U.S. COMMERCIAL SERVICE
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Department of Commerce

Exporters!

The Wit and Wisdom of Small Businesspeople Who Sell Globally

U.S. Commercial Service—Connecting you to global markets.

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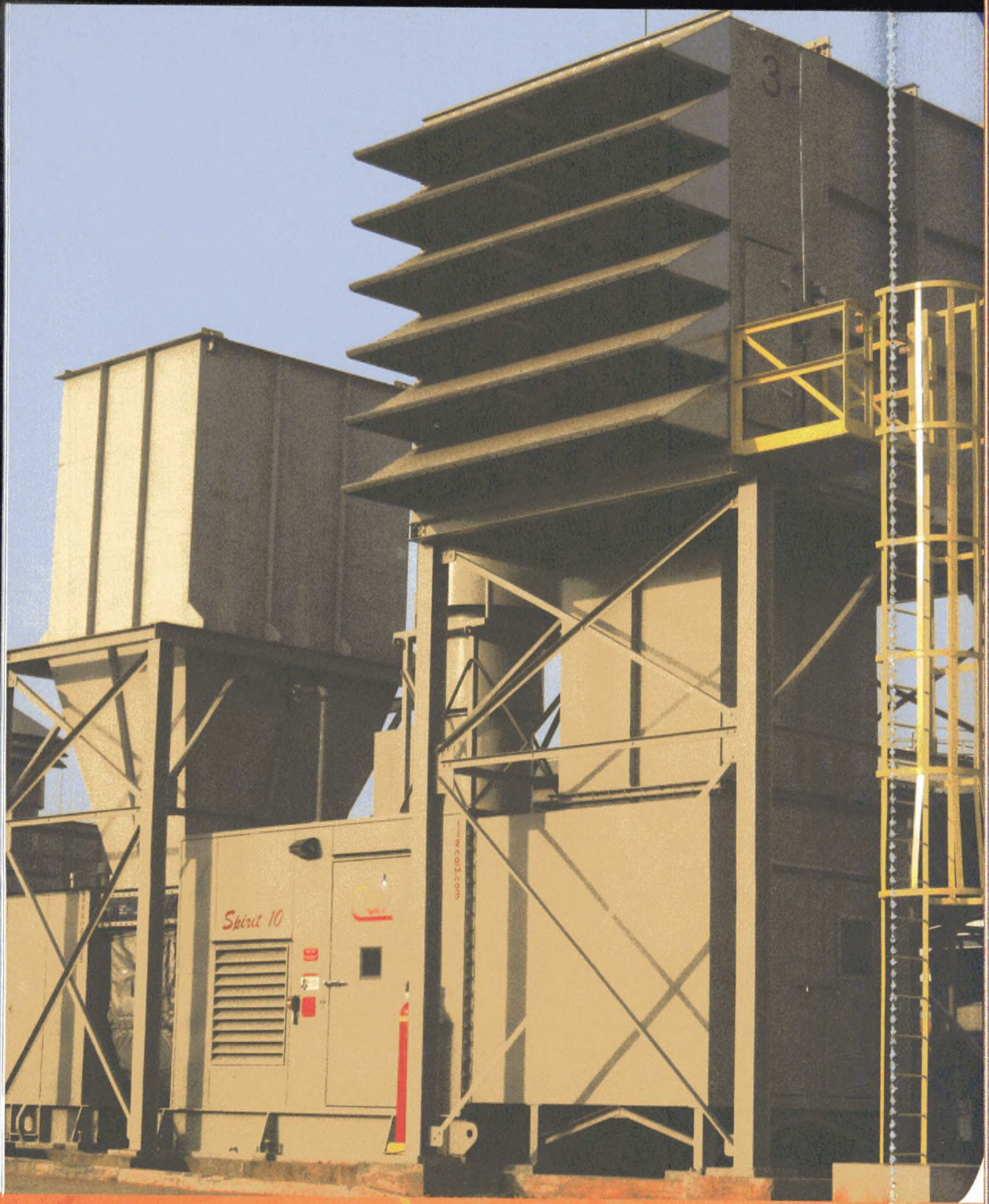
Spirit 10

Kusum & Mukund Kavia

Owners, Combustion Associates, Inc.

What do the Combustion Associates do? Combust?

Well, you're very close. We do power generation systems, using aeroderivative turbines. And that would be your aircraft or military turbines. Our company provides modular power plants in the range from 1-megawatt to 10-megawatt. A 1-megawatt is the size of a 40-foot container and can power 1,000 U.S. homes. We've focused on a smaller piece of the pie. So, when we take it to emerging countries such as [in] Africa, which is a growing market right now, or Eastern Europe or Central America, they can power villages. When a customer buys a number of our smaller units instead of one big one from a competitor, if one goes down for maintenance there are others to take up the slack. If a bigger 20-megawatt plant goes down, you're in trouble. Our units also operate on and off the power grid, can be powered with alternative fuels, and can be moved around.

We started our business in 1991 when we were a two-person office in a 200-square-foot facility. Today, we have grown to 60 employees with a 40,000-square-foot facility, and 90 percent of our revenues come from exporting. We are into about 10 countries. The product that we are in is not the number of countries; it's the dollar amount. The dollar amount is pretty substantial for us. And we are into Africa, which is a growing market right now, and Central America and Asia. Those are our three major markets, and Eastern Europe.

Are you both engineers by training?

I am an engineer and my wife trained in business management. We were both born in Kenya, where our parents immigrated from India. We came to the U.S. via England and Canada.

What was the biggest challenge you faced in getting started in the international marketplace?

The biggest challenge we faced is that we weren't a brand name. We were not recognized in the industry. So, being a small company, we had to make a name for ourselves out there. We've done that in a number of ways, including our website, going to trade shows, getting referrals from bigger companies in the power generation industry, and working with U.S. government agencies.

Mukund Kavia (right) meets a customer in Ghana.

How do the bigger companies help you? Aren't they competitors?

There are not many competitors now. In the U.S., the big power generation companies like GE are not so interested in our part of the market, the 1- to 10-megawatt. Also, we use some of their equipment in building our plants. So for these and other reasons, when GE is traveling around the world, if they encounter a need for smaller plants, they'll sometimes refer us. As we've gotten more experience, GE, for example, has asked us to speak on doing business in Africa at some of their events. This helps with networking within the industry and leads to more contacts and referrals. There is growing competition in our market segment, especially from China, but also Japan and India.

What help did you get from the government organizations in the U.S.?

We used partnerships with the U.S. government, including the U.S. Commercial Service, that spread our name, that spread what we did, and that really elevated us to a level that we were able to then be in front of the customer at the international level. The local U.S. Commercial Service office in Ontario, California, helped us by doing a lot of background research on best markets. They showed us the right way to do it. And when we brought the potential customers to the U.S., they accommodated them in every sense possible. One of the biggest things that I remember is the U.S. Commercial Service director opening his office to us. At that time we had a small business and didn't have a room to accommodate this delegation that was coming. We actually had our customers meet us at the U.S. Commercial Service office in Ontario and utilize their conference room. The

representative of the Export-Import Bank of the United States was invited to talk about loan programs for foreign buyers to purchase U.S. equipment and services. So we had all these resources together under one roof, and our customers were very impressed. Now the U.S. Commercial Service brings potential buyers to us who are visiting the U.S.

"... customers appreciate dealing with the owners of the company ..."

The U.S. Commercial Service also publishes Energy Alerts, which are emails from Commerce Department foreign service officers stationed around the world. The emails summarize information and business opportunities in the energy sector. They also include information on Requests For Proposals and Requests For Quotations that we can respond to. We've definitely gotten some business from these efforts.

Do you often invite customers and prospects to the U.S.?

Yes. In about 60 percent of the cases they come here, and we go to them in 40 percent of the cases. These are high-value purchases, and each installation is different. If they come here, we know they are serious. You really do need to sit down and talk together. They need to see where we do the construction and how we did it. Meet our team members. It really helps improve communication and relationships.

"... willingness to go places and to build relationships with people and to deliver excellent customer service [are] important ..."

You exhibit a kind of fearlessness in jumping on airplanes to do business in some unusual places.

Fearless maybe, but not reckless. We do our due diligence, often asking our embassies overseas to do background checks on potential customers. Mukund is very comfortable doing business in other countries, whether it's sitting down with village elders, and it sometimes is, or whoever might be involved in the purchase decision or affected by the installation. We're both originally from Africa so this is probably part of it. There's also a big advantage to us jumping on planes and being accessible to the customer. I think a main reason why we're successful is that the customers appreciate dealing with the owners of the company they are buying hardware and services from. We are available to them and they can contact us directly with their questions and concerns. Reacting quickly is important, and nobody likes getting bounced around. Because we're small, our costs are lower, making us more affordable to customers in developing countries. Customers

also like the fact we are from the U.S. and that U.S. brands are used in our power plants. I think the willingness to go places and to build relationships with people and to deliver excellent customer service are more important than being from a particular place. In this sense, many more Americans could be successful doing business in these parts of the world.

Have you learned things doing business abroad that have made you a better company?

You always come back with new knowledge. You see hardships. You see people struggling with things we take for granted. You want to help them to live better. If we can't help them, we try and connect them with others in our network who can. You learn to listen attentively and to show respect. You definitely learn how to find solutions that were not automatically in your toolbox. One of the biggest things we learned is about the installation and maintenance process, which is different in every place we go. By listening and carefully observing how people do things, we have made changes in our designs, the fabrication of our components, and in our training of local people that have helped us in all the markets we sell to.

What new markets are you looking at?

We are negotiating with some Iraqi customers, who very much need our products. We have a contract for plants providing 240 megawatts in Bangladesh. And we expect to have projects in the Philippines and, surprisingly, in Italy.

> ***"We used partnerships with the U.S. government, including the U.S. Commercial Service, that spread our name, that spread what we did, and that really elevated us to a level that we were able to then be in front of the customer at the international level."***

What advice would you give companies that are starting out and have not yet thought about going to another country to sell their products and services?

Don't limit yourself. You're already doing something that you know, that is your passion. All you have to do is, yes, get out of your comfort zone. You're going to have different challenges—some new, some old. But I would encourage everyone who is looking to export to say please, "Why haven't you thought of

doing that?" The government, both at the local, state, and federal level, really go out of their way to help businesses blossom and grow. And we have found that everywhere we have gone and told people about our story, they have opened up and said, "How can we help you?" So this is a wonderful dream that we're living, and we hope to do even better in the future.

We're a family-owned business and we really have the American story, since both Mukund and I were immigrants. We came to this country with very little, but lots of big dreams. And so, America to us still remains the land of opportunity. We just worked hard, and failure was not an option for us. So every day, in and out, our business is our passion. As Americans, I believe that all of us want to reinvent ourselves. And this is true for both Mukund and I. We are immigrants; we want to reinvent ourselves, and we want to be the best we can be so that we are able to export U.S. products overseas that are quality, cost effective and really a win-win for the countries that we're doing business with.