

EX-IM BANK ENABLES KANSAS CITY ARCHITECTS TO CAPTURE THE MIDDLE EAST MARKET



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Up until three years ago, the customer base of RAD-Planning, a division of JUNK Architects, was largely limited to hospitals and other medical facilities with radiology, nuclear medicine, and radiation therapy departments in the United States. Then, in 2011, the small architectural firm with 10 employees burst onto the global scene by landing a contract with Saudi Arabia's Ministry of Health—an opportunity it never could have seized without the help of the U.S. Export-Import (Ex-Im) Bank.

Robert Junk and his wife Dixie started JUNK Architects as a general architecture firm in 1987 and in 2000 created RAD-Planning, a specialized division serving the niche radiology architecture market. RAD-Planning analyzes radiation utilization trends and patient demographics and then designs facilities to maximize radiology efficiency.

Fortuitously, just as the U.S. healthcare market was cooling off because of uncertainty over the Affordable Care Act, Saudi Arabia's government approached Junk in 2011 to design radiology facilities in that country, a partnership that has spread to dozens of opportunities throughout the Middle East. Today, JUNK Architects' overseas business is projected to haul in \$10 million in revenues compared to between \$1 million and \$1.5 million in domestic sales. "Business is booming in the Middle East," Junk says. "The Saudi government alone is spending over \$20 billion a year on health care and health care infrastructure."

Junk, who had never heard of Ex-Im before 2011, would not be able to accommodate his firm's surge in new customers without maintaining a line of credit backed by Ex-Im. "We fall between the cracks," he explains. "We're not big enough for banks that require \$10 million per individual contract for credit insurance, and we're too big for local banks that don't want to take on international receivables or international risk."

JUNK Architects also taps Ex-Im for export working capital loans. Because its customers can take up to 6 months to pay, JUNK Architects requires working capital to make payroll. "It's not unusual for us to perform 50% of the work before the first invoice is sent," Junk says. "I need working capital for cash flow to keep my people."

Junk bristles at the suggestion that private banks would fill the void if Congress were to close Ex-Im by failing to reauthorize it. "Every time I've applied for a loan or insurance at a private bank, I either can't get a quote or I get a quote with a price that just isn't feasible. Private banks just don't want to work with small businesses like ours."

