

OPIC News

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Special Issue: *Expanding Horizons*

A series of OPIC workshops for minority and women-owned businesses

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Atlanta September 28



Chicago October 12



Los Angeles November 16

OPIC workshops aim to improve access to global markets for minority & women-owned businesses

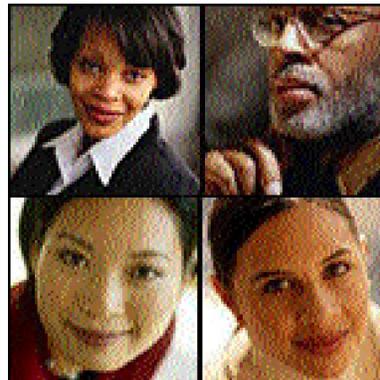
Enabling minority and women-owned U.S. businesses to utilize their competitive advantages in emerging markets is the goal of three workshops to be hosted this fall by OPIC.

The ***Expanding Horizons*** workshops will provide representatives of minority and women-owned businesses in each city with information about OPIC programs, particularly its support for U.S. small businesses and projects in the housing and franchising sectors; overviews of overseas investment opportunities and challenges, political risk insurance and means to access capital; and information about other federal government programs offering assistance to minority and women-owned businesses.

Speakers will include senior government officials from OPIC and other agencies, international bankers, and representatives from businesses investing overseas. The workshops are being held in cooperation with the U.S. Department of Commerce's Minority Business Development Agency (MBDA) and the National Women's Business Council.

A 2003 study by the MBDA suggested that minority-owned U.S. businesses enjoy 'genuine competitive advantages' for investing overseas - including flexibility, comfort and experience with diversity, and decision-making speed - but were not making sufficient use of them. For

minority companies, the shift overseas in production of goods and services had created valuable opportunities: 'foreign businesses in developing countries are small by world standards, and are looking for strategic partners with technical skills, plus the cultural characteristics that match their own.'



Domestic tigers, emerging markets: Nearly half of all U.S. firms are 50 percent or more women-owned, employing 19.1 million people and generating nearly \$2.5 trillion in sales. In 2002 there were 4.1 million minority-owned businesses in the U.S., representing 18 percent of firms. They earned gross receipts of \$668 billion and employed 4.7 million workers.

"Minority and women-owned businesses face unique challenges in the global marketplace: lack of knowledge about government programs, scarcity of private capital, and concern over political risks have prevented them from expanding overseas," OPIC

President and CEO Robert Mosbacher, Jr. said. "By speaking to each of these hurdles, the ***Expanding Horizons*** workshops will aim to reverse that trend, so that minority and women-owned businesses can use their advantages to grow in emerging markets."

MESSAGE FROM THE PRESIDENT

Minority and women-owned businesses understand what it is to face - and overcome - a daunting set of challenges. High levels of risk and limited access to capital are only two of the many obstacles they confront in establishing their operations.

But they have succeeded, to a remarkable degree. The Center for Women's Business Research reported in 2005 that 48 percent of all privately-held U.S. firms are 50 percent or more women-owned, employing 19.1 million people and generating nearly \$2.5 trillion in sales. A 2002 U.S. Census survey found there were 4.1 million minority-owned businesses (MBEs), representing almost 18 percent of firms. They earned gross receipts of \$668 billion and employed 4.7 million workers.

Not only are MBEs and women-owned businesses plentiful, they are resolute and growing: 77 percent of businesses started by Asian-American women in 1997 remained in business in 2000, and

between 1997 and 2002 the number of MBEs increased by 35 percent, whereas the number of non-minority firms increased by only six percent.

The same characteristics which enabled minority and women-owned businesses to thrive in the American marketplace - perseverance, flexibility, experience with diversity - should enable them to flourish in emerging markets overseas, especially as trade continues to globalize and the production of goods and services - traditionally a strength of MBEs and women-owned businesses - shifts overseas.

Unfortunately, this has not been the case. As the Minority Business Development Agency (MBDA) reported in 2003, "generally speaking, minority-owned businesses are not active in global trade the literature suggests that these firms are reluctant to engage in the practice of exporting because of perceived barriers and obstacles."

The challenge facing OPIC's **Expanding Horizons** workshops, working with our colleagues in the U.S. government and co-sponsors MBDA and the National Women's Business Council, is to arm minority and women-owned businesses in Atlanta, Chicago and Los Angeles with information about government and private sector resources that will enable them to successfully manage the risks inherent in investing overseas. Information and access to capital, combined with a reservoir of entrepreneurial capacity and a history of overcoming obstacles, gives me every confidence that we will succeed.

Robert Mosbacher, Jr.
President & CEO
Overseas Private Investment Corporation

Minority Business Development Agency and National Women's Business Council join OPIC for workshops

In keeping with its commitment to inter-agency partnership, OPIC is joined in presenting the **Expanding Horizons** workshops by the Minority Business Development Agency (MBDA) and the National Women's Business Council.

The MBDA, led by National Director **Ronald Langston**, is part of the U.S. Department of Commerce, and is the only federal agency created specifically to fos-



ter the establishment and growth of minority-owned businesses in America. MBDA actively leverages public and private-sector resources that facilitate strategic alliances

in support of its mission. MBDA provides funding for Minority Business Development Centers, Native American Business Development Centers, and Business Resource Centers, all of which provide minority entrepreneurs assistance in writing business plans, marketing, management and technical assistance and financial planning.



The National Women's Business Council is a bi-partisan, federal advisory council created to serve as an independent source of advice and policy recommendations to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners.

Headed by Executive Director **Margaret Barton**, the Council conducts research on issues relevant to women business owners; connects the women's business community to one another and to policy makers; and provides a platform to expand opportunities for women business owners.

FOR MORE INFORMATION:

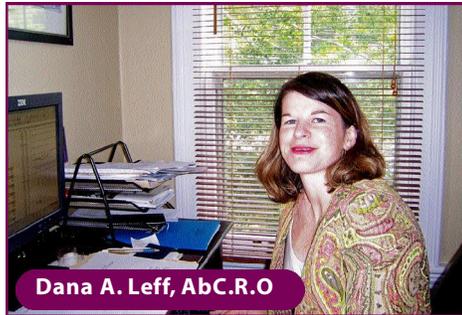
Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527
Tel: 202-336-8799
Website: www.opic.gov

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Inquiries concerning *OPIC News* content: Timothy Harwood, editor tharw@opic.gov

OPIC project profile

Women-owned U.S. small business uses OPIC loan to expand clinical research services in eastern Europe



Dana A. Leff, AbC.R.O.

When MBA Dana A. Leff and registered nurse Christa Pleasants established AbC.R.O. in 1999, it was in time-honored U.S. small business fashion: they identified a market niche and marshaled their resources to exploit it. As the company website states, "AbC.R.O. represents a new approach to patient recruitment for clinical research. As a niche provider with a geographic focus, AbC.R.O. offers financial advantages that offset the escalating costs of clinical research."

AbC.R.O., a Virginia-based clinical research organization (CRO), runs clinical trials for pharmaceutical companies seeking U.S. Food and Drug Administration (FDA) registration for their medicines. AbC.R.O. chose eastern

Europe to conduct its research because patients could be enrolled more quickly there,

April 2003: OPIC financing will enable a U.S. small business to expand its clinical research services in eastern Europe, easing access to state-of-the-art medicines for local populations and raising the quality of health care in the region. (OPIC press release)

reducing development costs for the pharmaceuticals.

The company's work devolves benefits to hospitals in the region, too. By installing state-of-the-art computer technology at the trial sites - typically university hospitals that double as research institutes - and training local doctors, AbC.R.O. improves their medical infrastructure measurably, keeping them at the cutting edge of research and trial methodology. Trial participants receive free medical care, as well.

Obtaining financing for their young company was not so straightforward, however. "As a U.S. company operating overseas, it was very difficult to find financing just a few years ago; by virtue of our location in eastern Europe, it was nearly impossible," recalls Leff. "Now it's a different story

- there is more interest in the region and the sector, and you find private equity groups, investors, coming in with financing. At the time, however, traditional lenders wouldn't lend to us."

Fortuitously for AbC.R.O., Christa Pleasants attended the Southeast Europe Economic Forum in Bulgaria in October 2002. There, through a mutual contact with the U.S. Chamber of Commerce, she met OPIC senior investment officer

Bruce Cameron. Within six months, AbC.R.O. had an OPIC commitment for a \$300,000 direct loan - one of the first to be processed by OPIC's Small Business Center.

"The OPIC loan process was easy and thorough, and Bruce was very helpful throughout. The legal part of the process was more complicated, but

overall it went very smoothly," Leff said. "More importantly, what OPIC's loan did was give our company a level of credibility in the region that was very valuable to us. It really helped to establish us," she added.

Since then, AbC.R.O. has conducted clinical trials for medicines designed to treat several types of cancer, as well as cystic fibrosis, epilepsy, strokes, diabetes and other conditions, testing both their safety and efficacy. Among its achievements are successful 'pivotal studies' - main trials submitted for FDA approval - for drugs treating pneumonia and multiple myeloma.

July 2006



July 2006: AbC.R.O., a Connecticut-based clinical research organization, has used the OPIC loan to establish an office in Belgrade; increase its staff size from 20 to 60; upgrade equipment in its offices in Bulgaria, Croatia and Romania; conduct clinical trials on potential drugs for treatment of cancer, pneumonia, strokes, cystic fibrosis and diabetes; and train local doctors in the latest methods of clinical research.

April 2003

US small business uses OPIC loan to expand clinical research services in eastern Europe

OPIC financing will enable a U.S. small business to expand its clinical research services in eastern Europe, easing access to state-of-the-art medicines for local populations and raising the quality of health care in the region.

OPIC will provide a \$300,000 loan to AbC.R.O., Inc. of Virginia to establish a new office in Belgrade, Bulgaria, and to upgrade existing AbC.R.O. offices in Sofia, Bulgaria; Bucharest, Romania; and Zagreb, Croatia.

Access to cutting-edge medical research and state-of-the-art medicines for local populations and raising the quality of health care in the region.

AbC.R.O. is a small business that researches, develops, and manufactures pharmaceuticals.

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Workshops focus attention on **opportunities** in housing, franchising and small business sectors

After providing minority and women-owned businesses with overviews of OPIC financing and political risk insurance products, the **Expanding Horizons** workshops will zero in on three sectors the agency finds particularly lucrative: housing, franchising and small business.

The housing sector, spanning home construction to mortgage finance, is an OPIC priority, not least because of the developmental benefits it delivers. An OPIC international conference held in Cape Town last May demonstrated that Africa, as much as any emerging market, has the capacity to develop a viable housing industry. In the last three years, OPIC has provided \$367 million in financing to nine housing projects in Africa.

For companies interested in operating a franchise operation overseas, OPIC offers a variety of financing and insurance products tailored to the sector, from loans for SME franchisors to loan guarantees for larger ones. OPIC has successfully supported franchisors in the fast food and soft-drink bottling industries.

For small businesses, OPIC will provide an update on its Enterprise Development Network, a forthcoming strategic alliance among financial institutions, brokers and law firms, all trained by OPIC to facilitate delivery of OPIC funding to SME projects. The EDN will leverage U.S. banks' extensive grassroots networks and their existing knowledge of individual markets across the country.



Opportunities in the housing sector, such as this OPIC-supported home construction project in Alexandria, South Africa, drew 270 participants to an OPIC housing conference in Cape Town last May.

Expanding Horizons contact list

Below is contact information for each of the agencies represented at the **Expanding Horizons** workshops.

<p>Export Import Bank of the United States 811 Vermont Ave. NW Washington, DC 20571 1-800-565-3946 www.exim.gov</p>	<p>Minority Business Development Agency U.S. Department of Commerce 1401 Constitution Ave. NW Washington, DC 20230 1-888-324-1551 www.mbd.gov</p>	<p>National Women s Business Council 409 Third Street SW, Suite 210 Washington, DC 20024 202-205-3850 www.nwbc.gov</p>
<p>Overseas Private Investment Corporation 1100 New York Ave. NW Washington, DC 20527 202-336-8400 www.opic.gov</p>	<p>United States Commercial Service U.S. Department of Commerce Offices nationwide 1-800-872-8723 www.export.gov/eac/index.asp</p>	<p>U.S. Small Business Administration 409 Third Street, SW Washington, DC 20416 1-800-827-5722 www.sba.gov</p>