



*Testimony of Rachael Cox
Vice President, Business Development
Conway Machine, Inc.
Before the House Financial Services Committee
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My name is Rachael Cox, and I am VP of Business Development for Conway Machine, Inc. Conway Machine is a Woman-Owned Small Business specializing in precision machining (Swiss style and Standard CNC Turning & Milling) as well as a manufacturer of replacement parts for the Printing & Packaging Industries. I am an Air Force wife. My husband is presently deployed, and I therefore rely heavily on my network of family and friends in the caretaking of my two young daughters. My parents purchased the business when I was about 8 years old so I like to say that I have a “lifetime” of experience in the industry! In 2010, as it seemed the whole economy was a whirlpool sure to suck us under, my parents requested I join the business and like a good daughter, I obliged.

This is a likely story for many family-owned small businesses. We are the backbone of the economy and touted as such when it is politically favorable. What is much less often mentioned in grandiose campaign speeches or in the headline of the business section is the personal sacrifice and real collateral that small business owners are forced to shell out: personal property, investments, the dream house, your children’s college funds. This is probably the greatest differentiator between small businesses and large corporations: the small business owner risks his entire life’s financial accomplishments. Following the crash of 2008, we struggled to keep our doors open and some of our own collateral was sacrificed.

When you have put as much of your life into something as a small business owner has, you get to a point where you can’t walk away—financially or otherwise. So, when I came on board, we re-grouped and re-focused. If the U.S. economy could not provide the sales we needed, we would find the sales in new markets overseas.

With this new goal to increase exports, the office morphed into a call center. Our database of thousands of customers was culled through one by one. Nearly half had gone out of business. Those that had survived had a new, keen appreciation for our product: high quality at an affordable price.

We invested in a brand new website. “Adwords for Dummies” became the office textbook as we worked to improve our SEO results. We hired a web marketing manager. Along with the makeover came new brochures, business cards and catalogs. Business trips, email blasts, referrals and social media were employed. We joined the Conway Chamber of Commerce, then the Arkansas State Chamber of Commerce. We started exhibiting at tradeshow again. The past decade had seen little to no sales or marketing efforts. Now, all of our resources were poured into that endeavor.

It didn't take long to start seeing results. As we began to recover, we became overwhelmed. Any small business owner can attest that on any given day, you are wearing about five different hats, of which all you are the expert. So as we worked to re-introduce Conway Machine to the international stage, we brought on another sales person.

All of this was building up to one grand goal: to attend DRUPA 2012. With 314,248 visitors from 20+ countries, it is the largest Print/Packaging Tradeshow in the world. An 11-day long show, it is held every three years in Dusseldorf, Germany. Conway Machine, Inc. had been absent the last time the show was held. We did not plan on making that mistake again.

The month of May 2012 was spent at DRUPA. With our new brochures (in three different languages), fancy website and digital catalogs at the ready, we announced "We are back." With a month of exhibiting completed, the follow-ups then took place.

My first full year with the family business saw total exports of \$367,000 in 2011 (13% of overall sales). The shop was running a day shift with about 15 employees. In 2012, that grew slightly to \$441,000 (16% of overall sales). In 2013, after the Germany tradeshow, we saw a nearly 50% increase to \$809,000 in exports (25% of overall sales). That same year, Conway Machine was awarded the Governor's Award for Excellence in Exporting.

We maintained these new customers the following year with \$875,000 in exports in 2014 (25% of overall sales). For the current year, we are expected to maintain exports at about 25% of overall sales. We have doubled our workforce and now employ an average of 30 full time workers. We run a day and night shift and are trying to add a weekend shift as well. Last year, Conway Machine made a large investment (\$1 million dollars) in new equipment last year. By the end of the summer we will be moved in to our new addition of over 5,000 square feet of production facility expansion. All of these have served to increase our capacity, technological expertise and overall quality of product and price.

Our 12% increase in exports over a four year period was accomplished without the assistance of the ExIm Bank. That is not to say that Conway Machine is adverse to government resources for small businesses. We have good relationships with the folks at the Arkansas World Trade Center, and I am currently taking a class with the Small Business Administration. However, Conway Machine is not dependent on the government for our success. When I researched the ExIm Bank and especially the sign-up process, it became clear that it is designed for large businesses. The amount of information that was required was overwhelming at best and invasive at worst. After some consideration, I decided against it.

As an Air Force wife, I consider myself a bit of a patriot. It's important to remember that our servicemen sign up because they wish to protect and defend the Constitution. They understand and cherish the fact "that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

As you consider the renewal of the ExIm Bank, I would ask you to consider our founding documents and the principles from which they were derived. What is the purpose of government? And in fulfilling that purpose, what is the role of government?

It seems that if government aims to aid small businesses in their exports and thereby grow the domestic economy, it would be much more beneficial to create Free Trade Agreements with more countries and decrease the red-tape barriers to trade.

While the ExIm Bank may work for some companies in other industries, it has not been a resource for Conway Machine. As previously stated, we have grown our exports by 50% and doubled our workforce without use of the ExIm Bank. Given the complaints, it may be time to consider whether it is benefitting the citizenry that it was originally intended to benefit?