

2020 Business Services Contract- Kansas Global Trade Service



Economic Development

March 17, 2020



2020 Business Service Agreement- Kansas Global Trade Services (KG)



- Kansas Global Trade Services' mission is to promote and facilitate international trade through education, communication, research and assistance.
- KGTS provides specialized assistance and research to companies wishing to expand their access to the global marketplace, or to enter it for the first time. KG also conducts promotional campaigns, language classes, seminars, trade missions and presentations aimed at creating awareness of such opportunities.
- In 2015, Kansas Global was tasked to lead the Wichita-South Central Kansas Regional Export Plan five-year implementation. KG was paid \$200,000 annually by the City and KG completed the five year implementation in 2019.
- In 2019 a contract for services was assumed under the umbrella of a Master Contract with Greater Wichita Partnership



2020 Business Service Agreement- KG



- At the end of 2019, the Greater Wichita Partnership notified the City it was declining to continue as master contract holder
- Staff determined KG services have been valuable to both the companies served and to the City
- The City proposes to re-establish a contract with KG to provide export assistance to Wichita companies
- In 2020, under this Community Export Accelerator Program contract, machinery and metalwork and plastics and composite subsectors will be targeted; other priority sectors like Aircraft MRO, Professional and Engineering Services, and Tech may also be engaged



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- 2020 pilot program is designed to accelerate exports. Each component is needed, from outreach to international trips to training and coaching
- Quantified activities within each function have been estimated to obtain results, but activities & resources may need to be shifted amongst the three program elements to achieve outcomes
- **Key Outcomes Expected:**
 - Number of first-time exporters engaged in this program
 - Number of markets identified and entered for the first time by companies engaged in this program
 - Aggregate Value of increased exports by companies engaged in this program



2020: 1. Export Outreach & Industry Recruitment



Objectives

- Identify new companies with capability to export
- Identify opportunities for existing exporters
- Provide export coaching

Deliverables

1. 30 Export Opportunity engagements (Company meetings)
 - a. Export opportunity discovery meetings (new exporters & existing exporters for new markets)
 - b. Interactions to build a company's internal export readiness capability
 - c. Coaching sessions to overcome market entry challenges
2. Connect and introduce firms via meetings with ecosystem resources, e.g. US & Kansas government agencies and professional service providers
3. Identify potential companies to participate in the Kansas Export Accelerator Program
4. Identify potential companies to participate in Industry Market Expansion Trips

Expectations

- Referrals to US and KS agencies as well as professional service providers will occur.
- Multiple meetings may occur, as needed, with an individual company during the export discovery and expansion process.

Metrics

- Level of company satisfaction
- Completion of 30 meetings



2020: 2. Industry Market Expansion or Trade Show

Objectives	<ul style="list-style-type: none">• Scout export opportunities for companies in prioritized markets• Select firms based on readiness & commitment• Coach firms for conferences or international trips<ul style="list-style-type: none">○ Clearly defined objectives○ Statement of Firm Purpose○ Provide market information & identify barriers• Develop itinerary and schedule meetings using local partners & existing resources• Work with firms to follow up & overcome barriers
Deliverables	<ol style="list-style-type: none">1. 2 Focused conference or trade mission trips with a minimum of 2 companies on each trip, for a total of 4 companies participating.
Expectations	<ul style="list-style-type: none">• Firms will identify new opportunities and new markets• Firms will experience challenges for which solutions will need to be delivered or developed• Firms will use grant programs like STEP, KITSAP and K-MAP, as appropriate• Some firms will experience “trial” or initial export sales• International trips will occur late in 2020 or early 2021 to accommodate implementation time and concerns about global travel
Metrics	<ul style="list-style-type: none">• Level of company satisfaction• % Completion of participating company’s trip goals, e.g. market intelligence, meeting potential distributors, etc.• Increase in exports for the select market(s)



2020: 3. Kansas Export Accelerator Program



Problem Companies lack comprehensive export action, are not aware of or struggle to access available resources, and ineffectively manage resources, firm needs and market intelligence during internationalization.

Solution **Kansas Export Accelerator Program – Pilot**

-A comprehensive export promotion program designed to accelerate the export potential of export-ready Kansas companies
-Modeled after two of the most successful export promotion programs in the nation, Virginia’s VALET Program and Florida’s Export Marketing Plans and Export Sales Missions.

Company Commitment:

- \$1500 “co-pay” (Co-pay revenue will be applied to program expenses)
- 12 months commitment
- Complete initial export assessment & Export Action Plan* (establishes baseline)
- Execute Export Action Plan*, which could include activities like training sessions, international trips, market research, export compliance, website modification, etc.
- Attend a minimum of 6 meetings, including 1 Plan of Action meeting and 1 Exit Meeting. Other meetings could include KGTS coaching, US and KS government agency meetings, and conferring with professional services providers.
- Complete the Exit Assessment

***Export Action Plan; must include these elements**

- Export Goals
- Planned Program Activity to meet defined goal, e.g. international trips, training, market research, etc.
- Baseline indicators gathered on intake:



2020 Kansas Export Accelerator Program



Objectives

- Develop pilot program and execute
- Provide in-depth coaching to 5 Kansas exporters
- Address the most pressing needs of exporting companies: obtaining counseling & market information, accessing resources, planning, and commitment.
- Utilize other programs in this contract, encourage strategic use of resources and strategic planning.

Deliverables Recruit and begin working with 5 companies to participate in this program

Expectations

- Companies will enter at staggered times
- Companies will obtain training, conduct market research, develop export plans, take international trips and establish relationships for sales in new markets.
- Some companies will achieve Initial (trial) sales in new markets.

Metrics

- % Completion of new market entry goals, e.g. attend trade show, meet potential distributors, etc.
- Change in total international sales per participating company
- Aggregate value of initial/potential sales from Export Action Plan of participating companies
- Measure of confidence in entering new markets, Scale of 1-10
- Level of company satisfaction of market expansion activities, Scale of 1-10



2020 KG Business Growth Initiative Program



- 2020 Contract funding is for \$150,000 and will be provided out of the Economic Development Fund



2020 WIBA Business Growth Initiative Program-Recommendation



It is recommended that the City Council approve the contact with Kansas Global Trade Services

