



MEMBER SPOTLIGHT

Raymond Arth

President
Phoenix Products, Inc.
Avon Lake, Ohio
SBEA/NSBA Member since 1995

Congressional Representatives
Sen. Sherrod Brown (D-Ohio)
Sen. Rob Portman (R-Ohio)
Rep. Marcy Kaptur (D-Ohio, Dis. 9)



Tell us about your company.

Phoenix Products was established in 1977 by brothers Michael and Raymond Arth to manufacture faucets and related plumbing products. The company still produces the majority of the faucets it sells in its plant near Cleveland, Ohio. Its primary domestic markets are related to the Recreational Vehicle and Manufactured Housing industries, though Phoenix supplies traditional channels as well. Phoenix has national distribution throughout Canada and sells on a more limited basis to distributors in Costa Rica, Guatemala, Panama, Australia and to the U.S. territories of Guam and Puerto Rico.

What is the toughest challenge facing your business right now?

The general uncertainty makes it difficult to plan.

What has been your biggest success as a business owner and exporter?

Surviving for nearly 40 years and transforming the company several times to adapt to changes in the business environment has been a major accomplishment. Today we view markets in Latin America as our best opportunity for new growth.

What are the key benefits of exporting to your business?

The global opportunity is much larger than the U.S. market alone. We perceive opportunities to generate significant new sales which will enhance the economies of scale for our domestic manufacturing while increasing sales and net income.

What types of federal support for exporting are most useful to you and your company as an exporter or as a potential exporter?

The U.S. Export Assistance Center has provided technical information and training and connected me to a trade conference in Mexico City. The Gold Key program arranged targeted appointments for me with potential customers at a very reasonable cost.

How many years have you been exporting and how has trade boosted your job/sales growth and global competitiveness?

We have exported into Canada for over thirty years while Australia has just developed over the last year or two. Export sales are still less than 10 percent of our total volume.

How has your company benefitted from preferential treatment under bilateral/multilateral free trade agreements?

We are focusing our efforts on Mexico right now due to the advantages we have under NAFTA since our products are not subject to duties. That fact coupled with our proximity makes us very competitive with our major Asian competitors.

What do you consider the largest challenges to selling your goods and/or services to foreign customers?

Exporting requires acquiring a new skill set and mastering the rules of a complex, new game. So it takes a commitment of time and energy to break into a new market. In a small company like mine, finding that additional time on a focused basis is a challenge.

Have you utilized any financing programs from Ex-Im Bank or other federal agencies? If so, how did they help your business?

I have met with the Ex-Im Bank and will require credit insurance when we offer open account financing to our customers. This creates another advantage for us vis-à-vis our foreign competitors.

What is the best exporting advice you can offer fellow SBEA Members?

Investigate and understand your target markets before making commitments in those countries. The legal environment is different and potential exporters must understand the rules. The U.S. Export Assistance Centers are a valuable resource for information and can provide in-country support.