short-term insurance policies:

- **Express Insurance** is best for SBA-defined small businesses with  $\leq$ \$10 million in export credit sales and up to ten foreign clients.
- **Small Business Multi-Buyer Insurance** is for SBA-defined small businesses with  $\leq$ \$10 million in export credit sales and provides coverage for all foreign clients.
- **Standard Multi-Buyer Insurance** is best for companies with experience in international markets and provides coverage for all foreign clients. This tool provides the flexibility to make credit decisions without prior approval from EXIM.
- **Single-Buyer** policies allow companies to insure single or multiple shipments to just one customer.

## ELIGIBILITY

To be eligible for EXIM support:

- There must be a contract or purchase order;
- The service providers must be legal U.S. workers (as evidenced by an I-9);
- The U.S. entity must own any foreign-developed licenses for at least a year;

## ELIGIBILITY (continued)

- Insurance policy services endorsements must exclude contract cancellation/frustration risks; **and**
- In the event that a buyer has defaulted for more than 90 days and/or a buyer has terminated the contract, the exporter must discontinue services.

In addition, small businesses must have more than 50 percent U.S. content based on direct and indirect costs for either:

- Each service listed on a separate invoice, showing all items with more than 50 percent U.S. content; **or**
- One invoice that shows the aggregate content of all services are more than 50 percent with an accompanying content report. Otherwise, only the U.S. content is eligible for coverage.

Non-Small Businesses must have:

- More than 50 percent U.S. content based on direct costs for each service listed in a single invoice.

Note: EXIM can provide support for recurring royalty fees and overseas franchise fees on a case-by-case basis.

## SUCCESS STORY

### DC Company Provides Interactive Ordering for Consumers Worldwide

**Radius Networks, Inc.** is a small, Washington, DC, technology company that helps consumers around the world spend less time waiting in lines to place their orders. The company provides “mobile proximity” solutions, such as interactive kiosks and location technologies to customers across the globe. Radius Networks’ solutions enhance the customer’s fast food experience, have been embraced by some of the world’s largest multinational companies. Landing a contract with the size and scope of McDonald’s is an awesome opportunity for any business.

#### EXPORT CHALLENGE

McDonald’s global is not one monolithic company but rather an enterprise of thousands of individual corporate partners across 119 countries that Radius Networks must sell to directly. Doing business with large multinational organizations may be every small business owner’s dream, but it comes with a price. If an overseas buyer does not pay the bill, small companies have very limited recourse to recover the funds, unless those bills are covered by export credit insurance.

#### EXIM SOLUTION

Working with EXIM and insurance broker Global Insurance Services, Radius Networks navigates this overwhelming landscape and delivers the highest quality solutions to the world’s largest fast food chain. EXIM’s export



credit insurance protects Radius Networks against nonpayment by international buyers (covering up to 95 percent of the sales invoice). But the real value to the company is EXIM’s export credit insurance gives the small business the ability to respond to a huge worldwide opportunity. This 40-person company is empowered to compete for large contracts that require global fulfillment.

#### RESULTS

In only two years, EXIM has supported more than \$10 million of Radius Networks’ export sales.

**NEXT STEP:** Contact EXIM’s export finance regional directors who are ready to help your U.S. company win sales worldwide. They will answer your questions and expedite the application process.

800.565.3946 [EXIM]  
[exim.gov](http://exim.gov)



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