



Export Success Story

University-Government Partnership Helps Local Small Businesses Export

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While many U.S. firms are buying products from China or setting up factories there, one Alabama company is exporting its products and services *to* China, making a success story that they hope will continue into the future.

In August of 2005, the Alabama International Trade Center, an SBDC located in Tuscaloosa, Alabama, was approached by Edward T. Deitz, Senior Vice President of First Commercial Bank in Birmingham. One of their customers had an opportunity to bid on a contract to engineer and build a cupola-melt facility and emission control system for a diesel engine manufacturing plant in Weifang City, Shandong, China for Weichai Power Co., Ltd. The bank's customer, Electric Controls and Systems Inc. (EC&S), established in 1960 in Birmingham, Alabama (under present control since 1980), had done some international work previously, but this was the first large transaction that they would handle as a direct contractor. The contract was for \$11.8 million.

Several companies had contacted Weichai Power about the project, but in the end, the Chinese company came directly to Gregory R. Bray, President and CEO, and asked his company to bid on the project. EC&S was well known in the industry for engineering and producing machinery for heavy industrial processing plants, mainly in foundry, cement and paper industries. Bray agreed to bid, and the excellent reputation the company enjoys in the marketplace gave them the edge over their competitors, a German firm.

“One of our challenges was financing, but with the assistance of First Commercial Bank and the Alabama International Trade Center, we were able to obtain a working capital guarantee from the Export-Import Bank of the U.S. for the issuance of a performance bond required for the project”, said Greg Bray. The Alabama International Trade Center at the University of Alabama is a partnership program with the SBA and the Alabama Small Business Development Consortium.

The company encountered many other challenges including negotiation of the contract; language barriers, coordinating their subcontractors, and learning how to ship the product overseas. However, those challenges were faced head-on with persistence and dedication.

The cupola is now up and running, and Weichai Power has been impressed with Bray and his company. It appears that there will be several more of these projects in China, and with the right team in place to help, the future is bright for Electric Systems and Controls Inc.