

References to particular sections of the 2013 Notice of Federal Funding Opportunity (FFO), e.g. IV.B.2.a., are provided to help you check the FFO requirements against your application. It is *not* necessary to include such references in an application. Also, it is *not* necessary to strictly follow the outline logic in the FFO.



Sinfonia Now

Every MDCP applicant that is selected to receive an MDCP award will collaborate with ITA. In addition to this standard MDCP partnership, some applicants may want to identify one or more other partners upon which they plan to rely for a substantial portion of in-kind match. AJDA is just an example of how to document such a partnership if you have one. (Most MDCP applicants do *not* list partners because most do not rely upon other organizations for a substantial portion of in-kind match.)

Project Narrative

Executive summary (IV.B.2.a.)

Applicant	American Widget Association (AWA) Phoenix, AZ AmWidgetAssoc.org
Partner	Audio Jamming Device Association (AJDA)
ITA and other federal collaborators	MAS/Office of Materials and Machinery (Ke USEAC/Phoenix (Della Street) CS/Treble, Sinfonia (Clark Kent) MAC/Office of European Union (Jane Ford)
Federal share/match	\$282,298 / \$718,680
Project period	January 1, 2012 – December 31, 2014
Exports: Project period	\$ 79,000,000
4 years after project period	\$105,333,333
Foreign markets targeted	Sinfonia
Size	\$155,000,000
Current U.S. share	\$ 2,000,000
U.S. industry	Widgets

One award lasts for the entire award period you designate. AWA was applying for FY 2011 award that would have been drawn down during the three-year project period.

The earliest project start date is October 1 of the year you apply. than October 1, 2013. Period is limited to

Project description

1. Establish AWA office in Treble, Sinfonia.
2. Translate AWA and industry promotional materials.
3. Get U.S. firms to put on technical seminars in Sinfonia.
4. Lead trade missions to Sinfonia.
5. Bring Sinfonian customers to WidgExpo in U.S.

Less is more. A one-page executive summary in table format makes the entire application easier to read and recall to memory. (Merit review panelists appreciate succinct executive summaries.)

Estimate the size of the target market and the U.S. share—not just U.S. exports that you generate. Report separately for each market.

Use whatever level of additional outline detail, if any, appropriate for your project narrative.

Address only considerations noted in the FFO that are appropriate for your MDCP project. Also address any considerations *not* in the FFO that you feel are relevant.

If your industry is well known with recognized products, little or no industry description is needed.

Background (IV.B.2.b.)

(1) Competitive position of U.S. industry and market potential (IV.B.2.b.(1))

(a) The industry

i. Widget characteristics and uses

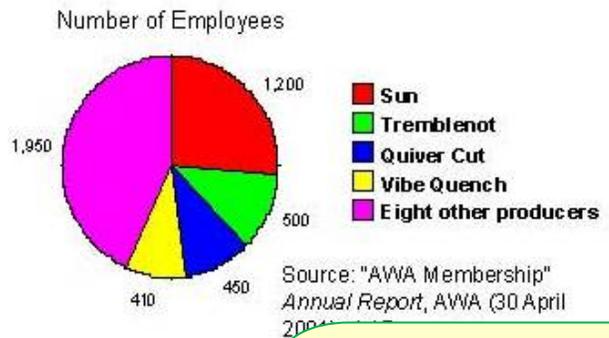
The widget was developed by seismologist Rick Torr in 1970. Dr. Torr developed the widget to use in highly sensitive weight measuring equipment to counter the effects of localized ground vibrations. The company he founded, Rick Torr Scales, is still the industry leader in the helium measurement industry; however, widespread use of the widget did not begin until 1974, when inventor and amateur vocalist Eddie Sun proved that the widget was effective in detecting falsetto notes. His company, Sun Technologies, provides falsetto detectors to every opera house in the world that uses falsetto detection.

The widget industry did not take off until 1976, with Sun's "B-G Jammer". This device allowed radio listeners to selectively tune out music without adjusting their radio volume. By 1980, widget sales were in the millions and several companies had begun production to meet the demand of manufacturers like Sun. Several others began to produce jammers of their own design and brand name.

ii. Widget producers

Sun, with about 1,200 employees, and annual sales of \$400 million is by far the biggest player in the widget market in the U.S. and globally. The next biggest company is Shake Break, a UK firm with about 1,000 employees and \$350 million in annual sales. The rest of the U.S. producers, including Tremblenot, Quiver Cut, and Vibe Quench, are much smaller as illustrated in the chart.

**U.S. Widget Producers**



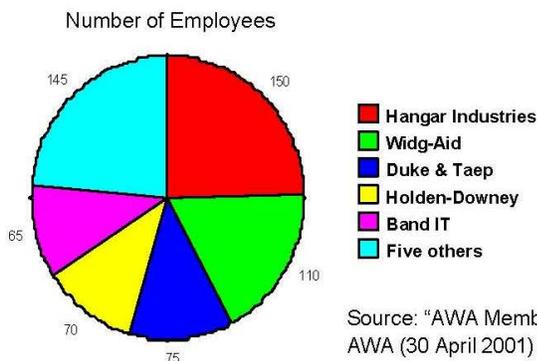
As with this example, it is okay to address a consideration noted in FFO in an order other than that set forth in the FFO.

Source: "AWA Membership" Annual Report, AWA (30 April 2010) at 17.

iii. Widget after-sale service providers (IV.B.2.b.(6))

In addition to the manufacturers, several U.S. firms have specialized in after-sales service of devices that employ widgets and the attendant technology. These include Hangar Industries, Widg-Aid, and Duke & Taep, Ltd. As summarized in the chart, these firms are all small- to medium-size operations. It is possible that one or more U.S. firms could establish a presence in

**U.S. Widget After-Sale Service**

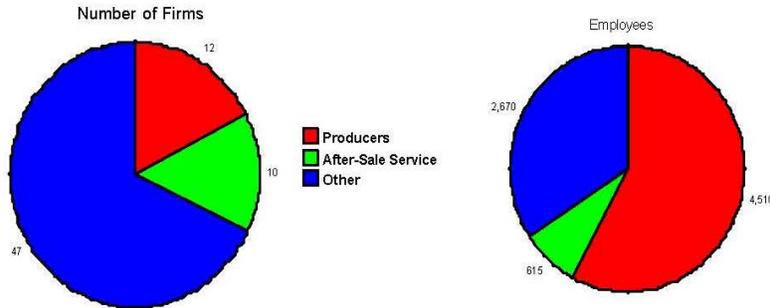


A header or footer with your organization name and /or project title on each page helps brand your project.

iv. Other widget-related businesses

Several AWA members do not produce widgets or provide after-sale service support for widget-rich products. The biggest of these is Widg-bot, a 70-employee firm that specializes in robotic equipment for manufacturing widgets. Other firms in this category sell widget handling and special storage services, widget sleeves, inserts, mountings, and widget control devices. Forty-seven (47) AWA-member companies fall into this basket category of widget related industries

AWA by Category



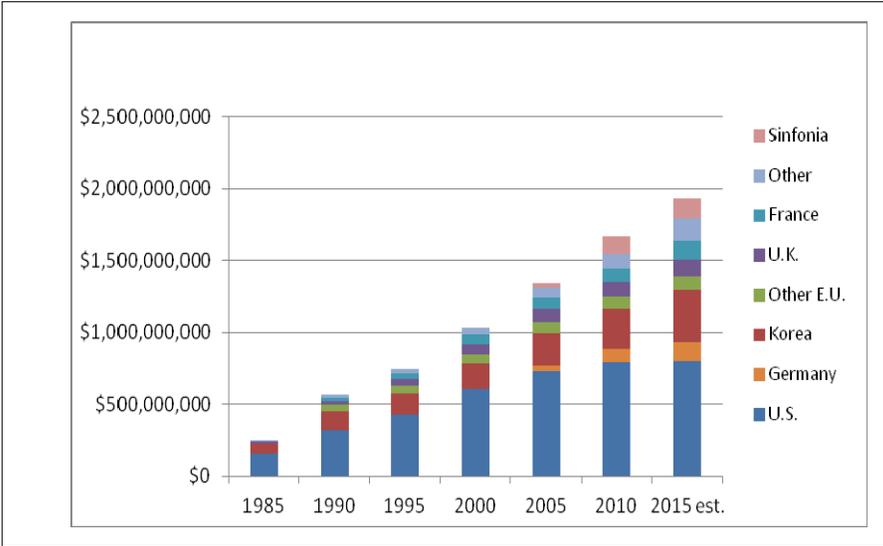
Date you submit or date due on each page can help you and ITA both distinguish this application from others you may make.

(b) AWA and the widget industry's resources (IV.B.2.b.(4)) (IV.B.2.f.(2)&(3))

AWA was founded in 1977 by Eddy Sun as the first association to represent the new widget industry. The seven-person staff of the association remains headquartered in Phoenix, which continues to have the highest concentration of widget industry activity in the United States. AWA is the only association that claims to represent the industry. It has an annual budget of about \$2 million and manages the WidgeTech annual trade show in Phoenix each February.

(c) Worldwide vibration processing device demand for widgets

In 2008, U.S. producers of vibration processing devices (VPD), the industry that uses widgets as components in its products, accounted for roughly 2/3 of world demand for widgets. By 2010, U.S. demand accounted for just over half of the world total. As indicated in the chart, most of the growth in demand will come from Europe. European VPD producers, prodded by state-subsidized research and development investments in the late 1980s and early 1990s, have always had a substantial presence in the market. Demand in Germany is growing as it ramps up its capacity for VPD production. This increase in capacity is driven by demand for VPD products in Russia, other Eastern European markets, India, and China, as well as Japan and Korea. As a result, the financial uncertainty that



has gripped Southern and Western Europe has had very little negative effect. Investment in German capacity has been years in the making and should not be affected by the eurozone crisis as investors see Germany’s build-up to fill market demand as a safe bet. Germany’s surging demand for widgets also represents a future market for both AWA and AJDA member companies.

Korea’s standing as a market player in the VPD industry is due mostly to a joint venture with Sun in the 1990s.<sup>1</sup> After Korea beat Japan to market, no Japanese producers ever materialized. Because widget manufacture is capital-intensive with labor as a minor cost component, low-labor-cost countries like China, India, and Vietnam have not entered the market. Both European and American producers have focused on getting better returns out of the capital investments they have already made.

(2) Target market economic conditions and likelihood of U.S. exports (IV.B.2.b.(3))

Sinfonia has lower per-capita gross domestic product (GDP) than any of its neighboring countries. However, these figures are misleading. The low per-capita figures result primarily from large families that usually feature one parent in full-time paid employment and one in the home.<sup>2</sup> When this demographic distinction is considered, household income is much closer to Western European norms than per-capita income alone indicates. Moreover, Sinfonia is reaping the benefits of integration, including a new power grid, made possible through EU loan guarantees and grants.

(a) Macroeconomic summary of Sinfonia

Sinfonia has always been capitalist; however, the Pranoista Party reined in much of the Sinfonian entrepreneurial spirit with numerous regulations and periodic intervention, including the nationalization of the cork industry in 1970. Sara Prano, the party’s founder, died in 1992. The last Pranoista Prime Minister was defeated the next year and the country has pursued a more business-friendly policy ever since. Plans to join European Monetary Union are currently on hold due to the eurozone crisis.

<b>Sinfonia</b>			
GDP per capita (purchasing power parity)		\$10,600	
GDP real growth rate per year		3.1%	
Sector composition		<u>GDP</u>	<u>Labor force</u>
	Agriculture	14%	27%
	Industry	65%	47%
	Services	21%	26%
Literacy rate		99%	
Post-secondary education		47%	
Population		21,753,000	
Labor force <sup>3</sup>		12,600,000	
Currency		Clef = \$.042	

Source: “Widget Demand,” Widget Institute (15(July 2009) at 17.

Page number/of total pages will help you stay within the 20-page limit for part 2. Project Narrative.

<sup>1</sup> Most of Sun’s BG-Jammer product line is now produced in Korea. Sun’s vertical integration is unique. It is the only widget producer worldwide that also produces a VPD end-user product.

<sup>2</sup> See *Economy, Demographics, and Sociology of Sinfonia*, University of Bilbao (12 April 2004) at 24.

<sup>3</sup> “*World Factbook 2009*, Central Intelligence Agency (www.odci.gov/cia/publications/factbook).

Sinfonia’s recent inclusion in the European Union was greeted with optimism by many in Sinfonia. Foreign entities can invest with very few restrictions now. Since the demise of the Pranoistas in 2001, the clef, after five years of instability, has been fairly stable in relation to the U.S. dollar.<sup>4</sup>

(b) Microeconomic considerations

(i) Sinfonian industrial customers

In the past, Sinfonian companies in all sectors shared one obvious impediment to business expansion: lack of capital. Pranoista government regulation up through 2001 hurt all Sinfonian companies. Current Prime Minister Harmonia’s government has liberalized the banking and securities industries. Since 2007, foreign banks have had practically no restrictions on operating in Sinfonia.<sup>5</sup>

(ii) Sinfonian widget consumers

AWA’s near-term target is industrial consumers of disposable widgets. AJDA is confident that within a few years, per capita income and consumer attitudes will change enough to make Sinfonia a viable market for widget-based consumer products. Many economists find that high-end consumer audio products are viable in markets where average per-capita GDP reaches \$12,000 per year. At \$10,600 per year, Sinfonia is close to that level.

(iii) World Demand for Sinfonia products that rely on widgets

When Sinfonia automates its notal chord processing, it will be able to make several times the number of five-bar billets that it currently produces. Fortunately, the primary use for these billets, karaoke, should be able to absorb the likely increase in production. Karaoke has taken off in China in the last few years. Moreover, in Japan, a new sumo-karaoke is coming out that produces much higher volume by consuming five-bar billets at a rate three times the traditional machines.<sup>6</sup>

As indicated on the chart, Sinfonia is just emerging as a market for widgets. Sinfonia has imported as many as 100,000 widgets beginning in 2010.<sup>7</sup> Because of the variety of sources and the relatively small quantity, AWA believes that the imports are being used for trials and research and development. Sinfonian labs are currently experimenting with technology that will allow mass processing of notal chords, the plant raw material for five-bar billets used in applications like karaoke machines.

Sinfonian notal chords are of the highest quality in the world. Because of this, and the fact that Sinfonian hand processors are skilled, efficient, and have relatively low labor rates, Sinfonian companies have been able to charge a premium for their five-bar billets.<sup>8</sup> Sinfonian labs are experim

<sup>4</sup> *Sinfonia in the World Economy*, Economist Intelligence Unit (19 April 2010) at 32.

<sup>5</sup> “Sinfonia Bank Restrictions Fall”, *Economist* (7 February 2007) at 45.

<sup>6</sup> “New Product Will Meet Rising World Demand”, *Karaoke Monthly* (16 June 2010) at

<sup>7</sup> AWA-commissioned market research report by Commercial Service in Treble.

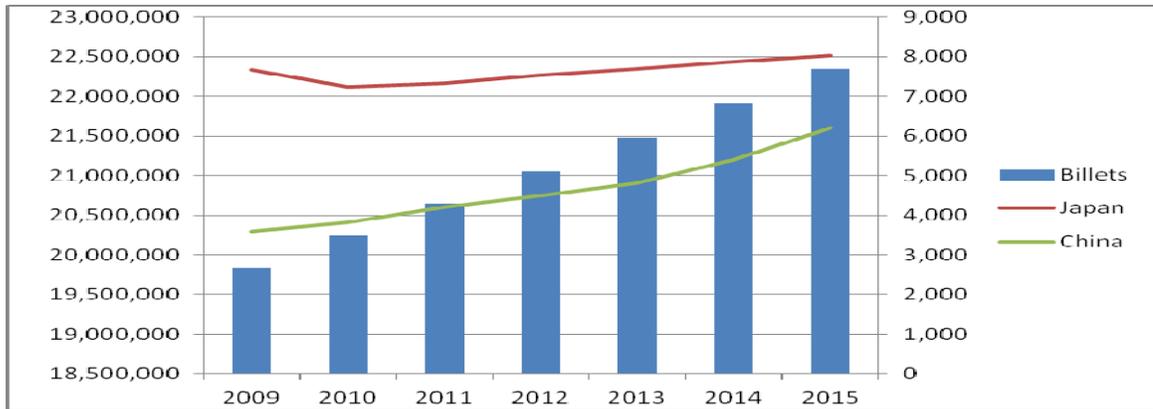
<sup>8</sup> In the mid-1990s, a French company considered growing and processing notal Madagascar, but abandoned the project early on due to low plant quality and d  
qualified personnel. See *Plantation Today*, (17 Sept. 1996) at 17.

A footer identifying the part of the application, 2, 3, or 4, can help ITA put your application back together in case the various parts are disaggregated. (Part 1, forms, is formatted by grants.gov when you upload your forms.)

widget-based technology to cut labor costs. Sinfonian industry leaders recognize that, with accession to the World Trade Organization, labor costs will rise, so reducing the labor inputs makes sense.

The technology for automated processing of notal chords was developed by the University of Baritona in 2008. The basic principal is to feed raw notal chord through a torque chamber whose chief feature is a serial widget array. The audio tension produced in a torque chamber extrudes the raw material into the five-bar billet.

With automated notal chord processing, Sinfonia’s demand for widget inserts will take off. Test results show that Sinfonian processors should be able to achieve a consumption rate of 7/10 of a widget for every billet produced.<sup>9</sup> In 2009, Sinfonia sold 178,571,000 billets.<sup>10</sup> If these had been processed using widget technology, they would have translated into sales of 13,889,000 widgets. (178,571,000 x 0.7 = 13,889,000). AWA’s estimates that Sinfonia’s billet production could be completely automated by 2017. Because the annual growth rate in billet demand worldwide is about 2%, Sinfonia could easily need 15,641,000 widgets per year by 2015. (13,889,000 increased by 2% over 5 years.)<sup>11</sup>



Sinfonia’s adoption of automated billet production should translate into a new widget market worth over \$141 million per year. (15,641,000 x \$9 per widget.) Automation of notal chord processing has now moved from technical possibility to economic reality. Economists with the European Bank for Reconstruction and Development (EBRD) reviewed the notal chord processing industry in 2009. EBRD determined that the current labor-intensive production methods, new technology and new access to capital through EU membership make this industry “ripe for automation.”<sup>12</sup>

(c) Choice of Sinfonia as target market

Although the Widget Institute’s widget demand statistics show very low widget consumption currently in Sinfonia, the adoption of automated notal chord processing technology will increase demand

<sup>9</sup> *Industrial Séance*, (15 Dec. 1999) at 78.

<sup>10</sup> *Républiqa Sinfonia Commerciastatistica*, (30 June 2010) HTS no: 456.999.00034.

<sup>11</sup> The 2% growth rate is low. It was calculated before sumo karaoke was announced.

<sup>12</sup> *Notal Chord Processing in Sinfonia*, EBRD (15 June 2009) Pub No: 007099.

Knowing the size of the target market is very important. Precise information might be hard to get. If so, get the best estimate you can find.

dramatically. In fact, of all the markets, Sinfonia shows the best potential for short-term growth, with demand more than tripling in five years.<sup>13</sup>

The \$141 million Sinfonian market is not the biggest, but it is the most promising. AWA Estimates that lower billet production costs will spur production. This, in turn, will lower cost and increase demand for widgets. And, as Sinfonian affluence increases, so will the market for audio jamming devices.<sup>14</sup> These devices are the more traditional use of widgets. Because of this prospect, the Audio Jamming Device Association (AJDA) has joined this project as our partner. AJDA’s export success may not be as imminent as AWA’s, but now is the time to start preparing to exploit this potential market. Sinfonia can also serve as a base for increasing widget-related sales to the rest of the European Union.

(d) Marketing

Sinfonian and U.S. marketing channels are similar: relatively small companies operating their own production facilities for products that require widgets. The major difference is that in the beginning, practically all of the widgets sold to Sinfonia will be consumed in the manufacturing process instead of incorporated into finished product. Eight AWA members have already developed and sold widgets to customers that use widgets as consumables instead of as components. Several other AWA members that do not actually produce widgets, specialize in services for the budding consumable widget industry.<sup>15</sup>



In preparation for this MDCP application, AWA’s board polled its member executives about their willingness to do business in Sinfonia. Questionnaires were sent to executives from all 69 member companies, which we followed up with phone calls. We received responses from 63 companies. Only two companies responded that Sinfonian business practices would keep them away.

(3) U.S. industry’s ability to meet potential market demand (IV.B.2.b.(5))

At 73% capacity utilization, the U.S. industry needs to increase production. With U.S. demand flat, the only short-term solution for the industry is to increase exports. Production capacity has been driven by steadily increasing domestic demand from the VPD industry in the United States. Average capacity utilization was as high as 92% as recently as 2006. With current unused capacity to produce another 27,500,000 widgets per year, the U.S. industry is poised to establish new export markets. Eight AWA member companies are already able to produce the consumable widgets the Sinfonia chord

<sup>13</sup> Most of the Widget Institute’s funding comes from AWA.

<sup>14</sup> The experience of Sinfonia’s neighbor to the north, Ireland, is telling. Its consumers had fairly low per capita GDP when personal audio devices first hit the market in the late 1980s. Then sales of such products took off as its per capita GDP has increased dramatically in the 1990s. See “Personal Audio Device Adoption in the EU: 1986-2006”, *EU Today*, European Commission (15 October 2007) at 34-38.

<sup>15</sup> All AWA members in the consumable widget sector are CE Mark certified and ISO 9000 compliant.

processors will need. Moreover, the Sinfonia Initiative is based on a long-term strategy that should continue to help widget industry companies for some time to come.

(4) Local and third-country competitors in the target market (IV.B.2.b.(2))

(a) Sinfonian producers

There are no widget producers in Sinfonia. Widget production demands a highly skilled labor force, expensive capital investment, and a healthy amount of research and development. It is difficult to imagine Sinfonia overcoming such barriers to entry in the near term. Credit is more readily available now but most firms avoid debt. Raising funds on securities markets is still viewed with suspicion. Scientific and university communities lack both the funding and expertise required for widget R&D.<sup>16</sup>

(b) Third-country producers

AWA suspects that Shake Break, the second largest producer in the world, provides most of Sinfonia's imported widgets. This may be due, in part, to its proximity and to familiarity with the product. Treble and Baritona are both served by non-stop one-hour flights from London.<sup>17</sup> Moreover, Shake Break manufactures the only widget-based product sold in Sinfonia: the wild boar caller, introduced in 1995. Too expensive for the average Sinfonian hunter or wildlife photographer, only a few well-to-do Sinfonians have abandoned their traditional ram-horn callers for the new technology.<sup>18</sup>

The widgets used in Shake Break's boar caller certainly provided the company with an "in" with Sinfonians. It underlines the Europeans' dominance in the quadruped signaling sector of the industry. However, no European producer has gotten a long-term production contract for providing consumable widgets. U.S. firms are the only producers that supply East Asian manufacturers that consume them in the production of sculpted Mylar products.

Another advantage U.S. firms have is the depth of experience among companies that do not actually produce widgets. Four or five AWA companies specialize in consumable widget waste disposal, handling, and packaging. AWA is not aware of any such capability in Europe, although member-company executives have heard reports from East Asia clients that Shake Break and a French company, BougePlus, plan to offer some consumable-widget support services.

c. Project description (IV.B.2.c.)

A chart summarizing the staging of the work plan is provided in Part 3, Budget Narrative.

(1) Establish AWA office in Sinfonia

Because of proximity to Sinfonia and the marketing of at least one widget-based product in Sinfonia, our competitors from the UK and France are already "on the ground". The U.S. industry

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<sup>16</sup> "Sinfonia in the World Economy", Economist Intelligence Unit (19 April 2010) at 62.

<sup>17</sup> Sinfonia's accession to the European Union helps EU-based competitors. EU member citizens do not need visas and can work and live in Sinfonia for unlimited amounts of time.

<sup>18</sup> "Boar-dom Yields to Excitement Over Game Call", *Euro Hunter* (30 Aug 2008) at 117.

must have a presence if it is to succeed. AWA’s Sinfonia Now will build on AWA’s short-term success with longer-term success by AJDA.

(2) Prepare promotional information for Sinfonian market

The U.S. widget industry must prepare to present information about companies and their products to Sinfonians in Sinfonian. This includes translation of brochures, which will be subsidized through the Sinfonia Initiative. It also includes basic export and e-commerce considerations for U.S. executives. These will be developed in cooperation with Ajax Software, which just completed a series of seminars across the United States on how to use e-business to export. The individual activities are listed below.

- Translate association and company literature into Sinfonian.
- Create Sinfonian version of websites.
- Create web-based executive briefing on web content guidelines and e-business.
- Help U.S. firms to develop appropriate content for their listings on the Sinfonian web page.
- Counsel U.S. widget companies on website upgrades and exporting.

(3) Take American widget-related firms to Sinfonia

U.S. widget industry companies are eager to go to Sinfonia (as evidenced our survey). AWA and AJDA will organize the initial effort to get U.S.officials to Sinfonia through the activities listed below.

- Create web-based executive briefing on export financing, logistics, etc.
- Hold two technical seminars in Sinfonia to showcase U.S. technology.
- Lead two trade missions to follow up on technical seminars.

(4) Bring Sinfonian potential customers to U.S. trade show WidgExpo

Sinfonian companies are still pretty undercapitalized compared to most of their EU colleagues. Lack of money by Sinfonian executives should not keep them from WidgExpo in Las Vegas. One component of the Sinfonia Now is to pay the travel expenses of eight Sinfonian executives to WidgExpo in October 2012. AWA would choose the executives to travel. These executives would pay only for their registration fee. AWA and AJDA feel that it is very important to get Sinfonian executives away from our UK and French competitors. WidgExpo will show the Sinfonians a sampling of the widget industry worldwide. We are confident that they will come away impressed with the U.S. industry

Remember to set goals you plan to achieve during the award period.

d. Performance measures

(1) ITA measures (IV.B.2.d.(1))

Measure (ITA #)		Goal		Explanation	Reporting method
		#	\$ Value		
Exporter class <i>(IV.B.2.d(1)(a))</i> Export transactions <i>(IV.B.2.d(1)(a)(i))</i>	NTM: New to market	6	NTE: 2x\$1m avg= 3m	Chances of making sales at foreign show: NTE:67%, NTM:67%, ITM:75% U.S. firms in project trade missions/shows: <u>NTE: 5, NTM:9, ITM:3.</u> NTE: 5x67%=3 NTM: 9x67%=6 ITM: 3x75%=2 17 firms 11 of which export by 2013.12	All firms sign success agreement to report as a condition of participation.
	ITM: Increase to market	2	NTM: 6x6m avg= 36m ITM: 2x20m avg= <u>40m</u>		
	11		79m		

Export transactions four years following award period <i>(IV.B.2.d(3)(a)(ii))</i>		105,333,333	Avg annual award period exports x 4 yrs = (79,000,000/3) x 4 = 26,333,333 x 4 = 105,333,333	
Success agreement <i>(IV.B.2.d(1)(b)(iii))</i>	1		15 weeks prior to every event. (Same basic agreement used for each event.)	

(1) Applicant measures

Measure (AWA #)	Instances	Explanation <sup>19</sup>	Reporting method
U.S. firms participating in briefing on export finance, logistics, etc. (20)	30	Number of firms to participate in at least one of the two briefings.	Success agreement follow-up.
U.S. firms participating in technical seminars. (21)	17	Number of firms to participate in at least one of the two seminars.	
U.S. firms participating in trade missions. (22)	15	Number of firms to participate in at least one of the two missions.	
Sinfonian potential customers participating in WidgExpo. (23)	8	AWA to promote this event directly to each of Sinfonia’s 22 firms in coordination with CS/Sinfonia.	Show registration.

e. Partnership with ITA and other entities *(IV.B.2.e)*

(1) Manufacturing and Services’ (MAS’s) Office of Materials and Machinery

AWA and AJDA have discussed the Sinfonia Initiative with ITA officials from MAS’s Office of Materials and Machinery. We believe that this office’s participation in the technical seminars and trade missions will impress Sinfonians and be a great help to AWA and AJDA. We would also find MAS’s help with our e-business strategy to be very useful.

(2) Market Access and Compliance’s Office of European Union and Regional Affairs

Because of Sinfonia’s recent absorption into the EU and the WTO, we do not anticipate any significant market access issues. However, we welcome the opportunity for a quick briefing from ITA’s Market Access and Compliance well in advance of our first technical seminar.

(3) Commercial Service’s Officers in Treble, Sinfonia

The Senior Commercial Officer has already advised us informally about setting up an office in Baritona, Sinfonia. We will use the International Partner Search to identify widget industry contacts to use for advertising our technical seminar.

(4) U.S. Commercial Service’s Export Assistance Center officials nationwide

<sup>19</sup> Two of the eight U.S. consumable widgets makers have declined AWA’s invitation to pursue the Sinfonian market. The remaining six will participate in the technical seminars. Of the 47 widget-related companies, 31 say they will participate in web briefing. Based on our 41 years of experience, we estimate that a little more than 75% of these companies will actually participate, and that a little more than half that participate in the briefing will participate in a technical seminar or trade mission or both.



Wherever possible, we would like to have an ITA official from the nearest U.S. Export Assistance Center (USEAC) accompany AWA officials during visits to member companies to discuss the Sinfonia Initiative. Four weeks prior to each project event, AWA will provide to its ITA team a list of participating firms so participating firm's USEAC can contact it and help it to prepare for the event.

(5) Audio Jamming Device Association (AJDA)

As outlined in the work plan, AWA will be cooperating with AJDA, with AWA taking the lead. In the last ten years, AJDA has sponsored public relations campaigns in several EU countries, North America, Japan, and South Korea. AJDA has also organized trips to several trade shows in Europe and East Asia. Additional information about AJDA is provided in the appendices.

f. Credentials (IV.B.2.f)

In addition to all U.S. widget manufacturers, AWA represents after-sale service providers and other widget-related businesses.. All the after-sale servicers certified by Underwriters Lab are AWA members. The "other" category. Most of these members sell products and services to customers outside of the widget industry as well as to those inside. AWA estimates that at least 90% of companies that provide "other" widget-related products and services are AWA members.

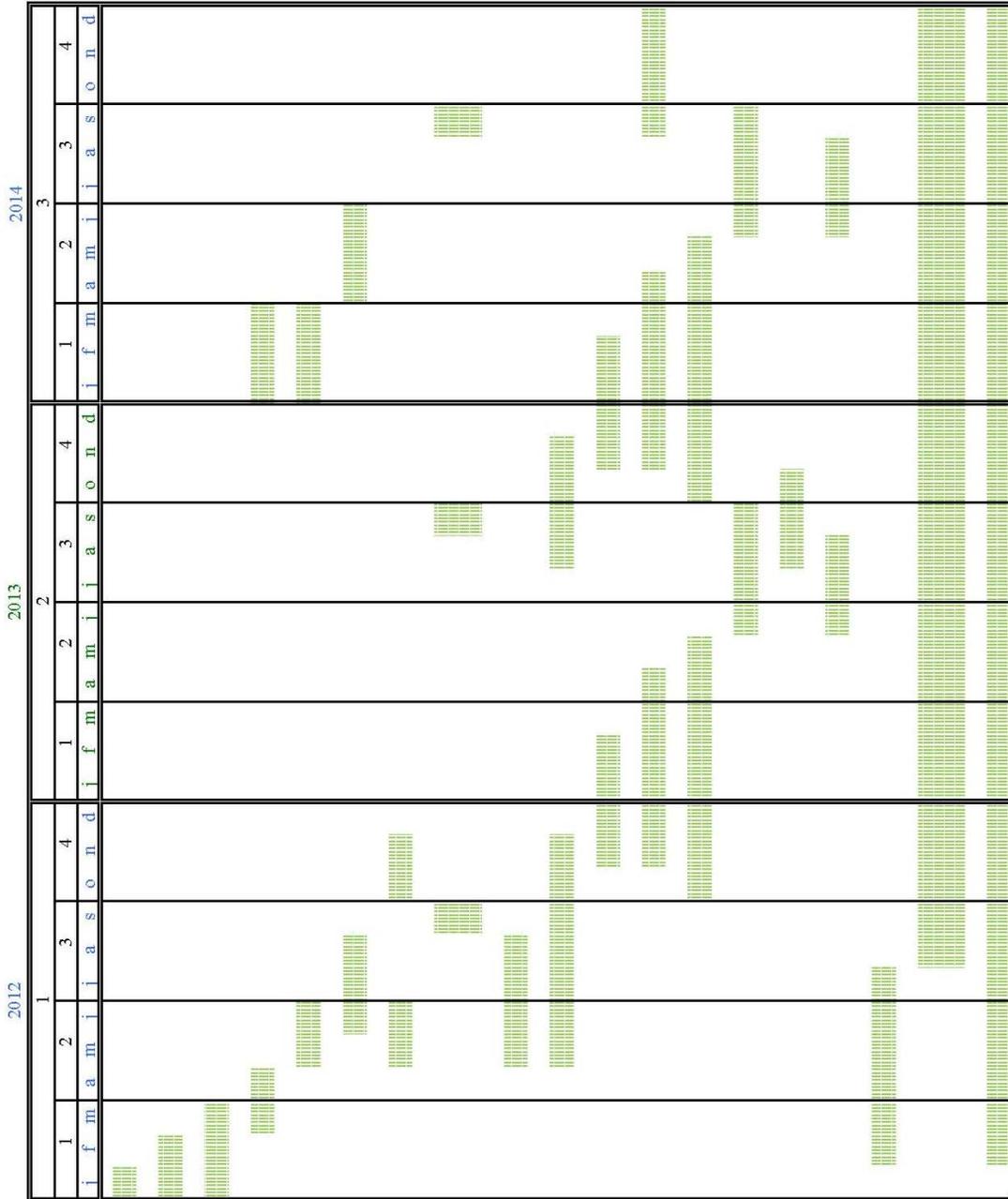
U.S. widget companies made their first foreign sales to Canada in 1975. The first foreign sales beyond Canada were to Mexico in 1990. An AWA member established a joint venture in South Korea in 1994. AWA began doing foreign market development work in 1984 when we did a technical seminar in Monterrey. Since then, on an ongoing basis, AWA has counseled its members on exporting. In 1988, AWA brought one of its members together with a Korean firm to establish the first overseas widget joint venture. Since then, AWA has sponsored at least one trade mission per year. Destinations have included France, the UK, Germany, Korea, Italy, and Mexico. One AWA company, Linkletter, Ltd., is a Canadian after-sale service provider. Another Canadian company, LaFleur, Ltd., is an AWA member that falls into the "other" category. Neither company sits on any AWA governing committees. If involvement by either of these foreign companies on an AWA committee would jeopardize the Sinfonia Initiative, AWA requests that ITA notify it immediately.

The primary contact and project director will be AWA's Marketing Manager. Resumes are attached. A projection of time each professional will devote to the project is included in the budget worksheets provided in Part 3. Budget Narrative.

g. Support letters, ITA emblem use, and success agreement

Several U.S. firms are committed to participating in Sinfonia Now as identified an attachment. Also attached is a mock-up webpage showing proposed use of the ITA emblem, and the success agreement we plan to have each U.S. firm sign as a condition of participating in Sinfonia Now.

### American Widget Association: Work Flow Chart





American Widget Association - Members

Producers	Beta Manufacturing	
	Cam-Ran Bay	
	Haber-Dine	
	Johnson	
	Knowlton	
	Maughan-Paw	
	Nillson	
	Quiver Cut	
	Sun	
	Tremblenot	
	Vibe Quench	
	Zillick	
	After-sale service	Band IT
		Duke & Taep
Hangar Industries		
Holden-Downey		
Howard Services		
Linkletter, Ltd.		
Miller		
Paulsen		
SmithCo		
Widg-Aid		
Other	Acme	
	Andrew	
	Benjamin	
	Better Flow, Inc.	
	Bronze Age Technologies	
	Cleveland	
	Coolidge	
	Crabb & Goyle	
	Dean	
	Erlichman	
	Fillmore	
	Garner Accolades	
	George	
	Grover	
	Haldeman	
	Hammer Arno	
	Hewlett Pack-mule	
	Hudson and Sons	
	Jackson	
	Johns Quincy	
	Kahn - Dew, llp	
	Kahn - Knot	
	Kha, Ching, and Cash	
	LaFleur, Ltd.	
	Millard	
	Neely Slime	
	Phorque and Nife	
	Po and Elba	
	Sel-Wasser & Spitz	
	Siren Soothe	
	Stangel - Klaxon	
	Tae Services	
	Theodore	
	Truman and Potey	
	Tuskegee Tone	
	Wall -Russe	
	Wavelength Technologies	
Widg-Bot		

Audio Jamming Device Association - Members

All	Alpha Analogue
	Anpon Zipper, Ltd.
	Arcade Tech
	Bambi, Booze, and Scwartz
	Batt and Tubb
	Bay-Leef
	Beetle
	Benson
	Bieph Liptz Basin
	Boel-Winkler
	Boris & Natasha
	Brady, Inc.
	Brilliant Manufacturing
	Buche de Noel
	Capital Industries
	Cogburn Services
	Crabapple, Inc.
	Cyrus Klops Optical
	Dome Growth Technologies
	EinKlein, Inc.
	Emerald Productions
	Ergo Propter Hoc
	Ernest Flat Products
	Fellipecha Finks
	Grampon-Tyre Technology
	Howe & Fortune, Inc.
	Id Wizard
	Igloo Dome
	Jones and Sons
	Keeler Technologies
	King - Kahn of New York
	Kisling Products
	LHY-Co
	Lloyds Pale White
	Mason, Moon and Manning
	Maximal Radiation, Ltd.
	McKay, Inc.
	Merril Manufacturing
	Metzerot - Rhodes
	Mittlemarsh & Zatz
	Moore Manufacturing
	Mukluk Laces, Ltd.
Parameters Unlimited	
Peeping Chick Partners	
Promethius and Sons	
Q-Time Technologies	
Reeder Inc.	
Shei - Knorr, Inc.	
Swisher Enterprises	
Tew, LaFore, de Bote	
Whun Eid Mann	
Whunlein-Zinger	
Wrass Liptz Atlantic	
Wye Deed IT	
Yuk-Yuk, Inc.	

Your project is only as good as the commitment from companies that will actually participate.

*Tremblenet, Inc.*

130 Main Street  
Truth or Consequences, NM

**Maughan-Paw, Inc.**

6840 Kettle Lane  
Lopey, Kentucky

April 1, 2011

Anna Purna

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W

**Holden-Downey, Inc.** 3499 Redwing Road, Sevier, Missouri

April 1, 2011

Anna Purna  
Executive Director  
American Widget Association  
1717 Widget Lane  
Phoenix, AZ 89999

**Widg-Aid**

7130 Lyman Court  
Chesapeake, Virginia

April 1, 2011

Anna Purna  
Executive Director  
American Widget Association  
1717 Widget Lane  
Phoenix, AZ 89999

Dear Ms. Purna,

I am happy to write in support of AWA's proposed Sinfonia Now initiative. As a long-time leader in the industry Widg-Aid is anxious to capitalize on the changing market conditions in Sinfonia.

Sincerely,

Theodore Namon Hansen  
Chief Executive Officer

**QUIVER CUT**

April 5, 2011

Sinfonia Now initiative. Quiver Cut is ready to work with you to participating in AWA's planned trade events in Sinfonia.

Sincerely,

Ian Utton  
President

Quiver Quench is anxious to capitalize on the changing market conditions in Sinfonia. Quiver Quench is very interested in participating in AWA's proposed Sinfonia Now initiative.

I am happy to write in support of AWA's proposed Sinfonia Now initiative.

Sincerely,

Jon William Serev  
Chief Executive Officer



## Resumes of Key Personnel

### AWA Executive Director, Anna Purna, CAE

Ms. Purna has directed AWA since 2001. Prior to coming to AWA as executive director she was membership director for the Eggnog Institute (EI), the largest seasonal dairy product trade association in the United States. Ms. Purna has been a certified association executive (CAE) since 1997.

During her six years as membership director at EI, Ms. Purna doubled membership to 346. She also helped establish a conduit for Foreign Agricultural Service funding for regional marketing boards for dairy products destined for export to Canada, Mexico, and the Caribbean. Prior to working for EI, Ms. Purna ran her family's dairy distribution business in upstate New York for 21 years.

She has a bachelor of business administration degree from Cornell University and an MBA from Syracuse University. She also serves on the marketing committee of the American Society of Association Executives.

### AWA, Marketing Manager, Wendy Whittle

Ms. Whittle came to AWA from the advertising firm Wilson and Sonren of Cleveland. From 1997 to 2002 she serviced several accounts, including several fastener companies. She has a bachelor of business administration with an emphasis in marketing from Ohio State University.

Ms. Whittle is fluent in Spanish and French. Since coming to AWA in 2002, Ms. Whittle has increased AWA membership 14% despite several consolidations in the industry.

### AJDA Executive Director, Quentin Laru, CAE

Mr. Laru has held his current position since 2002. Prior to serving as executive director, he was AJDA's marketing manager, a position he held beginning in 1995. Prior to that Mr. Laru was director of member services and event management at the Sheet Metal Manufacturers Institute. (SMMI). In addition to a bachelor degree in Spanish and a master of international management from Thunderbird, Mr. Laru is a certified association executive.

Mr. Laru recently coordinated AJDA's opening of an office in Mexico City. From this office, 27 AJDA members have established agent or distributor relationships in Mexico, Costa Rica, and Colombia. He is fluent in Spanish

### AJDA Marketing Project Manager, Laurel Reese, CAE

Laurel Reese has served in her current position since 1998. Prior to that, from 1994 to 1998, she worked as marketing manager for Acme Technologies in Garnersburg, IL. Ms. Reese began her career with Acme as a customer service representative in 1990. She has a bachelor of business administration from Chandler Community College. From 1998 to 2010, Ms. Reese was instrumental in doubling AJDA's net revenue from its annual JamMart trade show.

Position descriptions for Sinfonia offices of AWA and AJDA are the same

AWA/AJDA Sinfonia Office Director

1. A successful applicant will:

- a. Demonstrate knowledge of the widget and/or allied industries in Sinfonia and/or Western Europe.
- b. Be personable and outgoing in demeanor so as to facilitate relations with industry players.
- c. Have experience managing marketing accounts or other commercial outreach whether in the widget and allied industries or in other industries.
- d. Be vetted by a Sinfonia headhunter or similar personnel firm, or by the U.S. Commercial Service through its partner search or other relevant program.
- e. Demonstrate the ability to put on a trade event.
- f. Be fluent in written and spoken English, in addition to Sinfonian.

2. Duties include:

- a. Establishing office space in Treble.
- b. Maintaining daily normal office hours during the Monday-Friday work week.
- c. Assisting AWA/AJDA member companies with questions about the Sinfonia market.
- d. Establishing and maintaining good relations and frequent communications with relevant government regulators, industry organizations, and individual Sinfonia companies in the industry.
- e. Creating and maintaining a database of industry contacts and a calendar of industry events.
- f. Traveling to the United States once or twice a year for up to two weeks per trip.
- g. Traveling an average of two days per week to visit companies/events in Sinfonia and Western Europe.
- h. Reporting to AWA/AJDA regularly on market conditions.

3. Salary and benefits.

- a. Salary not to exceed the equivalent of \$55,000 annually.
- b. Vacation, retirement, and sick leave all per Sinfonia government requirements.
- c. Health insurance is provided by the Sinfonia national health service.
- d. The position is full-time.

AWA/AJDA Sinfonia Office Assistant

1. A successful applicant will:

- a. Be personable and outgoing in demeanor so as to facilitate relations with industry players.
- b. Be fluent in written and spoken English, in addition to Sinfonian.
- c. Have experience composing and finalizing correspondence.
- d. Demonstrate the ability to interpret Sinfonian to English and English to Sinfonian.

2. In addition to assisting the director as needed and directed, the assistant's duties include:

- a. Organizing, tracking, and preparing correspondence.
- b. Acting as virtual or actual reception for all initial inquiries.
- c. Updating and evergreening databases.
- d. Interpreting for AWA/AJDA and/or its member companies when needed.
- e. Attending to the logistical/hospitality needs of AWA/AJDA and/or member companies when they visit.

3. Salary and benefits.

- a. Salary not to exceed the equivalent of \$25,000 annually full-time, lower if part-time.
- b. Vacation, retirement, and sick leave all per Sinfonia government requirements.
- c. Health insurance is provided by the Sinfonia national health service.

Example of Proposed Use of ITA Emblem:  
AWA homepage: AmWidgetAssoc.org

This shows your intent to credit ITA. We need an example of intended use in order to grant you permission to use the emblem in the event that you win an MDCP award.

American Widget Association-AWA Home

**Advocacy**

- Federal legislation
- Federal regulation
- State & local issues
- Public service
- Congressional directory
- Key contacts

**Membership**

- Members only
- AWA staff
- Board
- About us

**Events**

- Widgets Today
- Bus tour
- Annual meeting
- WidgTech
- Scholarship auction
- Golf tournament

**Sinfonia Now**

- Fed. award spurs product
- Upcoming mission
- Prepare now to export
- The market



Over 90% of exhibitors and attendees at WidgTech 2007 voted it the best trade show of the year. Exhibitors were pleased that attendees were almost all potential customers. The hospitality booths are arranged to benefit all exhibitors.

Sponsors below helped make the show a great success.



*Quality Sync*



## Success Agreement

The best way for a widget firm to thrive in the future is to look beyond the U.S. market. AWA has identified Sinfonia as the best new market for many of our members. We want to help you to capitalize on some upcoming opportunities to develop this promising market.

AWA's Sinfonia Now initiative helps U.S. widget-related firms to export to Sinfonia. The U.S. Commerce Department's International Trade Administration (ITA) has agreed to pay for one-third of the \$636,000 project cost through its Market Development Cooperator Program (MDCP).

### Agreement to Participate in AWA's Sinfonia Now Initiative

Benefits of the Sinfonia Now initiative and your responsibilities as a participant are set forth below. Send completed forms as soon as possible to the attention of AWA's Esther Williams [ewilliams@AmWidgetAssoc.org](mailto:ewilliams@AmWidgetAssoc.org), via fax at 555-222-1212, or via mail at AWA, 1717 Widget Lane, Phoenix, Arizona 89999. Please note that some of the benefits listed below are contingent on when you sign up to participate. We will assign time-sensitive benefits in the order that we receive completed participation agreements.

Make it clear to participating companies what they will get as a result of participating. Sell your project.

#### 1. Benefits

Thanks to the \$212,000 MDCP award and the partnership with ITA, we are able to act as a one-stop portal for entering Sinfonia's widget market. Here are a few of the benefits available to Sinfonia Now participants:

##### a. Free demonstration set-up at SinfoWidget.

AWA will pay your fees to set up your product demonstration up to \$2,000. This offer is limited to the first ten firms with fewer than 500 employees that sign up for Sinfonia Now.

##### b. "Ask ITA" questions and answers.

Thanks to our MDCP partnership, ITA industry specialists, market access professionals, and Commercial Service officers based in the U.S. and Sinfonia are available to help you get answers to many vexing questions. Sinfonia Now participants can submit inquiries and receive responses that, thanks to our partnership, usually come much quicker and are more accurately targeted than would otherwise be the case.

##### c. One free Gold Key Service from ITA's Commercial Service in Sinfonia.

This includes up to five targeted appointments, an interpreter, transportation, and help with follow-up from ITA. This valuable service is worth hundreds of dollars. It is a limited offer. AWA will pay for this service only for the first ten companies with fewer than 500 employees that sign up for Sinfonia Now.

##### d. Translation of product material.

We'll pay to translate to Sinfonian the equivalent of a one-page, double-sided brochure for the first ten companies with fewer than 500 employees to sign up for each mission or trade show.

e. Two trade missions.

We plan to visit Treble and one other city to be determined by October 2013.

Each project will be different. Include whatever features make sense to attract companies and get them exporting.

f. Access to targeted trade information.

All Sinfonia Now participants will be notified of relevant export opportunities and market research gathered worldwide by nineteen (19) Federal agencies.

g. Pre-mission briefing by industry specialist from Sinfonia.

To help you decide whether or not you wish to participate in a Sinfonia Now trade mission or the SinfoWidget show in Treble, we've arranged with ITA for a Chinese widget expert to brief us at our annual meeting in Chicago and answer questions.

h. One-on-one counseling sessions with an industry specialist from Sinfonia.

The first twenty firms that sign up for the briefing will get one-on-one sessions following the briefing with ITA's Treble-based widget expert. This is a great opportunity to fine-tune your business plan for the Sinfonia market before ever going to Sinfonia.

i. Sinfonia website development and hosting.

Every Sinfonia Now participant that does not already have a Sinfonia-hosted Sinfonian website will get a home page hosted on AWA's Sinfonia server. The free hosting is good for Sinfonia Now participants through September 2008.

j. Business cards.

We'll translate into Sinfonian business cards

This is the most critical performance information to get. If there is only one question you feel you can ask of companies, ask this one or one similar to it.

2. Keeping track of how we are doing.

Our partner, ITA, is tasked by the U.S. Congress to help U.S. companies be more competitive. Perhaps the most straight-forward indication of competitiveness is a company's export performance. In order to help you and U.S. industry generally, ITA needs to know how well it is doing.

a. Sharing the results with ITA.

Each quarter, Sinfonia Now participants share following information with ITA:

The dollar value and number of Sinfonia-bound export sales (deliveries or contracts for goods or services). Please share any additional information such as a non-proprietary description of the type of good or service sold, its application, steps you took to make the sale, etc. will help. This gives ITA a better idea of how U.S. firms are succeeding at exporting, and how ITA can best continue to help.

b. Confidentiality with ITA.

Your success information is submitted directly to ITA. Your competitors don't see it unless you give ITA permission to release it publicly. ITA professionals who have access to your success information have security clearances. They are accustomed to handling classified diplomatic cables and other media and transmissions that contain sensitive information. ITA will not share individual success information with AWA unless you expressly agree to it.

Strategies to encourage firms to report: (1) Export achievement award presented by top Commerce official at an industry event, (2) Reporting directly to ITA, (3) Reporting abbreviated information or export values that are rounded either way by a couple of percent, (4) Commerce official addressing export reporting at industry event and on your website.



c. Public highlighting of your successes.

If ITA wants to publicize any of your successes, it will always show you what it proposes to do and secure your express approval in writing.

d. Sharing the good news with AWA.

We have structured Sinfonia Now so that all we get at AWA is a consolidated total from ITA. We will know the total number of exports you and others make, and the number of transactions, but we won't have the individual information you share with ITA. Of course, we would love to know of your individual successes as well. We invite you to share them with AWA too, but we understand if you prefer not to.

e. Optional information to share with AWA.

In addition to the information you report to ITA, we would appreciate your helping us to keep track of AWA's performance on Sinfonia Now by reporting to us the number of occurrences of each of the following each quarter:

- (1) Other examples of your success developing the Sinfonia market.
- (2) Export-related agreements you conclude such as signing an agent or distributor.
- (3) Value of any trade complaint you are able to resolve as a result of help from AWA or ITA.
- (4) Value of export-related investment you make in Sinfonia.

AWA might be asking for too much information from companies. Better to get a little bit of good information than to get none at all.

3. U.S. product or service.

I certify that I am, that my company is, or that I or my company represents: (a) a United States citizen; (b) a corporation, partnership or other association created under the laws of the United States or of any State; or (c) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in (a) and (b) above; AND I am, my company is, or the entity I or my company represents is, exporting, or seeks to export goods or services produced in the United States, or goods or services that contain at least 51 percent U.S. content.

I understand that this certification is a requirement to participate in the MDCP project activity described above and that an intentionally false certification may result in termination of participation in such activity.

Information provided to the International Trade Administration (ITA) is intended solely for internal use. ITA will protect business confidential information to the full extent permitted by law and Administration policy. U.S. law prohibits U.S. government employees from disclosing trade secrets

I agree to the terms of the success agreement with AWA as set forth above.

\_\_\_\_\_  
Company name

\_\_\_\_\_  
Email/Phone

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date