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# Michigan Awarding Grants to Bolster Export Marketing - Do You Qualify?

By Frederick W. Hoffman / Jan 11, 2013

With the Obama Administration committed to doubling American exports in the next five years, the State of Michigan has rolled out initiatives to assist companies grow their sales overseas. One of them, the State Trade and Export Promotion (STEP) program, even offers cash grants to help eligible small businesses participate in trade missions, translate marketing materials and underwrite export service costs.

I met recently with Jeanne Broad, a former General Motors executive who is now manager for the state's export programs in southeastern Michigan, to discuss how Clark Hill clients can become engaged. She said since the initiative was launched a year ago, 400 companies have already participated, and about 132 of them received grants. Even though STEP is new, it has resulted so far in \$21 million in new Michigan exports and the in-state jobs that go with them.

When the STEP program was announced, the U.S. Small Business Administration (SBA) awarded the State \$1.5 million, to combine with nearly \$500,000 committed by Michigan officials.

To compete for cash grants, companies should have fewer than 500 employees, demonstrated profitability over two years, an Employer Identification Number (EIN) tied to a Michigan address and "good standing" status on taxes. The "ideal" firm, Ms. Broad, explained, is a small or medium size enterprise with a product or service that is export-ready. She said her most successful clients gross about \$35 million a year.

The Michigan Economic Development Corporation (MEDC) will reimburse half the costs -- up to \$12,000 -- for approved marketing activities. According to program guidelines, "prospective applicants are encouraged to propose any export marketing-related activities that they believe will benefit and enhance their ability to launch and grow export operations."

Various economic development organizations, including Automation Alley, are now planning trade missions for 2013, and small businesses may want to tap the STEP fund to help underwrite travel and registration costs. Ms. Broad said Michigan business missions are being scoped for Mexico, Brazil and Europe in the Spring, and various Asian destinations, including Singapore and Indonesia, in the Fall.

Emphasis, she says, is always on auto parts, advance manufacturing, robotics, technical services and intellectual property, but the Michigan export initiatives can apply to most any commodity or service.

Interested companies should apply online at [www.michiganadvantage.org/export](http://www.michiganadvantage.org/export) .

Once the information is received, state export experts -- such as Ms. Broad -- will review it and work with the company to determine their export readiness and decide if state matching grant funds should be awarded.

Even if grant funding is not approved, or if the applicant is found to be ineligible (like a law firm), the MEDC will work with the company on other ways to expand their exports. The State can help Michigan firms access U.S. Department of Commerce export services and utilize the services of state offices in China, Canada and Brazil to set up matchmaking sessions.

For further information on the STEP program or other state initiatives to help Michigan businesses, clients should contact their Clark Hill attorney or members of the firm's Government Affairs Practice.

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