

**Testimony of Kevin Loe
Director of Customer Engagement for Redi-Rock**

House Small Business Subcommittee on Oversight, Investigations, and Regulations

“Global Supply Chains and Small Business Trade Challenges”

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10:00 a.m. EST

Chairman Phillips, Ranking Member Van Duyne, and Members of the Subcommittee, thank you for the opportunity to testify before you today.

My name is Kevin Loe; I am the Director of Customer Engagement at Redi-Rock International. At Redi-Rock, we believe in changing the world in concrete ways by unleashing the possibility of people, products, and technology to create large block retaining wall solutions you can trust for a lifetime.

Today we are working with 120 independently-owned-and-operated manufacturers in 22 different countries that license Redi-Rock precast modular blocks. We provide one integrated system of wall solutions that create engineered solutions behind the wall and natural stone appearance on the face of the wall. Since launching in 2000, Redi-Rock’s proven technology has expanded for more structurally sound solutions with faster installation.

Currently, Redi-Rock employs 55 hardworking team members with positions in welding/production, marketing, engineering, finance, and sales. We manufacture our products in Charlevoix, Michigan, and export containers to different countries around six continents of the world. Our Headquarters is located in Petoskey, Michigan.

I want to start by saying that it was because of the State Trade Expansion Program (or STEP) at the U.S. Small Business Administration and the Michigan Economic Development Corporation that Redi-Rock went from zero export sales to a global market leader.

STEP was the catalyst for us to invest our time and resources in international trade. As a result, Redi-Rock has grown export revenue to more than \$3.5 million in exports to Austria, France, Italy, Belgium, United Kingdom, Ireland, Germany, Russia, Portugal, New Zealand, Australia, Trinidad & Tobago, Spain, Norway, Italy, Dominican Republic, Algeria, South Korea, Switzerland and Estonia.

Those exports have allowed us to create new, good-paying jobs, diversify our sales, keep manufacturing in Michigan, and work through the global pandemic without eliminating any positions. We could not have achieved this success without the support of the STEP grant program and MEDC.

Through Redi-Rock's expansion internationally, we've been able to add jobs here in Northern Michigan. Our very first employee, Larry Pop, has been with the company since we started in 2000. As part of our international growth initiatives, Larry's son Owen joined the company in 2020 to help in our manufacturing facility - becoming our very first second-generation employee.

We're seeing similar generational impacts internationally as well. In France, our customer Lachaux Beton had a gravel business that struggled through the recession of 2008 and the years following. When the next generation took over the family business in 2013, they were hungry to innovate and took on Redi-Rock. As a result, this small family business has seen year over year growth and was invited to the French palace to receive an award for innovation in 2020. Redi-Rock has allowed this small family business to thrive into the next generation, and the STEP funding has been pivotal in helping us empower small business growth here and abroad.

Small businesses like us do not have the resources to navigate the global market and export process. That's where our partners at MEDC and the federal trade agencies are vital. They help us identify foreign buyers, understand foreign regulations, market our products, train our staff, and help secure the export sale.

During the pandemic, we quickly shifted our operations strategy to continue to grow our exports. Through the STEP program and MEDC, we participated in several virtual trade events with potential buyers in Australia and Peru. We were able to utilize Zoom to build our relationships, and in the end secured a six-figure order with an Australian company. We are still working on securing exports to Peru.

Typically, these sales would have required extensive travel to those countries and could take between six and 12 months to finalize. With the help of STEP, the MEDC and technology, we were able to secure the export success within months and with less expense.

As a result of their innovation and success, Redi-Rock was recently named 2020 Michigan Exporter of the Year by the U.S. Small Business Association and received the President's "E" Award for Exporting.

I want to conclude by expressing my strong support for the STEP program. It's been vital for our ability to grow as a small business. We strongly support the reauthorization of the program and continued funding of the STEP program. We would also advocate to increase the funding to \$50 million per year.

In addition, we strongly support the bipartisan infrastructure bill and investing in our aging infrastructure in the U.S. This will help ensure we can remain competitive in the global markets, while also creating and supporting jobs here in Michigan.

Thank you and the Committee for the opportunity to appear before you today, and I look forward to your questions.