

FOCUS: GLOBAL TRADE

Firm looks south to find profits

By Ashley Mercado, Contributing Writer

Building on connections made on a trip to Mexico five years ago, an East Providence-based specialty chemicals company has built a successful export operation reaching several Latin American countries, even opening a distribution facility next to the Panama Canal.

Charles F. Reade, president of Reade Advanced Materials, went on a trade mission in 2002 led by the U.S. Commercial Service. He signed up through the R.I. Economic Development Corporation, which works with local companies to help them break into foreign markets.

For trade missions, the EDC engages in something akin to economic matchmaking, identifying businesses that could do well in specific countries and scheduling meetings for them with qualified distributors, agents and potential buyers.

Reade, who is also a volunteer deputy chaplain for the U.S. Army, said that first trip he made to Mexico, which included 19 scheduled meetings, was as well-organized "as any military mission I have been on."

"They basically thought of everything, including providing me with regional economic briefings, a car, driver, translator/aide, and the generation of sales appointments with CEOs at every stop," Reade said.

Reade Advanced Materials makes highly specialized products such as nanoporous fibers that are used in the pharmaceutical, medical and powder-coating industries, among others, in applications ranging from metal parts for cars, trucks and bicycles, to food packages.

The trade mission laid the groundwork for Reade to start building an export business, and in 2003, the company opened a distribution facility in the Colón free-trade zone in Panama, entirely staffed by Spanish speakers. The facility became profitable within a year, he said, and since then, profits for the company have risen by 20 percent per year.

The Latin American operation also has expanded its reach over the years. Reade now sells its products in Colombia, Puerto Rico, Argentina, Chile and Brazil, as well as in Mexico (there is no market for the products in Panama, Reade said, so they are not sold there).

The EDC has been instrumental in that expansion, Reade said, not only by organizing trade missions, but also by helping the company identify the markets it might be able to reach.

On a 30-day trip to Brazil in 2005, he said, he visited about 50 companies, and "about 40 of those Brazilian companies were strictly buying mainland Chinese goods, because they were very inexpensive." But their European or American client companies would often reject the finished manufactured products from Brazil because the quality was inconsistent.

Recognizing the need for higher standards, Brazilian companies have tried to make connections with U.S. companies, but the language barrier caused difficulties. Most U.S. businesses don't have a multilingual staff, Reade noted, "and 98 percent have been focusing on the Asia and India markets." That, he said, has left huge portions of Latin America underserved.

Reade said with pride that the Brazilian companies called his firm "the bridge."