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senior vice president of international trade and business development for Enterprise Florida, the state's official economic development arm

A passport to profit

Local companies speak the international language of business

BY EVAN WILLIAMS

ewilliams@floridaweekly.com

The next time you find yourself in the Fort Myers River District — or wandering through Tokyo, for that matter — stop by the fragrant Naples Soap Company.

The bath and body retailer since last summer has opened seven smaller shops, nestled in department stores in the gleaming, complicated Japanese city.

The effort has left owner Deanna Renda at times jet lagged, but also filled with a new appreciation for the challenges and rewards of doing business abroad.

The Japanese are famously nationalistic, and the cosmetics and personal-care industry there is highly regulated, "a very arduous process," Ms. Renda said.

But in her experience at a Tokyo trade show last June, when she introduced her line of soap and skin-care products, people welcomed the business with a sense of "diligence" and "professionalism" she's rarely seen.

"I absolutely fell in love with it: so in love with Tokyo and the Japanese culture," she said. "It was nice to see that kind of respect for the product we were putting out there."

Many companies miss entering foreign markets, assuming it will be difficult to enter, said Peter Keating, a certified business analyst in the Port Charlotte offices of the Small Business Development Center at Florida Gulf Coast University. That's true enough, he admits.

"Intentional trade is not the easiest thing," he said. "You have to find and understand the market overseas."

But he added, "The impact (of International trade) on Southwest Florida could be a lot greater than it is. It's a growth pattern that companies really have to look at. Not everything is necessarily an international opportunity but a lot of what we do really is, and we don't take advantage of it."

"Customer service is a key to that, whether international or local. It just takes more time and research to get to."

Business without borders

Increasingly, Southwest Florida companies that sell everything from waterfront homes to high-tech computer chips have found second homes (as well as third, fourth and fifth ones) in countries abroad. It's a statewide trend.

Florida exports — two-thirds from small to medium sized companies with fewer than 500 employees — totaled \$66.4 billion in 2012, sixth in the United States.

"Florida exports have grown exponentially over the last decade," said Manuel A. Mencia, senior vice president of international trade and business development for Enterprise Florida, the state's official economic development arm. "As recent as 20 to 25 years ago, we were not really a major player in the international arena."

Among other activities, Enterprise



COURTESY PHOTO

Local designer Kira Krümm has discovered an eager and affluent market in China.

Florida has pushed for high-tech exports to the Middle East in recent years.

"We're working those markets very hard," Mr. Mencia said. "We do three major trade shows for target sectors there."

From 2003 to 2012, the value of Florida's high-tech exports increased by 102 percent while the U.S. growth rate was 36.7 percent; more than 25 percent of Florida-origin exports are high-tech products. Companies like Fort Myers-based Fox Electronics export electronic circuitry used in computers.

World trade slowed in 2013 in part because of the European debt crisis; but Florida's top trade partner, Latin America, is poised for continued steady growth. Eighteen percent of all U.S. exports to Latin America and the Caribbean originated in Florida in 2012. The Southwest Florida Hispanic Chamber of Commerce is capitalizing on that relationship with yearly trade missions to Peru and other countries to facilitate trade both ways, said Veronica Montoya, international affairs director.

Florida sunshine would be appreciated. Also, in 2009, VIP partnered with Mayfair International Realty, one of the UK's largest real estate firms.

"Clearly, Florida, California and New York are the targets for international buyers in the United States," said Allison Ashby, marketing director at Previsite. "The sellers are really looking to VIP for that kind of exposure."

Rose-colored business

The next time you enjoy the taste of an avocado from the Dominican Republic or enjoy an aromatic feast of roses from Ecuador, consider that Marketing Arm International's line of organic, environmentally friendly pesticides or fertilizers may have helped bring them to fruition.

The Charlotte County-based company does business exclusively overseas because, explained director Monica Luna, they can't compete with the big U.S. pesticide companies.

Marketing Arm plans to expand in countries near our latitude, with Southwest Florida-like climates. That includes Indonesia, Vietnam, Thailand and the Philippines.

"What works in this side of the world will also work in Southeast Asia," Ms. Luna said.

Bringing the business there requires company representatives to travel "hundreds of thousands of miles per year." The face-to-face business is key to gaining the trust of her customers, she explained, and working with local government agencies that monitor agriculture.

Marketing Arm turned 20 this year. "People ask, 'What are you most proud of?'" Ms. Luna said. The answer: "Us connecting Charlotte County to the rest of the world."

Japan

Ms. Renda of Naples Soap Company, by comparison, is just beginning. She started in Naples in 2009, opening shops in Fort Myers, Punta Gorda and Sarasota before launching her line at a trade show in Tokyo last June. Since then, her distributor there, the old Japanese company Kameyama Candle House is becoming a trusted partner.

"I had to brush up on the business culture and proper etiquette in Japan," she said of that initial appearance. "We actually had business cards printed specifically for this trip. The front side in English and the backside in Japanese. The fact that we made the effort went a long way at the trade show."

You can visit Kameyama's website to see Naples Soap Company represented in Japanese (or just go to Tokyo). Kameyama also launched a local radio show there based on the one Ms. Renda has here called "The Soap Dish" on 92.5 Fox.

For her part, Ms. Renda is pleased to be gathering Japanese followers on Facebook, but insists there's no substitute for face-to-face business both for her relationship with Kameyama and for customers' abroad.

"When you can touch it, feel it, smell it and enjoy and appreciate the product first hand it definitely makes a difference," she said. "We have a beautiful website and that certainly is helpful but we like to do business face to face."

Next, Ms. Renda hopes to bring her line of products to what one Fort Myers veteran international business operator — E.L. Fox Jr. of Fox Electronics — calls "the wild wild west" of business: China.

Guangzhou and beyond

Estero-based Kira Krümm International Design has had success in the country. In March, it introduced a luxury bedding line, The Kira Krümm Collection, at the huge China International Furniture Fair in Guangzhou.

"Our primary international focus is in China, and we recently expanded our team and opened a satellite office in Shanghai," owner Ms. Krümm explained in an e-mail.

"Over the past decade of doing business in China, the Chinese consumer demographic has become increasingly more affluent and eager to embrace western points of view."

About half her business comes from overseas markets.

"Our interior design projects are ongoing here in Southwest Florida, where our studio headquarters are located," she wrote. "And abroad, we are working on various creative projects, and focused on developing a product line for the Chinese luxury market."

Fox Electronics

E.L. Fox Jr. logged about 50,000 travel miles last year. His father, who traveled less, started Fox Electronics in Fort Myers in 1979.

The headquarters remain here, but the electronic circuits called oscillators that they produce sell all over the world. They're used in cars, cell phones, laptops, copy machines and other electronics.

Last year, Fox was acquired by public technology company Integrated Device Technology, but continues to operate with independence.

The acquisition expanded the sales force from about six to 170 people, which Mr. Fox called "way cool." It's also lengthened the company's reach to big brand-name companies like Intel, which is tapping Fox's products to use in cars.

The company's expansion overseas has come largely in the last two decades; roughly half its business is exports to a growing list of countries: the UK, Germany, Italy, Israel, Sweden, France, Taiwan, China, Japan, Singapore, Malaysia, Hong Kong and Canada.

North America is the easiest area to do business in, in Mr. Fox's experience, while Japan and China can be a few of the toughest.

"China, it's just a cultural thing," he said. "It's incredibly competitive. It's like there's no rules, like the wild wild West. Japan, on the other hand, is extraordinarily nationalistic; they want to buy from Japanese suppliers unless they can't. They would rather pay a higher price from a Japanese guy than from somebody else. Imagine if we treated them like they treat us. We buy Japanese and Chinese stuff left and right."

"Our biggest concern (in China) would be the 'no rules' culture and intellectual property can be stolen. We'll spend millions and millions inventing a product. We ship it to China and then there's no rules or laws to stop them from copying or reproducing it."

"I know the Obama administration is pressuring China. But what can a government do? Point a finger at them and say, 'you better stop?' It's a real big problem for everybody."

But business abroad has also given him this perspective: "Americans have no idea how good they have it."



The Naples Soap Company has had success in Japan by studying the culture and conducting many face-to-face meetings in Tokyo.

COURTESY PHOTO

He added, "We think our way is the best, and that is not always the case. Sometimes other countries have a different process or different way of doing things that I think is better."

Selling drugs in foreign ports

Peter Keating, the SBDC business analyst in Port Charlotte, started a pharmaceutical distribution company in 1995. It exported successfully until 2001, when new rules in the wake of terrorist attacks made it too expensive, he said.

Having worked for major pharmaceu-

tical companies before, he used connections overseas to find distributors for the drugs (ones typically used by anesthesiologists).

Gaining traction in foreign countries required him to be something of an ambassador; he prided himself in learning the customs and the cultures abroad.

"Face-to-face is always what I did," said Mr. Keating, who lives in Punta Gorda. "Never made appointments, never made deals over the phone. Everything was always in writing."

Because he couldn't compete with the latest drugs by big American companies, he sold older-model but still viable, federally approved drugs. They were less in demand in the U.S., but very much wanted by foreign hospitals with low cash flow. It's a niche business. Regulatory arms of governments in places such as Egypt and Bangladesh, which directed medications to well funded hospitals, would leave out many that couldn't afford the latest medications, he explained.

In some cases, he would go to a port where the containers of drugs arrived. His distributor in that country would check the product, take it away in a truck, and authorize his payment through Chase Manhattan, the bank he used at the time.

"Sometimes the truck would take the whole container sight-unseen, without breaking the seal," he said. "I'd say, 'take it as it is then, but you have the opportunity now to open it up and look at it.'"

Because the medication was temperature-sensitive and could also break in rough oceans, distributors usually would check.



Peter Keating has often talked business at the Great Wall of China — a sign of cultural respect.

COURTESY PHOTO

Although his pharmaceutical distribution company is dormant, Mr. Keating kept old contacts to resume the business when he can.

"From an international point of view, it's still a viable thing I maintain so I can move back in a moment's notice," he said. ■

in the know
Florida's exports, 2007-2012

■ The Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Area was the fifth largest in the country, exporting \$43.1 million, about twice the dollar amount of exports of all other Florida MSA's combined. It was behind MSA's that include Detroit, Los Angeles, Houston and New York (No. 1).

■ Naples-Marco Island MSA exports grew by 81 percent between 2007 and 2011, the third highest in the state

■ Cape Coral-Fort Myers MSA grew 51 percent

■ Punta Gorda MSA was down 12 percent
■ Florida's 20 MSA's total growth was 53.7 percent

■ By region, Southwest Florida exports were up 19.5 percent from 2010 to 2011 (fourth highest growth rate of seven regions), with exports totaling \$798.9 million

■ Total merchandise trade (exports plus imports) is \$162.2 billion, an 8.7 percent increase over 2011

■ In 2012, international trade and investment accounted for about one-sixth (18 percent) of the state's economic output.

— Enterprise Florida provides export marketing plans for "new-to-export" Florida manufacturers that include a matchmaking services in an overseas markets.



A map shows the countries and websites where Sanibel-based VIP Realtors has a web presence thanks to its relationship with Previsite.

