

Client Story

Raloid Corporation Reisterstown, Maryland

Company Profile

Raloid Corporation is a Certified Small Disadvantaged Business and a contract manufacturer of close tolerance components and assemblies for the defense industry. Its manufacturing services include close tolerance CNC machining, fabrication, welding, painting, and electro mechanical assembly. As an ISO-certified business, Raloid is known for its consistent and high level of precision over large volumes, which is critical for their main product line, missile warheads and rocket launchers.

The company has 75 employees and approximately \$10 million in annual sales. It competes with much larger companies for business, and has committed to diversifying its business across a wider customer base. Prior to its work with ExporTech, the company's customer base was 100% domestic. However, changes in supply chains, and increased pressure to decrease costs while delivering more service has eroded the margins for companies like Raloid's with a primarily domestic customer base. Raloid began to look for ways to combat these impacts by cultivating new markets within the defense industry.

International Potential

Through the array of local public resources available to Raloid, the company quickly became aware of ExporTech. ExporTech is a joint program of the U.S. Commercial Service's Export Assistance Centers (USEAC), the Manufacturing Extension Partnership (MEP), and the District Export Council (DEC) in Maryland, that brings together small groups of companies with an interest in entering or expanding sales in international markets to develop customized international business development plans.

Raloid identified a specific international opportunity around which it could build its new business expansion plan. The Department of Defense's 51% Buy American requirement opens up supplier business to international companies who partner with American manufacturers to meet the 51% requirement. Raloid's proximity to Washington, D.C., combined with its manufacturing capability and 100% U.S. workforce makes it an excellent candidate for international companies to work with to build and ship products that will be compliant with U.S. military specifications.

Discovery of Opportunities through ExporTech



Raloid business development executive Carl Livesay participated with four other companies in the initial ExporTech class. “The program required a lot of homework from each of us, but the guidance and resources we received through it saved us tons of time and tens of thousands of dollars,” said Livesay. At the end of the four-month, three class program, Livesay completed Raloid’s new international business plan.

“The program gave us access to every resource we could need—legal, exporting, financial, logistical, and more. At the end of the program, we presented our plans to a panel of experts, who poked and prodded us to refine our plan and expectations,” explained Livesay. “Now we have a detailed document—and the knowledge we needed—to guide our progress into these new markets.

One of the most important benefits of the ExporTech program for Raloid was accelerating the process of attaining compliance under the International Traffic in Arms Regulations, or ITAR. Raloid had been bogged down for two years navigating the complexities of obtaining an export license from the Department of State. Personal introductions made through the ExporTech program catapulted this process so rapidly that approval was subsequently obtained within days.

Results

Galvanized by the removal of the ITAR roadblock, Raloid was able to put their ExporTech plan into action and sell internationally for the first time. They achieved dramatic growth. Starting from zero, they achieved \$250k in international sales last year and expect to hit \$350-500mm this year.

“The resources from ExporTech have far surpassed my expectations, and were not available anywhere else in such an efficient and cost-effective package. The experts brought in by the program were there exclusively to help us—not to sell their services, but to see us succeed. And the connections we’ve made—with the USEAC, MEP, DEC, and state Business and Economic Development staff—give us instant credibility in the international business community. They have introduced us directly to many of the same companies that may have never returned our calls previously. Months after the program ended, we continue to receive referrals, ideas, and introductions that are incredibly valuable.”

Within six months of completing the course, Raloid had already closed new international business projects, and is developing many more opportunities in the United Kingdom, Turkey, Italy, and Australia. Learning patience in the process, Livesay explains: “Success in the international business sales cycle is often contingent upon developing relationships and establishing credibility. And, the Department of Defense proposal process can take even longer. But we have found more many more qualified international opportunities through this program than is typical, and are optimistic about the results we expect to see.

“ExporTech has given our company a major competitive advantage—in knowledge, insight, connections, and support. We’re years ahead of others because of it. The ExporTech team knows its business and how to make it work for us. That is their sole motivation.

“Before a company applies for its first export license, it should participate in this class. It helps demystify the process and avoid fines and many costly mistakes, resulting in a much quicker start to exporting.”

