

HAWAII STATE TRADE EXPANSION PROGRAM – COMPANY ASSISTANCE (HiSTEP-CA)

Frequently Asked Questions

November 2023

Questions and Answers

- 1. Most of the HiSTEP activities seem to be related to product companies, i.e., manufactured goods. Are service firms eligible as well?**

Yes, service firms are eligible for HiSTEP-CA. An example would be an engineering firm or environmental firm where most of the work for an overseas project would be done in Hawaii. Or a software firm where most of the programmers are in Hawaii, but doing software work for overseas clients. We encourage service firms to apply.

- 2. Can you provide all the Export Counselors names and contact information and are there specific Counselors we will select from based on our industry and needs or are the Export Counselor assigned to us?**

Upon receipt of a company's HiSTEP registration form, we will refer the company to one of our HiSTEP partner organizations, i.e., Hawaii Pacific Export Council, Small Business Development Center, Mink Center for Business and Leadership, or Veterans Business Outreach Center of the Pacific. A business counselor from one of those organizations will contact you to do an initial consultation and provide follow up as mutually decided upon between the two of you. Any company that indicates it wants assistance with manufacturing issues will also be referred to Innovate Hawaii.

For clarification, the HiSTEP registration and the HiSTEP-Company Assistance application are two separate processes. Please go to <https://invest.hawaii.gov/exporting/histep/> to review.

- 3. Can a company apply that already has a presence in international markets but wants to expand their online presence?**

Yes; however, their online presence should have an export development component to it so that the website does enable the company to sell both in the domestic and international markets.

- 4. Can we apply for participation at the trade shows if we are the only company from Hawaii?**

Yes. That is what this financial assistance is really focused on. We organize between 4-6 Hawaii Pavilions per year in select sectors. Therefore, the HiSTEP Company Assistance is

designed to give companies the opportunity to go into those other trade shows where we don't have enough of the critical mass to do a Hawaii Pavilion.

5. Can the HiSTEP Company Assistance be used for travel to more than one country or international market?

Yes. In fact, that's very typical. If a company is going to - let's say, travel to Asia it makes sense to go to South Korea and then maybe Japan and Taiwan if those markets are in the company's export development plans.

6. Once a company receives an award, can they adjust their budget due to unforeseen expenses or conditions?

Yes. Once you are awarded and your budget and plan are accepted, if things need to be modified due to extraordinary circumstances, e.g., a trade show cancellation or government travel restrictions, we can work with you on approving a new export plan and budget.

7. There is a requirement for Market Expansion companies to have at least \$200,000 in revenues. If our revenue in the most recent year is below \$200,000, but in previous years was over that, can we still apply?

The purpose of setting the \$200,000 minimum revenue level is to ensure that the company has sufficient resources to continue to grow its exports over the next few years. The application asks for two (2) most recent years of revenue, then calculates the average. If the average revenue of the two years is \$200,000, you will qualify.

8. Can the company assistance program cover B2C efforts or just B2B efforts? For example, Tokyo Gift Show is generally a B2B tradeshow but the Hankyu show in Osaka is generally a B2C tradeshow. If we submit a proposal for company assistance can the money offered cover both B2B and B2C projects or just B2B projects?

Yes, a company may include B2C projects in its proposal, but keep in mind that the evaluation committee will be looking to see how well these projects fit into the company's overall export development strategy. The committee will consider how a company intends to grow an export market, which means establishing on-going distribution. B2C projects/events can play a role in developing an export market, but only if those efforts lead to some type of on-going distribution in that market.

9. If we use airline points to purchase our airlines tickets, can we claim reimbursement?

No, generally accepted accounting procedures do not assign a value to airline miles (that is why they are not taxable) so we cannot offer reimbursement.

10. I want to attend a trade show on the mainland U.S. Can I be reimbursed for allowable expenses for this show?

It is expected that companies will participate in foreign trade shows; however, participation in domestic trade shows may be allowed, as per page 7 of the *HiSTEP Guide to Eligible Activities and Expenses* (Exhibit A):

“The domestic trade show must meet at least one of these eligibility requirements:

1) have a significant foreign buyer presence based upon prior years’ attendance data published by the trade show organizer; 2) have a known foreign buyer delegation attending the show which is specifically relevant to the company’s export development; or 3) serve as the premier international exhibition for the company’s industry.”

11. Is there a cash match requirement?

There is no cash match required in this RFP. Since the only travel expenses we will reimburse companies for are airfare and baggage fees, we realize that companies will be making a significant contribution to their export development plans in the form of other expenses we do not cover, such as hotels. The evaluation committee will consider how much of a company’s own funds will be used over the year for export development activities which is why companies are asked to include all of their planned activities into their export development plan and budget. HiSTEP is designed to supplement and incentivize Hawaii companies to develop export markets, not to pay for the majority of the costs.

12. I am a sales rep and I work with a couple of Hawaii companies. Can I apply for HiSTEP Company Assistance to cover my expenses at the trade shows I participate in?

Generally, HiSTEP is designed for companies that manufacture products for export (or provide services that can be exported). The application should be completed by the management of the manufacturers themselves. If a consultant or sales rep submits the application, the evaluation committee will want to see supplementary information validating that the manufacturer’s management of the company has approved and understands the export development plan.

13. Can I submit my application via hard copy mailed to DBEDT?

No. Application submission must be done electronically. See RFP SECTION 3.06 SUBMISSION OF APPLICATION.