

STREET SIGN IN RURAL INDIANA SHOWS THE WAY TO NEW BUSINESS

“TURN LEFT AT THE NEXT \$4.4 MILLION”

by Doug Barry
U.S. Commercial Service

Wabash, Indiana, population 13,000, is the world's first city to have electric powered streetlights. Also in the 1890s, Wabash produced Ford Meter Box Company, which now sells equipment for potable water systems in more than 30 countries throughout the world.

Ford may specialize in water, but it is a long way from an ocean and very far from most of its international customers. So how did Ford and its 800 employees, working in the Wabash and Pell City, Alabama plants, become a world player?

Carl Doran, Executive Vice President of Export Sales, explains that Ford has been selling internationally for over 40

years. Export markets have long been important to the company but they are critical during downturns in the U.S. economy. Doran said that Ford recently completed a \$4.4 million sale through the Asian Development Bank to two large private water utilities in Manila, the Philippines. Ford likes working with the regional development banks because there is little risk, payment is guaranteed in U.S. dollars and information on tenders is available on the Internet.

A BRIDGE OVER CHOPPY WATER

When the sale ran into choppy water last year, Ford called on the U.S. Commercial Service representatives at the Bank and in the Commercial Section of the U.S. Embassy in Manila. A team led by Embassy-based Senior Commercial Service Officer George Ruffner went into action and after numerous meetings with Philippine Government officials, the order was back on course. Others are in the pipeline and will be finessed by Ruffner's office and by the Commercial Service office at the Asian Development Bank (ABD) led by Commercial Officer Stu Ballard.

The Asian Development Bank is one of five multilateral banks whose mission has shifted from large infrastructure projects to eliminating poverty and



Photo courtesy of U.S. Commercial Service.

On Mabanta Street: (L-R) Bella Mabanta; Lerma Rosario, Metro Manila Waterworks; Arvin E. Copeland, Mayor, Wabash, Indiana; Jose F. Mabanta, Metro Manila Waterworks; Bob Mason, The Ford Meter Box Co., Inc.; Willie Adriano, South City Marketing Corporation.

promoting development and good governance. But the banks also create real opportunity for U.S. business. Ballard says, “For every dollar the U.S. government puts in to the ADB, we get back \$1.41 in procurement.”

Traditionally, big companies have dominated the bank procurement game. When the projects in question were multi-billion dollar dams or roads, this made sense. But the banks’ new approach involves awarding smaller contracts for smaller projects. The banks’ growing use of technical assistance grants, which go largely to funding national procurement opportunities for smaller companies, is one example. Ballard points out that ADB’s average technical assistance grant is \$400,000 — an amount below the radar screen of a large firm, but a big deal for a smaller company.

How do companies like Ford get ADB projects on their radar screens? Ballard advises that U.S. small businesspeople work with their local Export Assistance Centers and with his office in Manila. “We generate about 50 ADB project leads each month,” he said. “We distribute these leads to interested companies by email, at seminars and trade shows. When a company spots a project they are interested in bidding on, we’ll work with them to evaluate it further and prepare a proposal.”

LAYING THE GROUNDWORK

Increasingly, Ballard facilitates a more proactive approach where U.S. companies are introduced to local government officials who will eventually receive ADB project financing. “Essentially what we do is to say to these officials: ‘Look, here are U.S. companies that can do the job. When the money arrives, hire them — to do the feasibility studies, to do the engineering, to supply the products.’”

Ballard and his staff lay the groundwork by focusing on sectors that the ADB is targeting. Priority areas include

education and training; energy; engineering and construction; environment including water supply and wastewater treatment; financial services; healthcare; information technology; and transportation.

“Our goal is to be very proactive,” said Ballard. “We’ll identify a technology where U.S. firms are competitive and that the region needs. In the case of Geographical Information Systems, we’ll go to local officials here and explain how it can be used to improve land title record, coastline management or mapping of crop yields. We help create the market for U.S. product and service companies.”

Ballard also arranges for U.S. companies to come to Asia and meet with mayors and other local officials before the funds begin to flow. He says, “These face-to-face meetings are great ways to develop personal relationships. They help set the table, improving chances that the U.S. company — and not competitors from other countries — get invited to the meal.”

Once a project is in the pipeline, the Commercial Service monitors the process to make sure it works the way it is supposed to. As the award process comes down to the wire, things can get complicated with all the different parties involved. In the Ford project there was ADB, the local water utility that needed the work done, regulators of the utility, assorted other Philippine government officials, and a competitor from a European company who was feverishly lobbying all the players.

When a possible deviation from ADB’s procurement practices was detected, Ballard and the Commercial Service’s Ruffner made sure everyone was aware of the rules and played by them. The end result was a large and very timely project for Ford Meter Box, now a big fan of the Commercial Service. Chairman of the Board Terry Agness remarked: The efforts of the Commercial Service were “responsible

for employing dozens of persons at our two factories...the jobs are crucial to the growth of our company and the communities in which we operate.”

THE ROAD TO SUCCESS

Community is important to Ford and that’s one reason why when the head of the Manila water utility traveled to Wabash for a visit, Ford’s managers arranged to have the mayor present him with the key to the city. But that wasn’t all. A lot of people get keys to cities. Ford got permission to temporarily rename the street in front of the Ford plant after the honored guest from the Philippines. Mabanta Street surprised and delighted Jose Mabanta, even though it carried his family name for only a week.

Did the street re-naming seal the deal? “We’d already been awarded that contract, but we’re looking for long-term relationships and repeat sales,” said Bob Mason, Ford’s Japanese-speaking Asian sales manager, who handled the Asian Development Bank project. “We also fly the flag of their nation on a pole right next the American flag. Visitors never fail to want a picture of themselves, their flag, and our plant in the background.”

Mason says the potable water distribution equipment industry is hugely competitive around the world and that Ford must overcome duties, freight costs, and currency fluctuations to sell its 15,000 products. Luckily, he said, there are 200 countries out there, and Ford only sells to a little more than 30. There’s a lot more business to pursue. That’s good news for Wabash and for the people who make its street signs. ■