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SERVING OUR SERVICE MEMBERS: A REVIEW OF PROGRAMS FOR VETERAN ENTREPRENEURS

ROUNDTABLE

BEFORE THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

NOVEMBER 13, 2013

Printed for the Committee on Small Business and Entrepreneurship



Available via the World Wide Web: http://www.fdsys.gov

U.S. GOVERNMENT PRINTING OFFICE

86–306 PDF WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
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SERVING OUR SERVICE MEMBERS: A REVIEW OF PROGRAMS FOR VETERAN ENTREPRENEURS

WEDNESDAY, NOVEMBER 13, 2013

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The committee met, pursuant to notice, at 9:48 a.m., in Room SR–428A, Russell Senate Office Building, Hon. Mary L. Landrieu (chair of the committee) presiding.

Present: Senators Landrieu, Enzi, and Fischer.

OPENING STATEMENT OF HON. MARY L. LANDRIEU, CHAIR, AND A U.S. SENATOR FROM LOUISIANA

Chair LANDRIEU. Good morning, and welcome to the Small Business roundtable, "Serving our Service Members: A Review of Programs for Veteran Entrepreneurs." We really appreciate your testimony and participation in this important hearing.

I would like to personally acknowledge one of our participants from Louisiana, Aaron Dirks, the Chairman of PosiGen, New Orleans, and I welcome all of our participants today.

As the conflicts in Iraq and Afghanistan come to a close and our troop levels draw down from the Middle East, the American economy is gaining access to tens of thousands of smart, disciplined, and motivated men and women leaving their posts overseas to enter the workforce here at home. We ask our soldiers, sailors, airmen, and Marines to innovate and to problem solve and we know they are the best in the world. These young men and women develop a unique skill set during their years of service in uniform. We need to do everything possible to clear a path for them to use those skills to make a living for themselves and their families and to pursue their entrepreneurial dreams, not just for their own benefit, but, of course, for the benefit of their communities and our Nation.

That is why, as Chair of the Senate Committee on Small Business and Entrepreneurship, we are holding this roundtable today to hear from veterans and policy experts, not only from my State of Louisiana but from across the country. I really appreciate Senator Enzi, who has a great deal of experience in this regard, joining us today for this informal but important roundtable. I am looking forward to hearing his comments and questions. We want to see what Federal programs are working well to assist veterans in this

transition and which need to be tuned up, substantially modified, or eliminated.

Today, there are about 2.4 million veteran-owned small businesses in America, which represent about eight percent of all small businesses in the country. They generate collectively more than $1 trillion in revenue each year and employ almost six million people. In Louisiana, we are proud to have 57,000 veteran-owned businesses that employ 145,000 people. These small businesses represent nearly 14 percent of all the businesses in our State.

Now, more than ever, our country needs innovative job creators building our economy and pushing us forward and taking advantage of the real extraordinary opportunities here in America today. We need to harness the leadership potential of our servicemen and women and eliminate barriers to employment and entrepreneurship.

Unfortunately, some past efforts to address the unique needs of aspiring veteran entrepreneurs have proven to be inefficient and duplicative. For example, a 2008 GAO report found there was weak coordination among agencies to coordinate entrepreneurial small business assistance for veterans. One program was that there had yet to be established an Interagency Task Force to coordinate Federal efforts. As a result of this finding, the Task Force was established in 2008.

Also in 2008, this committee conducted a review of the activities and operations of The Veterans Corporation (TVC), which had received more than $17 million in Federal subsidies since its inception in 1999. Not only did we find it was failing at its statutory mission of expanding technical assistance for veteran entrepreneurs, but we uncovered gross mismanagement of Federal spending.

So, in 2012, I sponsored an amendment to eliminate the program so that, by cutting fat, getting rid of redundant and ineffective veterans' employment and training programs, we can better invest in those that work. I know that you share that goal with me.

We need to focus on implementing smart, targeted programs that serve specific veterans' populations, provide ongoing support, and most importantly, in my view, and many on this committee, leverage public-private partnerships and use the great strength of our universities.

For instance, the Boots to Business program offered by the Small Business Administration as part of the DOD's Transition Assistance Program provides transitioning service members with an introduction to entrepreneurship as a career option as they return to civilian life. To date, that program has reached more than 4,700 service members.

The Entrepreneurship Boot Camp for Veterans with Disabilities, EBV, provides cutting-edge experiential training to veterans with service-related disabilities through a consortium of eight universities at no cost to participants. Since 2007, the EBV program has reached more than 820 disabled veterans who have started more than 530 businesses.

Women Veterans Igniting the Spirit of Entrepreneurship, V–WISE, is an entrepreneurial training program specifically for female veterans that is currently held at seven locations nationwide.

As of January, the program has served about 1,000 female veterans who have started over 550 new businesses.

Finally, through a network of 15 Veterans Business Outreach Centers, the SBA provides ongoing support and assistance to new and existing veteran-owned small businesses. According to the SBA, three particular centers stand out for their exceptional work, the ones that are located in Massachusetts, New Mexico, and North Carolina. We have the North Carolina Veteran Business Outreach Center represented here today and we are looking to hearing more about their exceptional program.

These programs and others have proven themselves to be effective and successful, which is why I am working on legislation to improve these services and reauthorize them for the next five years. If we find out differently at this roundtable, then that legislation can be adjusted.

The men and women of our Armed Forces serve our Nation with honor and sacrifice and I look forward to hearing from each of you about what more you think the government at every level—in the hearing this morning, it will be mostly Federal, but we would love you to talk about anything that you know at the local or State level that is working well, and most importantly, comment about private sector and faith-based initiatives that are really working well so that we can do everything we can to provide a smooth transition for our veterans into the workforce and create opportunities for employment.

Let me turn this over to my partner, Mike Enzi, for his comments, and then what I would like to do is have each of you just introduce yourself for one minute, name what you are either hoping to accomplish here or your best thing you want to share in one minute. And then the way this roundtable works, as the Senator knows, is very informal. I am going to pose a few questions. Your statements will all be put into the record. I am going to pose a few questions, and there is a lot of back-and-forth, hopefully, that will go, and you can ask questions. We will be conducting this roundtable for another hour-and-a-half.

Senator Enzi, please proceed, and thank you so much for being a part of this.

OPENING STATEMENT OF HON. MICHAEL B. ENZI, A U.S. SENATOR FROM WYOMING

Senator ENZI. Thank you, Madam Chairman, for holding this timely roundtable to have a real discussion about what the Small Business Administration is currently doing to assist those who have so admirably served their country to make their entrepreneurial dreams become a reality.

While unemployment numbers for veterans remain unacceptably high, it is especially important that we look at the SBA programs and see how we can most efficiently and effectively encourage and assist current military personnel and veterans to consider turning their ideas into a business reality.

I would also like to thank our distinguished panelists for taking the time to come and share their expertise with us today. I am looking forward to hearing from them on how well the SBA's veteran-geared programs are working at the ground level and what we

can do to better serve the population that has done so much to serve our country.

I am especially eager to hear from Lieutenant Colonel Anderson, who has a great book that outlines how military personnel can start working on their business ideas while they are still on active duty. In our current economic climate, we need to be thinking about innovative ways we can help our Nation's military personnel transition to civilian life and business ownership before they separate from the military.

I am thrilled and proud to have a Wyomingite here today to share his expertise and firsthand experience setting up a business. Jason Anderson comes from Jackson, Wyoming, and is an active duty Lieutenant Colonel in the U.S. Air Force. He is currently serving at the Pentagon, but will, as many Wyomingites do, be returning to Jackson with his wife and family after his June 2014 retirement.

He and his wife, Adrianna, spent three years planning their business, which they launched in April of 2013. In June this year, Jason also published a book called Active Duty Entrepreneur, discussing his experiences with the Small Business Administration and best practices he learned to help other active duty service members navigate their own business goals. The main goal of the book is to get active duty personnel to start thinking about their business goals well in advance of their military separation and retirement. By working on these goals while still in the military ecosystem, the ecosystem provides a stable job, regular pay, health care, and a predictable career timeline. Military personnel can then create their own smooth transition into a low-risk environment.

I read and enjoyed Jason's book. I have got it well underlined and dogeared and commend him for it. I believe he not only has great ideas, but he has powerful testimony of firsthand experience. He is serving in the military and yet has set up his own business. He emphasizes in there to do it on your own time. I cannot think of anyone better to give us insight into ways we can better equip those who so selflessly and faithfully serve our country to succeed once they leave the military than someone who has gone through this process himself.

I am glad Jason is here and I look forward to his contributions to this roundtable. I look forward to the comments of others. I appreciate the written testimony that we have gotten, which will, of course, be a part of the record. And, of course, we hope that we will be able to maybe submit some questions to you even after the hearing is over.

Thank you, Madam Chairman.

Chair LANDRIEU. Absolutely, Senator.

And we have been joined by Senator Fischer.

OPENING STATEMENT OF HON. DEB FISCHER, A U.S. SENATOR FROM NEBRASKA

Senator FISCHER. Good morning, Madam Chair.

Chair LANDRIEU. Good morning.

Senator FISCHER. Thank you so much for holding this very important roundtable.

I am thankful for the sacrifices made each day by our active duty service members and their families to protect our Nation and to guard the cause of freedom. I want nothing more for all of those who have risked life and limb than for them to be able to pursue the very American dream that they fought so courageously to defend.

One of our most important roles in Congress is to ensure that Federal dollars are spent wisely and effectively. I look forward to the roundtable this morning and to hearing from each of the witnesses how programs aimed at supporting our veteran small business owners are working. We owe it to our brave men and women in uniform to ensure that all of the programs in place to support our veterans are run well and administered efficiently.

Thank you, Madam Chair. I yield back.

Chair LANDRIEU. Thank you very much.

And as we said before you came in, it is time for everyone to introduce themselves, Rhett, starting with you, please. You have to lean into your microphone, press the "talk" button, kind of lean in so that your voice can be picked up. And if you would just introduce yourself for a minute or less and your name, background, and then what you hope to accomplish or share with the group today.

Mr. JEPPSON. Yes, ma'am. Good morning, and thank you for having and inviting us here today. I am Rhett Jeppson. I am the Associate Administrator at the Veterans Business Development. I head up the Office of Veterans Small Business Development at SBA.

I am a serving Marine Corps Reserve Lieutenant Colonel. I have run a small business, my family's small business, have been Director of Purchasing for a State purchasing agency, the State of Florida. As I mentioned, I am not only in the Marine Corps myself, I actually have a daughter who is a PFC in the Marine Corps, so I like to give her a shout-out here.

[Laughter.]

But, what I would like to achieve today is I think that we have the core of some really good programs at SBA and we are very proud of the work that we have done to date. But those programs can always use process improvement as we look forward to serving the veterans' community. We cannot rest on what we have accomplished today or what our plan is. So, we look forward to hearing the roundtable's input into how we might improve the process and be of a better benefit and more affect our veterans' community. Thank you.

Chair LANDRIEU. Thank you. Thank you so much.

Louis.

Mr. CELLI. Thank you, Chairwoman Landrieu, and thank you for having this roundtable discussion today and for inviting us here. I am the Legislative Director for the American Legion, and in the interest of full disclosure, I ran the Massachusetts Veterans Business Outreach Center for ten years before taking over this position.

Chair LANDRIEU. Well, a shout-out to you. That got great reviews.

Mr. CELLI. Thank you very much, and I am looking forward to discussing those successes here today as well as some of the programs that are overseen by SBA and some of the challenges we see

with those programs in addition to ways that they can be improved. Thank you.

Chair LANDRIEU. Wonderful.

Ms. Spann.

Ms. SPANN. Good morning. My name is Harvetta Spann. I am a former Army logistics officer, turned corporate executive, turned entrepreneur. I am the President of BLS Group, Inc., a meeting and event planning company based in Northern Virginia. We are a service disabled, veteran woman-owned small business.

I am also the co-founder of the WAVE, Women as Veteran Entrepreneurs. The purpose of the WAVE is to create forums to connect women veteran small business owners with government agencies, and prime contractors, to help them grow their business.

I am also a V–WISE graduate. I graduated in 2011, the Baltimore Conference—I think that was the second conference that was held. Just recently I was asked to come to the Chicago conference and be a speaker and panel member. The V–WISE program played a huge role in helping me launch the WAVE and I am just here to express my gratitude for all the programs. Thank you.

Chair LANDRIEU. Thank you so much.

Mr. Dirks.

Mr. DIRKS. Well, good morning. Aaron Dirks, New Orleans, Louisiana. I am eight of those 2.4 million companies out there that are veteran-owned, a few hundred employees scattered around this country with a deep, almost sort of leader in Entrepreneurs Organization, which is a global entrepreneurs program and very active in veteran entrepreneurship matters.

So, my goal here is to provide whatever feedback that I can and insights that I have seen over my years of entrepreneurship on successes and areas for improvement for the resources that are available or maybe can be made available to our aspiring veteran entrepreneurs and just to be present and willing.

Chair LANDRIEU. Thank you so much.

Lieutenant Colonel Anderson.

Colonel ANDERSON. Yes. Good morning. My name is Jason Anderson, and to do the introduction, I do not think I could do a better job than my Wyoming Senator Enzi did, so I will keep my remarks fairly short here.

[Laughter.]

You asked to comment on what I would like to get out of this, and my goal here is to kind of look at active duty people just a little bit different than we had before. The current system as it stands now, as you do your military service, there is a clear partition between that and being a veteran. So, a lot of times, even in the support roles, they are addressed as such, and what I am trying to do is back up that line and even blur it a bit because there is a lot of time is what you are going to have most to benefit from when you are on active duty. And you can start these endeavors as early as you like and invest as much time, money, and effort as you would like and it just provides that system, and that is just what I wanted to share today.

Chair LANDRIEU. Excellent. Excellent point.

Mr. Rehder.

Mr. REHDER. Good morning. I am Robert Rehder of North Carolina Veterans Business Outreach Center. I am delighted to be here and share with you some of my experiences this morning.

As a Vietnam-era Navy veteran counseling literally a thousand or so veterans every year, I would submit to our committee here that every one of the men and women that I counsel do not want to be wards of the State or Federal Government. They want to reach financial and personal independence through a small business. They simply, in most cases, do not know how. I am delighted to share some of my experiences today and hope to gain other experiences that will help me augment my program. Thank you.

Chair LANDRIEU. Wonderful. Thank you, Mr. Rehder.

Dr. Haynie.

Mr. HAYNIE. Hi. My name is Mike Haynie. I am a veteran of the United States Air Force. I am the Executive Director of the Institute for Veterans and Military Families up at Syracuse University. I am also the Barnes Professor of Entrepreneurship at the Business School there at Syracuse.

As a veteran and as a Professor of Entrepreneurship, the topic of veteran business ownership is more than just a professional interest. It really is a passion of mine because I believe as strongly as I believe anything there is nobody more deserving of the opportunity to live the American dream of business ownership than somebody who has put on a uniform to defend that dream.

So, I spent the better part of the last seven years since I left active duty service designing and managing programs, training programs focused on empowering veterans through business ownership, to include the EBV program, the V–WISE program, the Entrepreneurship Boot Camp for veterans' families, and now the new transition track from DOD, the Boots to Business program. So, I am excited to talk about how we can continue those private-public sector partnerships to grow and expand these programs.

Chair LANDRIEU. Excellent. Thank you so much. I have read recently so much of what your university is doing, and you, and cannot wait to hear more.

Mr. Ferguson.

Mr. FERGUSON. Chair Landrieu, committee members, good morning. My name is Chris Ferguson. I am the President of Shoulder 2 Shoulder, a service-disabled veteran-owned small business located in Arlington, Virginia. My partner, Ken Falke, is the service-disabled veteran.

Our primary goal is to develop information technology and [off microphone] that improve operation and performance, prevent traumatic injuries, and enable veteran recovery and reintegration. We pursue our goals with a socially responsible business plan. We deliver tangible results to the government while driving up to 50 percent of our after-tax profits back to veteran charities. I am proud to say that 57 percent of our employees are U.S. military veterans and 40 percent of them are disabled U.S. military veterans.

Our flagship product is a customizable mobile application called IMPACT. IMPACT is a secure collaboration network focused on video lessons learned from the counter-ID community. This program was recently validated by the U.S. Special Operations Com-

mand and is currently available across iPhone, Android, web, and mobile web. Our goal——

Chair LANDRIEU. And did you bring—we are not going to read the statement today, but did you bring some of your video to show today?

Mr. FERGUSON. Unfortunately, I did not.

Chair LANDRIEU. Did not.

Mr. FERGUSON. I did not know——

Chair LANDRIEU. Oh, all right. I saw it in my office. You all are going to miss it, but we will try to get it back. All right.

Mr. FERGUSON. Thank you.

Chair LANDRIEU. Mr. Rowe.

Mr. ROWE. Thank you, Senator Landrieu. I am Tee Rowe. I am the President of America's SBDC, which represents the Small Business Development Center network nationwide. It is over 950 centers and over 4,000 professionals. About 13, 14 percent of the folks that SBDCs assist are veterans. In 2012, it was about 37,000 veterans that we assisted.

The big thing that I would like to get out of this roundtable is to discuss the coordination between the offerings that SBDCs have, Boots to Business, and all of the other tools that are out there so we can find some efficient and really effective ways to make sure veterans get every bit of assistance they need. Thank you.

Chair LANDRIEU. Mr. Wynn.

Mr. WYNN. Thank you, and good morning, Senator and other members of the committee. My name is Joe Wynn and I am the President of the Vets Group, National Legislative Director for NABVETS, and also Air Force veteran. As such, I am also a part of the Veterans Entrepreneurship Task Force, of which I have been a part of since 1999.

Collectively with other representatives of VSOs and other veteran small business owners, we have been seeing the implementation of P.L. 106–50 since that time and have continued to participate and advocate for ways to increase contracting opportunities for veteran business owners, particularly in the Federal marketplace. And what I would like to see today is to learn how we can continue to increase and get above that three percent mandate for Federal veteran business contractors.

Chair LANDRIEU. Thank you very much.

Well, let us start this roundtable, and just to remind my Senators, when members want to speak—not you all, just signal to me—but everyone else, just put your name card up like this and I will call on you, because I really want this to be very informal. You can jump in. This is not a formal hearing that you normally see, and we think the information that we get from these roundtables is really extraordinary.

So, I want to start with you, Mr. Haynie, if I could. Speaking from a university, obviously, you have a great passion for what you do. You have started the Institute for Veterans & Military Families. You are a Ph.D. You look out and study things that are working from your vantage point, things that are not. Could you just begin this roundtable by giving us some specifics about the program that you think is most effective in leveraging private sector funding, because, as you know, our government funding is limited.

We want to make sure that we are investing it in programs that get the biggest bang for the buck and leveraging the private sector and the nonprofit groups that are out there to really target our veterans. And then I am going to come back to Mr. Anderson about that blurred line that he talked about. But go ahead, and if anybody wants to jump in, you can.

Mr. HAYNIE. I would be happy to. I think two things jump out at me as examples, and I told Rhett Jeppson and others that we work with at the Federal level that some of the things that we have been able to do with SBA represent, in my mind, some of the most entrepreneurial, if you will, examples of a private-public partnership.

EBV, for example, the program that has been mentioned a few times, was a program that I started when I left the military and it has since expanded to eight other universities. That program was created and initially grown without any government money whatsoever. It was not until, I think, 2009, 2010 that that program received a small grant from the SBA, to the tune of, I think, about $150,000 a year. But the reality is, the eight universities that participate as well as private sector partners fund that program to the tune of about $1.2 million a year to fully fund it on behalf of all the veterans that go through.

So, none of the 800-plus wounded warriors who have gone through that program to date have paid a nickel for that training, to include transportation, lodging, the residency. We actually had to go through an exercise at one point of valuing that experience on the private market for the Marine Corps. It was about a $42,000 per person experience that was delivered without any cost at all to the veterans. Because it was delivered in a higher education setting, we could leverage existing infrastructure at, for example, one of our partners, LSU, and the cash cost nationally across our eight universities to deliver that program works out to be about $5,500 per veteran for a market-based experience that, if we did it outside of higher education, as I said, would be about $42,000.

Chair LANDRIEU. It would be $42,000.

Mr. HAYNIE. V–WISE is another great example. We have been able to essentially act as a bridge for the SBA——

Chair LANDRIEU. Before you get to V–WISE, let me ask you this. Tell me real quickly—I know it is in the testimony, but explain. The program is a residential program for just a few months, or is it a few weeks, or——

Mr. HAYNIE. It actually starts with some distance learning, so the veterans go through some online training. Then we bring cohorts of 25 at a time to the campuses of eight different universities—UCLA, Texas A&M, Florida State, Cornell, Pursue, the University of Connecticut, obviously up in Syracuse, and I always miss one, but I made sure—and LSU, but I had mentioned——

Chair LANDRIEU. LSU. Do not miss LSU.

[Laughter.]

Mr. HAYNIE. And they are there for an eight-day residency, 7:30 in the morning until 10:00 at night. But the important thing is, then we plug them into a year of what we call technical assistance, where they are afforded, for example—another good example of public-private partnership—a small business lawyer. We created a

partnership with the law firm DLA Piper, the largest law firm in the country. Every graduate gets access to a small business lawyer. They get access to an accountant. They get access to web design, logo design services, et cetera, all funded and made available by the private sector through collaborations and partnerships that we have built.

So, the full term of the engagement for the program is about 14 months of intense engagement, but we continue to essentially cultivate a family of graduates that we bring together once a year. We just did that down in Dallas two weeks ago, so we——

Chair LANDRIEU. And are these veterans invited, or do they volunteer, or how are they selected to be a part——

Mr. HAYNIE. It is a competitive process, so they go through a competitive application process. You know, I describe it as a blessing and a curse that we have many, many more applications to the program than we actually have available seats every year.

Chair LANDRIEU. Yes. How many applications do you have?

Mr. HAYNIE. This year, we probably were unable to have seats for 350 to 400 qualified, ready for the training applicants. We had many more applications than that that I would say some of those applicants were not quite ready for the——

Chair LANDRIEU. But with a little help could have been——

Mr. HAYNIE. Absolutely.

Chair LANDRIEU. So there is a real need. And do any of you all want to comment or know about this program, or have had any experience with it, or have heard people that have been through it? Anybody? Go ahead, Mr. Dirks.

Mr. DIRKS. So, I have been a volunteer with the EBV program in the LSU for a number of years now, the three years that it has been around. I donate services from my businesses, transportation, education. I give keynote addresses. I have gotten—I have done personal mentoring with a lot of the applicants that have been there.

And I can personally testify that it is one of the best entrepreneurial programs that I have seen in my experience, and my experience is more than just veteran programs. I have done accelerated programs with Federal and State and local incentives. I work with SBDCs. Anyway, my point is that the EBV program is, by far, one of the most efficient and productive processes in the amount of time that I have seen any kind of kickstarter program have, and I think it is one that can be replicated if we leverage resources appropriately to reach more of those——

Chair LANDRIEU. Excellent. Mr. Celli.

Mr. CELLI. Thank you. We have been a big fan of the EBV program ever since it started. We have been partners with Mike in Syracuse. We have actually participated as guest speakers in some of the programs. And by far and large, the program is definitely the Cadillac of veterans programs and it is for those gazelles, as the SBA likes to call it, those people who are just really, really ready to take that next step.

Getting them to that step, as you have previously mentioned, is really the big challenge, and as we have heard, 800 participants over the past six years is an excellent way to get these veterans into the small business arena, but it barely makes, really, a dent

in the overall veteran population of veterans who aspire to start their own businesses.

There is a recent report by the Kauffman Foundation that cited, from 1999 until about three years ago, the average participation by veterans in the small business arena was around 12 percent. Over the past three years, it has dropped to roughly six percent. You quoted eight percent earlier in your opening remarks. So, that is a very troubling decline, something that we need to address, and that is one of the reasons that I am very pleased that we are having this today.

Chair LANDRIEU. Mr. Ferguson.

Mr. FERGUSON. As part of the lessons learned work that we do with many young veterans who are both reintegrating or still active duty, with some of the work that we have done with veterans that have already reintegrated and started their own small businesses, inevitably—and I have this on video, unfortunately I do not have it today, but I have it on video where I have heard multiple men and women say that the EBV program has been invaluable to their experience in starting a small business, and two young wounded Marines that started a small business in North Carolina, for example, said they recommend every veteran, and particularly wounded veterans, go through that program.

Chair LANDRIEU. That is just really extraordinary compliments of this program.

Senator Fischer.

Senator FISCHER. Thank you, Madam Chair.

Following up on your comment about active duty veterans, and Lieutenant Colonel Anderson, you mentioned that, as well. Is there any way that we can better help the folks transfer from active duty to the private sector and really utilize the skills that they have? Are there programs out there that help with that, either at the Federal level or at the State level, that any of you would know about?

Colonel ANDERSON. Great question, and sorry I have got to do the little caveat before I talk anymore, but even though I am an active duty Lieutenant Colonel, my remarks and all my comments today are just based on my private experience in starting up a business and writing a book, so I have to make that clear divide between I am certainly not representing the Air Force while I am here. Get that out there.

[Laughter.]

Answering your question, we have actually looked into these programs, as well, my wife and I, because these kind of endeavors are always a family-based affair. So, we have looked into them, and just like all the comments that have been made, these are very valuable programs.

And answering your question, going back to the active duty, there are a couple challenges that are presented there. One is just the military culture. The military culture starts off, you begin your training, you go through your term in whatever service you are choosing, and then you become a veteran. I mean, it is literally blocked off like that. And a lot of the support is done that way, as well.

There has been a lot of stuff with the Vow to Hire Heroes Act of 2011, going into the Department of Labor and then talking about the different tracks that they are doing now as part of the TAP GPS program, of which I have done. But the problem is, it is the individual service member that is the challenge, and why I say that is because of the culture, they delay and delay and delay getting their support that they have for the TAP GPS program that then gets them to the transition. So, it is very much left up to the individual.

Senator FISCHER. Are there partnerships with private businesses to help utilize their skills that they have learned while being in the Armed Forces? I am trying to figure out how veterans can make a transfer and really benefit in a positive way from what they have learned while they have been serving our country.

Colonel ANDERSON. Absolutely. And, like everyone has mentioned here, there is so much talent and untapped talent for entrepreneurial endeavors of any kind. The thing is, how do we reach back there, and that has become my kind of sole mission with Active Duty Entrepreneur, is I am trying to energize the individual, and I am going to get into their—and the launch—as part of any business, you start out in phases and then you continue on. But the important stuff that I want to kind of highlight with Active Duty Entrepreneur is just I am talking about just a different approach. I mean, all the existing systems are great. They must continue. They are very critical.

But what I am talking about is empowering the individual to the point where they are funding their own business. There will be no help from the government. Part of the plan is they use and dollar cost average their own salary into their own build-up of their plan. So, they are owning it, literally, and the way they do that is just they have more time, talking about the ecosystem that Senator Enzi was talking about. If you can control the time aspect of that, you have a lot of leverage when you go out into that.

Funding on your own dime is a critical piece of the puzzle, in my personal opinion, because once you do that, you figure out, if you do not have enough money, you have got to figure out how to partner. You have got to figure out how to find corporate sponsors. You have got to figure out—and these are the savvy kind of scrappy business tactics that are going to become beneficial to them while they are setting up their business and then, obviously, when they become a full-fledged mature business that can then provide jobs to others.

Chair LANDRIEU. Mr. Anderson, let me press you on this point, because I think the Senator has raised an excellent point. I can actually really see and really admire you for thinking this is outside the box, blurring that line, getting our veterans that have gotten skills and talent which the United States has invested a tremendous amount of money in training, et cetera, et cetera.

But give us, honestly, one or two comments—and I am going to get to you, Mr. Jeppson—about what the military would think of this. I mean, if you think about a commander, they have got their troops ready to deploy, to fight, and then you and I, others, would like them to be starting to transition out. How do you honestly see the commanders looking at this, as a problem or a possibility? I

mean, I can see why they keep that line sharp. But on the other hand, but does not seem like it makes a lot of sense. Could you comment for two minutes on that, and then I am going to get to Mr. Jeppson and anybody else, Mr. Haynie or anyone that wants to comment.

Colonel ANDERSON. Absolutely. Those are great questions, and I get those very frequently. Of course, culture is always an issue, but something that people do not look at is, first, this is solely done on your own time, never done with resources provided by the government. But, the fact is, we do not work 24 hours a day. There is a certain duty day period, and the way I differentiate it in my mind is that the military can make me go wherever they want me to go. I have to deploy. I salute smartly and go. But when I have those eight or 12 hours off, during my free time, I can pretty much pursue an endeavor so long as it is not in conflict with what my present job is. That is where the dividing line is.

Now, when you talk about a commander, I try to take the other side of the dime on that. If we have more business savvy people scattered in the aggregate throughout the Department of Defense, we are actually going to make better acquisition decisions. We are going to have better, more business-experienced people that can then brief up to their staff and to their generals that make decisions on acquisitions that can actually help them negotiate scope things. These are just different things that you learn when you are starting a small business.

Chair LANDRIEU. Right, when you are learning.

Mr. Jeppson.

Mr. JEPPSON. Yes, ma'am. If I could go back just real quick to the Boots to Business and the EBV piece——

Chair LANDRIEU. You have to speak into your microphone, please. I am sorry.

Mr. JEPPSON. Yes, ma'am. Okay. So, if I could, if I could just go back to EBV and V–WISE real quick, you know, in both of those programs, when you look at the total dollars that we put into that, it is a pretty small amount, and when I think you look at the small numbers that we have had through, it is still a pretty good return on investment. You know, when you look at EBV, it is less than $150,000 a year that we put into that, so it is not a lot of money.

But, like Lou mentioned, it does not really come to scale for the service members right now, and that is where Boots to Business focuses. It is on scale. It—when we are fully funded, anyway, it will be at scale. You know, we have enjoyed—it has been in the President's budget the past two years. We have had good House and Senate marks, but, hence, under CR. So, we are only able to come to a certain amount of scale, which is about, utilizing our current capacity, about 12 percent. That is the $4,700 that you mentioned——

Chair LANDRIEU. What is it in the President's budget for and what number have you been operating at lower than that?

Mr. JEPPSON. So, it is in the President's budget for the past two years at $7 million——

Chair LANDRIEU. Seven million.

Mr. JEPPSON. At $7 million, and we have had no budget. We were able to reprogram out of——

Chair LANDRIEU. You have had zero?

Mr. JEPPSON. Zero additional funding for it. We had—we were able to program about $650,000 out of some Jobs Act money, out of 2012 Jobs Act money——

Chair LANDRIEU. So, this is a program we are trying to start, but we cannot get the line item funding for?

Mr. JEPPSON. Yes, ma'am. Exactly. Because we have been under CR, we have had no additional funding.

Chair LANDRIEU. This is a real problem.

Mr. JEPPSON. It is. When you consider, though, that we have wringed [sic] out every efficiency we can in SBA, and we get—we were able to get about 4,000 people through there, and it is really through the good work that we have with our resource partners, the SBDCs, the WBCs, the District Offices, the SCORE chapters who are out there actually delivering that on post.

If I could a little bit, it does—and I certainly understand what Colonel Anderson is talking about, where we do have some challenges. The service is trying to back up with Transition GPS so that people start to think about, when they leave the service—earlier, ideally—TAP is going to happen a year before they leave the service now—before it happened about 30 days before you left the service and it was not uniform. But there is certainly that tension, and we see that with Boots to Business right now, about people even coming through the transition courses right now with the operational deployment and schedule that we have. You know, the service is being drawn right now. Op tempo still remains high. So there is that natural tension. You know, obviously, we would love to turn them all into entrepreneurs while they have that stable environment.

I think that one thing that we mentioned when we talk about the service members is also the service members' spouses. We see a lot of spouses coming through the Boots to Business program here and they take advantage of that, and they can take advantage of that even before the member separates. It provides an opportunity and it is a good pathway for a lot of spouses to engage in entrepreneurship. It provides other economic benefit for the family. It also helps alleviate some of those stressors, if you will, of finance and other things. So, we think that it is not only a benefit for the service member, but the service member's family. And by offering it earlier in the transition lifecycle for the exiting service members, we hope to increase their readiness when they actually do exit the service.

Chair LANDRIEU. That makes so much sense.

Mr. Rehder, I would love to hear from you, and then I will get Senator Enzi in just a second. Could you comment about this, because you have not said anything and you run one of the best programs in the country that sees thousands of veterans that come in and must ask you for help and support, and you are hearing about two great programs. Are you able to access those programs for the men and women that you are trying to reach, and could you comment on that?

Mr. REHDER. Yes, ma'am. Thank you very much. It is difficult to understand how veterans think, especially when they come back from a combat arena. And so we work very closely to understand how their mindset is going into training. So, the mindset for most

of these folks, and they are men and women and they may be across the board—they may be enlisted, they may be warrant, or they may be commissioned officers—is a shockingly low level of financial literacy. And I am not casting aspersions on any of my fellow veterans, but that is the case.

And so a program like Boots to Business is extremely important, because at some point, not while they are on active duty within a combat area, but when they come back and they go through the CAP and the ACAP program, now they are introduced to the basics of economics, the very basics—how money, cash, goods and services flow in the United States and across our borders. They absolutely need that before they can go into a meaningful further advanced program, and the Boots to Business gives them that opportunity.

I teach the Boots to Business. I have greatly enjoyed it and I can tell you it is a wonderful program.

Chair LANDRIEU. Senator Enzi. Thank you, Senator.

Senator ENZI. Are we going to go back to comments——

Chair LANDRIEU. Go right ahead. This is very informal. You can go back.

Senator ENZI. Mr. Jeppson mentioned about working with the spouses. I know that Colonel Anderson's wife has been involved in the business. It seems like it could fill a need there. So, what effort are we going to involve spouses in these businesses and this planning for when they might get out and how early?

Mr. JEPPSON. Well, to be honest, Senator, we have not started to really market or push the Boots to Business program yet because we cannot come to scale or capacity. What we have done is just worked within the Transition GPS system that is there and we have brought it to the scale that we have capacity to.

If we look at the numbers that we have, we have seen about 23 percent of the service members that come through the Boots to Business class are female, and about 15 percent of the service is made up of females. So, women, female veterans, obviously, are attending—are over-indexing there. But when we look at the dependent indicator, it is about six to seven percent. So, about six to seven percent of the spouses are showing up in the Boots to Business class. So, we think even without marketing or doing outreach to the spouses that we are getting some pretty good traction in that area here. But, we have a lot of spouses.

You know, when I was on active duty and I PCSed around the Nation, it was kind of by magic, it was my spouse who helped me with a lot of that step. And so we see a lot of the spouses coming with the active duty service member and it is a team effort, as Colonel Anderson mentioned.

Senator ENZI. I think that might help with the adjustment a lot.

Chair LANDRIEU. Yes, absolutely.

Mr. Dirks, you had your placard up, and then I am going to get you, Mr. Haynie, and then Mr. Wynn.

Mr. DIRKS. So, I will answer a few different questions that have come up since I put my card up, but the main one is I wanted to make sure we cover, you know, first is what can we do to better reach those that are exiting, better prepare them for an entrepreneur endeavor. The first thing is we must reauthorize or au-

thorize the four programs that we have already mentioned that you are sponsoring in your bill. That is an absolute first.

I will use two military terms in my next recommendations. One is coordination of effort and two is force multiplication. These are two proven, necessary applications that we find in our Armed Forces for the last 200 years, that it has only been in the last 15 that we have gotten some sense of progress. But, if we apply those to what we are seeing in the military transition environment, it is very logical.

Coordination of effort, we have already mentioned, already at this panel, that we are all working on different programs that we are just not talking maybe as efficiently as we could be coordinating those resources, making them more efficient.

But more importantly, I found out this morning that there are 2,399,992 other folks like me out there in this country. And I am exceptionally motivated to help my fellow veterans get jobs. I have put a few hundred of them to work, but also to help those that are entrepreneurially inclined to start a business, whether they are my employee or not. We have 2.4 million folks that are sitting out here as resources that do not even know we are out there.

So, leveraging those forces and delivering those resources to whatever program is most applicable—I know for myself, I would speak that I would be more efficient in my own volunteering of my time and the effort just to be more knowledgeable, connect that network in whatever meaningful way to provide that information and——

Chair LANDRIEU. Very important, and with the Internet, it makes it so possible to do this.

Dr. Haynie, you must—and then I will get you, Mr. Wynn—you must have some ideas about this, because you run a consortium of, what, eight universities, and how do you all coordinate with not only your program, in which you are leveraging a small amount of money and getting a lot of private money, but how do you leverage with these other programs?

Mr. HAYNIE. Yes. I think it goes back to something both Rhett and Lou talked about that I will respond to as a way to answer this question. I think we—it is hard to overstate the historic opportunity that Boots to Business represents. If you look back to World War II, and we have, doing research, 11.8 million Americans shouldered the burden of that war. Within seven years of the end of that war, according to the VA, almost 54 percent of them had started small businesses in this country. They really built the foundation for this country to become a technological and global superpower.

And we somehow, over the course of the last 50 years, forgot to talk about transitioning—to transitioning service members about business ownership as a post-service opportunity. When EBV was an idea in my head when I got out of the military in 2006, at some point, I realized I had to actually go out and recruit some veterans to participate, and I talked my way into a Wednesday morning Commanders Call at Walter Reed, you know, 400 soldiers/patients in a gym, and I do not think the folks that organized it knew what I was there to—they just thought he was a college professor going to talk to them about going to school.

Chair LANDRIEU. Little did they know what you had in mind.

[Laughter.]

Mr. HAYNIE. And I got up and I started talking to them about business ownership, but the lesson here is, after I was finished, the vocational counselor who had set that whole thing up pulled me into a room and she actually yelled at me and she said, "Do not come down here talking to them about business ownership. It is too hard. They are going to fail, and if they fail, we will be the ones that get blamed."

We have come—and I sort of knew what I was up against at that point. If you looked at the official TAP program at the time, looked in the manual, there was one paragraph on page 200 or whatever it was that said, and, oh, by the way, maybe you can also start a business. We are now talking about institutionalizing business ownership as one of the formal transition pathways out of the military for all of our service members. I think the potential is historic, and I am not one prone to be dramatic. But I think it is historic.

But, I think it also—to your question, I finally get around to it—it serves as a coordinating mechanism if we can institutionalize that pathway, to all of these other efforts and programs. It connects folks to the SBDCs. It connects folks to the VBOCs. It becomes a feeder to all of the private sector programs and efforts in a way that becomes formalized and not sort of ad hoc, as it is now. And that is why I think it is so important——

Chair LANDRIEU. To get it funded.

Mr. HAYNIE. And then to lose—full disclosure. So, my team designed the curriculum and the model for Boots to Business, and we took everything that we learned from EBV, all those university partners, and built that curriculum and model. So, Boots to Business is also my response to, how do we scale? This is how we scale. We get Boots to Business institutionalized.

Chair LANDRIEU. And, Senator, before you came in, Boots to Business has been proposed by the administration over and over at, what, $7 million, but it is not funded, and they are just scraping money together to try to—because we are operating on CRs. So, it is really interesting to see how much we could leverage with, really, a relatively small investment. And thank you for that historical perspective.

Let me get you, Mr. Wynn, and then Mr. Anderson.

Mr. WYNN. Thank you. I just want to kind of bring this together and not lose sight of another very important piece of which we started these programs. As I mentioned earlier, in 1999, when we started developing this veterans entrepreneurship program here in America, they created the Office of Veterans Business Development, where Rhett is now Associate Administrator, so that we would actually—veterans would have a place designated within the SBA to specifically focus on ways to bring veterans more into opportunities for entrepreneurship. And in so doing, there was also this mandate to create opportunities within the Federal marketplace. So, while all veteran business owners or all persons do not necessarily want to do business with the Federal Government, I think we owe it to those veterans and to the programs that were created and to the Federal agencies that are out here searching for veteran business owners to satisfy those requirements to also bring them into that Federal marketplace.

Now, each of the programs that were mentioned, Boots to Business, Dr. Haynie's programs, are excellent programs educating veterans about entrepreneurship, and all I am saying is I think it is also necessary that we find a way to bring some of them, anyway, some of them, into our Federal marketplace to satisfy that piece of this whole entrepreneurship pie.

Chair LANDRIEU. Does anybody want to comment on that? Mr. Anderson, you can if you want to, or you can comment on whatever you had in mind.

Colonel ANDERSON. It all kind of relates anyhow. When talking with this, I think a challenge everyone at this table has—the prime challenge is being able to reach back far enough. And, like I said, I admire the efforts of what the Department of Labor is doing through TAP GPS and the other equivalents with the services. But, how to reach back and make sure the service member is even aware that this is an option is the challenge. When you get that figured out, something that has to be said is the environment is going to become more complex, just—right now, we talk about the blocked, segmented approach. Once it becomes more complex, which is reflective of the outside world, by the way, which is going to be beneficial to the service member, beneficial to the family and all that, that is the kind of the environmental shift that has to take place to set the stage.

Now, the other piece I want to make is why this is so popular with spouses is because—and this is male and female, by the way, because I talk to a lot of them—the spouse network has it figured out. They already know that this model is effective where the service member has the ecosystem from which to spring a business, whether it be a combined business, spouse-owned business, or anything like that.

But, again, the key thing is being able to reach back into a very, very busy military career with people that have nonstop training modules to begin with for everything you could dream of and then being able to somehow let them know that there are other options out there and have that flow somewhat seamlessly into a career entrepreneur type——

Chair LANDRIEU. But is that not going to take a lot of cooperation from the Department of Defense, which this committee does not have jurisdiction over but which we can have some influence with, which is what I am hoping this roundtable will give us some information to petition to the Department of Defense or to bring this to their attention. So, we will come back to that in a minute.

Do you all have any other questions or comments, because I want to continue to take some of their—Mr. Ferguson, you have had your placard up for a while.

Mr. FERGUSON. Well, Senator, I wanted to address your point on technology, and I think it connects directly to Mr. Dirks' comments about force multiplication. In my mind, technology is, obviously, a vital piece to this puzzle, not only because it provides the scalability for a lot of these answers and for the ability to aggregate a lot of these quality programs.

But, as Mr. Dirks said, the fact that he heard today that there were 2.499 other million veterans in the same boat, you know, we originally responded to an instance in the hospital where there was

a wounded bomb tech on one wing of the hospital that did not know there was a wounded bomb tech on the other wing of the hospital.

So, the ability for technology to meaningfully connect the valuable programs—and there is no shortage of valuable programs and content—but technology should be part of the scalability of this, but I think it is also very important to look at this generation of 9/11 warfighter responds—not only responds, but in a lot of ways demands answers and technology literally in the palm of their hands. And if you cannot hit these guys and gals where they live in terms of technology and expectations of, you know, good video multimedia content, it is very difficult to be relevant with this generation of warfighter.

Chair LANDRIEU. Mr. Celli.

Mr. CELLI. Thank you, Senator, and I would like to respond to your Boots to Business question earlier. You know, over the course of the ten years—first of all, I spent 22 years in the Army. I can tell you that my experience has been that DOD sees these types of programs as competition. They are looking for reenlistments. They are not looking to educate people into the job force or into entrepreneurship, and that is just a personal observation.

With regard to Boots to Business——

Chair LANDRIEU. But, when you think about that, I mean, not to continue to go back to this point, but when you think about it from a taxpayers' point of view, all of the money that goes into the training of our military, which is extraordinary, and for us then to not take out of that appropriately, in an appropriate way, the benefit of that for the same taxpayer is what this roundtable is about.

We do not have anyone from the Department of Defense here, so we cannot go too, too far down this, but we may do a second panel on this because I feel so strongly about it. I am determined, as the Chair of this committee, to hone down and find the best programs that are working, which ones are scalable, and how can we give our veterans a real opportunity to create their own businesses based a lot on the assets we have already paid for, I mean, not throwing a whole lot of new money at something, but using the assets of the universities, of our training programs, like you have used, Mr. Haynie, so beautifully, at $5,000 input and a $45,000 value out for the men and women that you are—but go ahead. I did not mean to interrupt.

Mr. CELLI. Well, no, and I could not agree more. I mean, entrepreneurial assessments will determine that there are several ways that people become entrepreneurs. One of them is through necessity. One of them is through a vacuum in the marketplace. And one of them, with military service, when my colleagues that I went to school with went into the workforce, they fully expected that that job that they were applying for would prepare them to elevate to the next level of employment. It is not so in the military. Once you complete your military service, it is almost like you are starting over in the workforce. So, entrepreneurship, small business ownership, becomes exactly those outlets that you talk about with regard to leveraging that expertise and resource.

To round back to the Boots to Business model, over the course of ten years, I have had the opportunity of using several off-the-

shelf programs. The Kauffman Foundation puts out the New Venture program. Next Level puts out a program. And the beauty about the Boots to Business package is that it is a nice off-the-shelf entrepreneurship basic training with military-minded writers who understand the nature of what we do. Unfortunately, due to the restrictions in the budget, we are really not even able to roll that out to the average veteran right now. It is currently being restricted only to the TAP programs.

So, there is a wonderful resource that was specifically designed for our community that we have needed since 1999. It is the first time we have been able to write our own doctrine and we cannot even afford to use it. We cannot even offer——

Chair LANDRIEU. For $7 million. Yes, for a shortage of $7 million.

Mr. CELLI. And that is just a start.

Chair LANDRIEU. Okay. Mr. Rehder, and then Mr. Anderson.

Mr. REHDER [off microphone]. Somewhere around a million transitioning veterans from active duty that all of you all are familiar with, those numbers, in the next five years, and we know that some 30 percent of those numbers will choose through the ACAP and TAP program an entrepreneur route. So, that is 300,000 veterans, men and women, that we will need to train.

Now, if you look at the grassroots situation that I mentioned, that these folks are not able through a lack of financial literacy to understand all of these wonderful programs. They have one—they have one that is adopted by ACAP and by TAP and by the DOD and their commanders have been instructed to have these folks go to these meetings, and that is the Boots to Business program. And the programs that I have worked with, and we have a lot of public and private partnerships. We work with all of the SBA-funded resource partners and we enjoy working with them.

This program will reach all of those transitioning veterans. It is the best one that I could——

Chair LANDRIEU. Do you think you could reach all 300,000 if we do it correctly?

Mr. CELLI. Yes, ma'am. Exactly.

Chair LANDRIEU. Okay. Mr. Rowe.

Mr. ROWE. Thank you, ma'am. I thought you would call on Mr. Ferguson or Rhett first, but——

Chair LANDRIEU. I am sorry. I got confused.

[Laughter.]

Mr. ROWE. That is okay. You know, everyone has been talking about coordination of effort, and I heard Mr. Celli stay Boots to Business is a Cadillac program. But—and I am not a veteran, I am a car nut, so I look at it more as I think it could honestly be—while it is Cadillac in quality, more like a Model T, because I think we can build out the assembly line. We can coordinate the effort, and we have the resources for force multiplication. We are already doing a lot of work with Rhett's folks through the SBDCs. I mean, he can attest to how well attended the training that he did at our annual conference was.

And our folks are operating out of 63 networks that are mostly at colleges and universities, so I think we have got a great potential to expand beyond the eight universities that are already working with Dr. Haynie. Two, Wharton in Pennsylvania and the

Eisenberg School in Massachusetts, and as that expands, that will necessarily bring the cost down, because if you are not bringing a veteran from Iowa up to Syracuse but rather to Des Moines——

Chair LANDRIEU. Iowa State, yes.

Mr. ROWE [continuing]. It is going to be that much easier and that much more cost effective. So, I see a lot of potential in this and I see it, finally, as something that we can coalesce our efforts for veterans around.

It is both I consider a feather in my cap that I worked hard with Chairman Talent on 106–50. I am also a little embarrassed by some of the parts that did not work so well. But, that intent and that framework is still there, which is to build a comprehensive veterans assistance program through the SBA.

Now, as far as what you said about the assets and what Senator Fischer talked about, there is a provision in 106–50 which specifically talks about working on certification. There are so many skills that men and women in the services come out with that are applicable, but are not necessarily exactly what the commercial world sees as the appropriate skill set for servicing jet aircraft or servicing anything, but could easily be adapted. There was supposed to be a certification panel developed. I still believe that needs to be developed so that young men and women who are coming out with skills and now they are more, frankly, computer related, can step in to a world where they can establish their own business, whether it is doing systems integration or whatever, without having to relearn the wheel, if you will.

Chair LANDRIEU. I want to come back to that in a minute. It is an interesting point between the jurisdiction of the Department of Labor making those certifications level for people that are leaving the service as an airplane tech, going in to work with Boeing as an airplane tech, and matching that up so that they do not miss out or lose the opportunity. This committee is really more focused on the entrepreneurship jump and what we need to do to smooth that out to give them more of a chance.

Mr. Jeppson, go ahead.

Mr. JEPPSON. Yes, ma'am. I just want to follow up on a couple of things here, and just maybe I could help frame a little bit of it out. I think that one of the things that——

Chair LANDRIEU. You have got to lean into your microphone.

Mr. JEPPSON. Yes, ma'am. I apologize.

Chair LANDRIEU. I am sorry.

Mr. JEPPSON. Just to follow up on a couple of things, Mike mentioned the framework that Boots to Business represents. I can give you a couple of concrete examples of that, is we have had a lot of people from higher institutions of learning, like Harvard Business School, et cetera, et cetera, want to participate in a program with veterans and be able to introduce them to their network of angel investors and things like that, but this presents an opportunity for us to coalesce the various efforts around the country and then we could have force multipliers with that.

Additionally, and this goes back—I sit on the Veterans Employment Initiative Task Force in my role as Associate Administrator. That is comprised of the Department of Labor, Defense, and VA, and we oversee the new Transition GPS. As part of the new Transi-

tion GPS, which is a transition program for veterans, they are moving to what they call the military lifecycle.

And so early on, just after a recruit or entry-level officer joins the service, they will actually receive a little bit of TAP training, if you will, which talks about where do they see themselves going when they exit the service, whether it is four years of entry-level service or when they retire. So, the idea is just to begin to tie the service member to a kind of a pathway or what they expect to accomplish in the service and where they see themselves going after they leave the service, whether it is after four years or what.

So, there has been some thought, pretty serious thought, that has gone into this, but TAP is new. The new Transition GPS is new. It is just being implemented. So, this will come in the second phase here, but the service is thinking about that.

Again, when we look at the Boots to Business delivery model, I think one of the strengths of the Boots to Business delivery model, when you look—with the new TAP GPS, there are four tracks. There is higher education, there is traditional employment, vocational tech, and then entrepreneurship. The way that we deliver entrepreneurship is through our resource partner network in the District Offices. So we have the SCORE chapters, the SBDCs. Actually, people who deal on this day to day, actually going on post and delivering that curriculum. In my opinion, that is a lot better than sending contractors down there to do it and it is a more cost effective way and it leverages the SBA resource network.

The other part that it does, and I can tell you from personal experience, as a Marine who came back out of Desert Storm and took over a family business, I wish I would have known the SBDC was about 45 miles away from my house and that there was a VBOC down there I could have gone and talked to. It would have saved me a lot of headaches. We introduce the service members early on to that SBA network and there is huge value in that.

Chair LANDRIEU. That is such an important comment, and let me get Mr. Anderson—that is such an important comment or point about making sure that the veterans that we are encouraging, if they want to, to think about their next step as a business owner, to at least be introduced to the network of assets that are already there, both public and private. Forget whatever the VA is doing, just what is there for anyone in America that wanted to start their own business, you know, is getting that information out as to what services are there for them at either no cost or very minimal cost, and to connect the veterans. Like you said, it would have been good for you to know there was a center 45 minutes from you that could have helped you with sharpening your business plan, et cetera, et cetera. So this is very exciting.

Let me get you, Colonel Anderson, and then I will come back to you.

Colonel ANDERSON. Sure, and I just recently went through the TAP GPS class back in February, so I know the efforts that are being made, but, again, the challenge being getting back early enough. I have read about the career lifecycle efforts that are being made, and that is kind of what I was alluding to before, is that—again, personal comments here—the DOD needs to be okay with people—if we are going to do what the Department of Labor sug-

gests and everything else with the SBA, they need to be okay with people doing extracurricular activities in their off-time. Again, clearly not during duty hours, clearly not using government equipment, clearly not using any assets that are those, but in their own time doing that, and the DOD, if they were okay with that, that would set the environment that I was talking about before.

Another part of that that you guys kind of beat me to the punch is that I have used the SBA for the last three years. I mean, there are, I think, 48 offices in Virginia. I probably hit four of them. I go there frequently. They know me. They have helped develop me for extremely low cost to self, and again, I am all about doing the self-funding and also advocating the self-funding because it teaches you some very important lessons.

When I mentioned previously that it is going to become a more complex environment, I guess I did not address the fact that it is already complex with the DOD current approach, where you do your service, then you become a veteran, and then the programs become effective for the most part tailor-made toward the veterans. Well, right now, I mean, you can already see that the complexity is that you carry on your service, then you become a veteran, and then even the government is segmented as DOD and then VA. So you can see that it is just how the approach has been mostly laid out, and it looks like we are making solid groundwork on altering that a little bit, but—thank you.

Chair LANDRIEU. Great. And, Ms. Spann, let me get you and then Mr. Wynn. Can you tell us a bit more from your perspective about anything you want to comment about what you have heard, but also about the V–WISE program and how it either is the same or different.

Ms. SPANN. Yes, ma'am. Thank you. Well, first of all, let me say that I am a huge advocate of the SBA programs. As a small business owner, I think I have leveraged just about all of them, starting with my local Small Business Development Center. I went there for counseling. My counselor helped focus me and get me on the right track to getting started in my business.

Additionally, I went to V–WISE. Oh, man, that program was awesome. It was well organized. It was motivational, phenomenal instructors that did a phenomenal job of teaching and training the women that went through there. I left V–WISE thinking I could conquer the world. I definitely wanted to focus on the government contracting arena and getting business within the government.

To Mr. Wynn's point, again, I left V–WISE ready to conquer the Federal Government contracting business, but I had no idea on what to do next. That is what motivated me to form the WAVE, Women As Veteran Entrepreneurs. I knew that there were women business owners out there that had leveraged the programs, gone through V–WISE. Many of them attend WAVE seminars. But we did not know how to get government business after going through those programs.

What we did with the WAVE is that we brought together government agencies, because those are the people that we wanted to do business with, and we asked them, what do we have to do, as a small business, to do business with you? Also—as a small business, just starting off, you hear a lot. You get a lot of recommendations

to—you need to partner with larger business to get into the Federal Government, to get past performance. Well, we also invited in large businesses and prime contractors and we asked them to tell the business owners, what is it that you are looking for in a small business to partner with? And, we invited in the small businesses, to network and partner with each other.

Chair LANDRIEU. The world of government contracting is very complicated.

Ms. SPANN. Yes.

Chair LANDRIEU. We spend a lot of time on that in this committee, and we are making some progress. The Federal Government has overall goals that each Department has to set contracting with small businesses particularly, and it can be a real maze for many of the small businesses, and some danger, actually, contracting with the Federal Government, if you are not paid on time or if there is a squabble in the process. If you are too small and dealing with a big agency, it could be detrimental to the business. On the other hand, we want to give small businesses an opportunity across the board.

Mr. Wynn, and then we are going to move to another subject and wrap up in about 15 minutes.

Mr. WYNN. Okay. Thank you. I do not want to just sound like part of the choir for the SBA, but SBA really should be very involved with veteran business owners. But we also mentioned a little bit about budgetary constraints, and actually, SBA has been woefully underfunded since this program started. So, they really have not been able to provide the level of services needed for veteran business owners that the veterans really truthfully deserve.

Speaking of additional resources, as people come out of these entrepreneurship programs, the Veterans Business Outreach Centers. We had advocated and promoted the use of Veterans Business Outreach Centers for years. They just expanded a few years ago, and there are still, what, only maybe 16 around the country, and they are woefully underfunded.

So, if we are going to set up this whole system, let us try to connect the dots. As we begin to increase the pool of capable and qualified veteran business owners from these other entrepreneurship programs, again, knowing that and understanding everybody is not trying to be a government contractor and you do not want to put all your business into just government contracting——

Chair LANDRIEU. Correct.

Mr. WYNN. But, we still have on the other side this mandate for government agencies to meet this mandatory requirement to use veteran business owners, so we cannot just—I do not think we should ignore that and not try to educate those that want to participate in the marketplace to be able to do that.

We also had—I think in 2010 it was passed into law that the SBA Small Business Veterans Advisory Committee would be active and made permanent. Now, I am told the SBA has no funding to allow that committee to continue to form and do what it was designated to do. I know we also have the Interagency Task Force on Veterans Business Development, but it was real purposeful to have that Advisory Committee and I am sorry to see that it is no longer being formed and organized.

Chair LANDRIEU. Does anybody else have a comment about the importance of those advisory, or the lack thereof, whatever your position is, of the advisory boards and whether they should help or not, could help or not? And then I want to get back to something to you, Mr. Haynie, but Mr. Jeppson.

Mr. JEPPSON. Yes, ma'am. Just one point. As Joe mentioned, what we had was under 106–50 we did have the Veterans Advisory Committee. Last year, due to sequester and cutbacks, we were unable to allow—and the travel cap—we were not able to travel them last year. Normally, they will meet three times a year. We did not have the funding to do that. We encouraged them to meet by phone. It did not happen.

But, quite frankly, we did have a number of people whose term was up in October. We have submitted new names and their first meeting is scheduled for early December. We are just making sure that we can get a quorum before we put it in the Federal Register.

Chair LANDRIEU. Okay. Are we exploring any technological solutions to people meeting together, using some new technology, Skype, et cetera, which the private sector is using to some degree of success, I think, limiting their travel budgets and maximizing their impact?

I am going to come back to that statement in a minute, but I want to get the question answered on this. There is a bill that is pending before the Congress to create a Veterans Business Outreach Center in every State. Right now, I think we have how many, 15? Do we want to create a Veterans Center in every State? Is it necessary? And, if yes, please explain. If your view is no, how can those veterans be served through the network that is already there? Does anybody want to take that? Mr. Celli.

Mr. CELLI. Well, again, thank you, Senator, and having run one of these centers, I can tell you that it is critically important to have one of these centers at a minimum in every State so that they can direct the veteran-centric services that are going to be required to service these veterans coming back. They can be the hub that connects them with Mike's program, that connects them with Joe Wynn for contracting, or Harvetta.

And right now, I understand that Tee Rowe's network is assisting veterans, but there is no harmonious relationship between the Veterans Business Outreach Centers and the SBDCs. If anything, there is a sense of rivalry and competition there because they are both competing, in some cases, for the same dollars when it comes to grants.

So, to ensure that there is a funding mechanism specifically to fund Veterans Business Outreach Centers, and if you look back at the success rate of these centers, it is well worth the investment.

Chair LANDRIEU. And these centers do not have to be a standalone building. They can be a center designated by something else that is already there to leverage the investment that is made.

Mr. Rehder.

Mr. REHDER. Yes. The VBOCs, mine and all the ones that I work with, the furthest thing from our mind is power struggles and turf battles. We are a clearinghouse for referrals to our clients, our men and women veteran clients, to all of these resource partners that we have heard about today, and we do that on a very regular basis.

We take them as far as we can. But some of these folks can take them further and we refer our people to them and we have a wonderful referral system. So, I would certainly think that one in each State would be an outstanding benefit to our veterans.

Chair LANDRIEU. And I am going to get Mr. Dirks, and then I am going to ask you all, as we close, to think of your last sort of two-minute wrap-up, something that I did not ask that you want to ask and answer yourself, something that you want to add to this discussion, and then we are going to close out. Mr. Dirks.

Mr. DIRKS. Thank you, ma'am. Again, going back to the multiplication, you know, I personally give somewhere between $100,000 and $150,000 a year in in-kind and cash contributions to veteran entrepreneurship programs. I have many friends who are also veterans who own businesses in New Orleans and in Lafayette and in Baton Rouge who do something with me because I ask them to.

With a mechanism like an Outreach Center in every State, I think that is probably one of the more efficient, quicker ways to start to really engage our community of business owners or veterans who are service-minded, who are giving-oriented. Even if it were $100 per 2.4 million of us, that is real, real money in either in-kind mentorship service or even cash. This requires someone to be a clearinghouse. It requires someone that is agnostic, that is not fighting over funding with other agencies and can be a true leverager of all those pieces to do so, and I think the Outreach Center can do that.

Chair LANDRIEU. Okay. Let us start with you, Mr. Wynn, and we are going to go around the room, just a two-minute wrap-up, anything that you want to either underscore or put on the Congressional record.

Mr. WYNN. Thank you. I appreciate it, and I appreciate having had the opportunity to participate in this discussion.

There is one thing I do want to share and put out there. There is a piece of legislation coming out of the House, H.R. 2882, and actually, it talks about moving the VA verification process from the VA to the SBA. So, here again, we have the SBA involved in a very important part of veterans who are doing business, entrepreneurs and with the Federal contracting. So, many of us, we have been doing surveys and polls over the past two or three months and the majority of the feedback we have gotten is that the veteran business owners do support moving the process from VA to the SBA.

In addition, though, I personally would like to see a Vets First program, as is being conducted in the VA, to be conducted Federal-wide, throughout the whole Federal Government, that veterans come first and that we put those veteran entrepreneurs at the top of the line. It is a program that is not costing the Federal Government any additional money because the mandate is already there to use veterans. So, all they have to do is continue to find ways to create contracting opportunities for veteran business owners. Again, we want them to be capable and qualified, of course. But, then, who better to hire veterans than other veterans? So, you also help to solve the equation of veterans' employment. Thank you.

Chair LANDRIEU. Thank you.

Mr. Rowe.

Mr. ROWE. I think—and I just want to follow up on what Mr. Celli said—I think the biggest thing that we need to think about is coordination. I think the idea of Veterans Outreach Centers in all 50 States is a great idea because I think the biggest problem we have is coordination. We run VBOCs in Florida and New York and a couple of other States, and then we have great working relationships with the folks in North Carolina and Louisiana.

But—and this goes to Rhett's problem, and I will just give you a little anecdote. Rhett was down at the NAGGL conference in California just the other week asking the folks there, the folks in the lending community, for some assistance and some cash donations. I was sitting there thinking, my God, what is next? The VBOs have got to run a bake sale to get their job done?

[Laughter.]

We all share that mission, and what Mr. Celli said is correct. We should not be fighting over resources. There should not be a fight for resources. The $7 million that Rhett needs——

Chair LANDRIEU. Is a drop in the bucket.

Mr. ROWE. Yes. I guess that is a word. It is the nicest word.

[Laughter.]

So, I think it is coordination of effort which will obviously make all of our efforts cost effective. But then it is the knowledge that the resources are there for us to coordinate off of.

Chair LANDRIEU. Thank you.

Mr. Ferguson.

Mr. FERGUSON. Yes. Just to tag on, really, to what a number of people have said here today about the importance of coordination among the different assets, be they public, be they private, force multiplication.

I think what I would like to really underline is the role that technology has to play in that and, again, how that ties to this generation of warfighter and their relationship and demands on technology, their expectation that resources be in the palm of their hand. I certainly do not for a second doubt that it is vital to have a veteran location, as we have discussed, in every single State, but I still think there needs to be a digital connective tissue throughout these programs to amplify these positive resources as well as really speak to this generation of warfighter and how they expect information.

We have a fully funded multi-platform collaboration network that the DOD has done all of the heavy lifting on. The government has purpose rights to this application, and I would be happy to work with anybody on the committee to figure out how that application, which, again, the government has purpose rights to, can be repurposed to be part of the solution set. Thank you.

Chair LANDRIEU. Thank you very much, Chris.

Dr. Haynie.

Mr. HAYNIE. I think the rest of my roundtable panel members have done a good job with—normally, I think I would end with something strategic, but I am going to put one more issue on the table that we did not spend a lot of time on today and that is our female veterans, and I want to do that in the context of V–WISE.

V–WISE was never legislated. It was a program that was funded initially with discretionary funds from the SBA. Karen Mills, when

she was Administrator, had some additional funding and she said, let us create a national training program for female veterans.

Honestly, I pushed back initially. As an entrepreneurship professor, I remember saying to her specifically, I would not train a woman to be a business owner any differently than I would train a man. As a veteran, I jumped right to veterans or veterans. But, we went forward. We built the program, offered it for the first time in 2010 down in San Antonio. That was the first city we took it to. And I remember vividly arriving at the registration table, and I could not understand why there were so many women crying——

Chair LANDRIEU. Crying?

Mr. HAYNIE. Crying. And I started asking questions, and what we heard is that many of these women that participated in this program had been out of the military five, seven, ten, 15 years and had never participated in a veterans-related event before, and the only reason they were participating in V–WISE was that it was only women, and we asked why, and we heard things like, you know, "I do not always feel welcome," "I do not always feel like I can share." We also heard—and now, since that time, a lot of this has come out—we also heard over and over again, "I do not feel safe." "I do not feel physically safe."

And so I had to eat my words, I guess is where I am going, is that I was wrong to push back. I think we have to acknowledge that the veterans community is diverse and made up of individuals with different goals, aspirations, experiences, backgrounds, and fears. We have to also, as we talk about then designing programs and networks or programs and ecosystems, do so acknowledging that, for example, our community of female veterans, who I have come to believe are the most underserved segment of the veterans community, have a different set of needs and there is not one solution, strategy, that is really going to satisfy and best empower this community broadly moving forward. So——

Chair LANDRIEU. Thank you, Dr. Haynie, for that testimony. I really appreciate it. Thank you for sharing that.

Mr. Rehder.

Mr. REHDER. Thank you. I have seen up close and personal our clients establish an enduring, sustaining business. That is the American dream for most of the clients that I work with. It is absolutely a moving experience for me, and I am sure for all of us in this room.

I will end by thanking this committee and Congress and the SBA for its funding and support and I will move on with better and more meaningful programs in the future. Thank you, ma'am.

Chair LANDRIEU. Thank you, Mr. Rehder.

Colonel Anderson.

Colonel ANDERSON. Thank you. And, I think I could pretty safely say we all are looking for the same result here, and that is higher employment, entrepreneurship for the veterans. I just look at it at a completely—not completely different, but a different pathway to do that. What I want to do is empower the person to actually control their own future and control the future of their family, as well.

And my theory is, and as I work toward that in my current business model with Active Duty Entrepreneur, is empower them to do that. Get them from point A to point B. Show them that there is

another pathway. There is another pathway besides the military culture saying, I need to find something in the defense industry. It is just part of the DNA. I do not know how to explain it, but it just seems to be part of the construct. You show them that pathway. You let them know it is an option, and I think that they are going to take advantage of securing their own transition.

Chair LANDRIEU. Thank you for that vision.

Mr. Dirks.

Mr. DIRKS. Thank you, ma'am. You know, again to reiterate, there is an embedded level of a massive amount of resources in our community in this country. I am here to testify to that. I am an exemplifier of that. I can testify to at least a few hundred of those folks, not to the millions that evidently exist. But let us continue and endeavor to engage those resources in whatever ways we can, and your departments and your programs and the VBOCs, Dr. Haynie, the amazing work that you have done.

We must authorize the three programs that he started and the Operations Centers that we have been so diligently working on, at a minimum, and then those programs to work to engage not only the veteran business owners themselves, but also just the overwhelming tens of millions of Americans that are available and willing to serve in this regard.

Chair LANDRIEU. Ms. Spann. Thank you very much.

Ms. SPANN. Thank you. I would just like to end with thanking you, ma'am, for all that you do to help our veteran entrepreneurs. It is necessary and very much appreciated. Thanks in advance for continuing to fight for us.

Chair LANDRIEU. Thank you. Well, we thank the veterans for all they have done for our country over the many decades and centuries now and want to do everything we can to make sure we give them a path for continued success.

Mr. Celli.

Mr. CELLI. Thank you, Senator, and I would like to expand on what some of my esteemed colleagues here have mentioned today.

You know, Aaron talked a little bit about spouses, and I think that that is critically essential to the viability of the future of DOD, because if you keep the spouses engaged, then they are going to be less resistant to moving every three years. They need something that is portable that they can take with them from duty station to duty station so that they are not worried about their next employment and leaning on the service member, saying, you know what? This might not be for us anymore. So, that was one thing.

And, another thing is Bob kept talking about financial literacy, and I do not think that that really fully got vetted. No one in this room thinks that the Patriot Express or any of the 7(a) programs or any lending program should be free money for veterans. Quite the opposite. They should be competitive and difficult to get because the gauntlet needs to be gone through for a veteran in order to make sure that they understand what that money is going to be used for, and the only way to do that is through training. The only way to make sure that that business plan is solid and sound is if it goes through one of the experts that work with veterans and understand the dynamic of the way a veteran has that "can do" atti-

tude and thinks that they cannot fail, because their entire military career, there has been a safety net in place for them.

I would also like to talk about what Mr. Wynn said, that it is really criminal that our veterans come from the front lines to go to the back of the line in contracting. Our Nation, especially the Department of Defense, really should step up and create a program that honors their ability to understand the DOD intricate programs and contracting, as Colonel Anderson had mentioned, and also be able to recognize the fact that they took three, five, 20 years out of their lives and can now return the value of the education they received in DOD.

On behalf of the American Legion, thank you for inviting us today to share our views.

Chair LANDRIEU. Thank you. Excellent.

Mr. Jeppson, last word for you.

Mr. JEPPSON. Yes, ma'am, just briefly. I would like to just real quickly recognize Robert Bailey, who is in the audience with us today. He is an EBV graduate, a small business owner here. Robert, if you want to raise your hand real quick.

Chair LANDRIEU. Welcome, Robert.

Mr. JEPPSON. He was just recently awarded a joint venture mentor protege program with SAIC. So, it is not SBA and it is not the joint mentorship that is helping a small business owner. It is him out there on himself, but we kind of helped maybe on the edges, and so we are very proud of that and we consider that our sacred trust and privilege at SBA, to be able to support our veterans community.

Senator, we thank you for your leadership on this issue and hosting us here and we look forward to working with you and your staff to improve the processes for these veterans.

Chair LANDRIEU. Thank you so much.

Now, the record of this will stay open for two weeks for any additional information that you would like to submit. You all have access to each other's information and location, et cetera. I really encourage you to keep this exchange going on between you.

Our staff is going to take all this under advisement, look at the bills that have been filed in Congress on the subject and try to use the benefit of the testimony here to shape those bills and requests for funding to advance the ideas that were put forth today.

So, thank you all very much. Continue to use the staff as a resource to help you accomplish what you hope to do.

[The information for the record follows:]

Chair LANDRIEU. Thank you very much. Meeting adjourned.

[Whereupon, at 11:24 a.m., the committee was adjourned.]

APPENDIX MATERIAL SUBMITTED



U.S SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

WRITTEN STATEMENT OF

RHETT JEPPSON
ASSOCIATE ADMINISTRATOR
U.S. SMALL BUSINESS ADMINISTRATION

BEFORE THE

U.S. SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP
NOVEMBER 13, 2013

Senator Landrieu, thank you for inviting me here today. I would also like to welcome all of the Veterans and small business owners who are joining us for this discussion.

It is an honor to highlight SBA's efforts to support veteran entrepreneurs throughout the country.

Each year, there are over 250,000 service members transitioning out of our military. These veterans possess the unique skills, experience, leadership and drive that make them ideally suited to start businesses and create jobs in their communities.

As small business owners, veterans continue to serve our country by creating critical employment opportunities and driving economic growth.

According to the most recent U.S. Census data, nearly one in ten small businesses are veteran-owned. These businesses generate about $1.2 trillion in receipts and employ nearly 5.8 million Americans.

Studies have also shown that veterans over index in entrepreneurship. In the private sector workforce, veterans are at least 45 percent more likely than those with no active-duty military experience to be self-employed.

At the U.S. Small Business Administration (SBA), we are focused on ensuring that these veterans have access to the capital, counseling and federal contracting opportunities they need to start and grow successful businesses and create jobs.

In FY 2013, SBA approved more than 3,000 loans to veteran-owned businesses, supporting more than $1.8 billion nationally. Last week SBA announced a new measure to get even more small business loans into the hands of our nation's veterans.

Of all SBA loans that go to veterans, 73 percent are $350,000 and below. The SBA Express Loan Program, which supports loans under $350,000, is SBA's most popular loan delivery method. Since the program's inception, it has also been one of the most popular delivery methods for getting capital into the hands of veteran borrowers.

Effective January 1, SBA is setting the upfront fee for borrowers to zero for all veteran loans authorized under the SBA Express program for the remainder of the fiscal year, effectively making these loans cheaper for borrowers and further increasing access to capital for the men and women who have served our nation's military.

This year, SBA also challenged our top national and regional lenders to pledge to increase their lending activity to veterans by five percent each year for the next five years. With this support from our lending partners, SBA expects to serve an additional 2,000 veterans and increase lending by $475 million.

Our studies have shown that small business owners who have a long-term counselor are more likely to hire, grow, and increase revenues. In 2013, with our resource partner network including Veterans Business Opportunities Centers (VBOCs), Small Business Development Centers (SBDCs), Women's Business Centers (WBDCs) and SCORE volunteers, SBA has helped train and counsel more than 107,000 veteran business owners to date.

One of the ways we have done this is through public-private partnerships like the one with the Institute for Veterans and Military Families to provide intensive entrepreneurship training courses such as the Entrepreneurship Boot Camp for Veterans with Disabilities (EBV), and our Women Veterans Igniting the Spirit of Entrepreneurship (V-WISE), which focus on training, networking and mentorship for veterans.

On January 1, 2013, SBA also began rolling out "Operation Boots to Business: From Service to Startup." A nationwide entrepreneurship training program in partnership with the Department of Defense, Boots to Business is currently offered to transitioning service members from all branches of the armed forces at more than 150 military locations across the country. If the Fiscal Year 2014 Budget request level is funded, we plan to significantly ramp up the program.

In addition to our capital and counseling programs, SBA also supports small businesses engaged in federal contracting. For the first time ever, the federal government also exceeded its three percent goal to contract with service disabled veteran-owned small businesses. In FY 2012, veteran-owned small businesses won more than $12.2 billion in federal contracting business and increase of 9 percent in one year.

While we are proud of our successes, we continue to develop new ways to assist more aspiring veteran entrepreneurs. After World War II, our nation's veterans helped reshape the American economy—contributing to one of the longest periods of economic growth in our country's history. At SBA, and across the Obama Administration, we know that with the right tools and opportunities, our nation's veterans can continue to build our economy for the long-term.

Thank you again for welcoming me here today.

Rhett Jeppson Biography

Rhett Jeppson's wide range experience includes extensive military service, small business management, and directing a state's procurement activities. As a result, he was appointed as the Associate Administrator for the U.S. Small Business Administration's Office of Veterans Business Development in April of 2012.

In 1988, Mr. Jeppson completed the Basic Officer Course and The Infantry Officer Course and then reported to the 1st Marine Division at Camp Pendleton, California where he served as a Rifle Platoon, Company Executive Officer, and a principal Battalion Staff officer. During this time, Rhett first experienced combat with 3rd Battalion 9th Marines during Operation Desert Storm.

Following Desert Storm, Rhett left active duty with the Marine Corps to return to Florida in 1991 and tended to his family and father's business while his father underwent a bone marrow transplant for Leukemia. While running the family business, Rhett learned first-hand the rewards and challenges of managing a small business.

Four years later, Rhett returned to active service with Special Operations Command Central. The position honed his skills as a leader, and in 1999, it lead him to an opportunity with the State of Florida Department of Business and Professional Regulation, first as the Deputy Director of Pari-Mutuel Wagering and then as the Special Assistant to the Secretary. In 2000, Rhett became the Director of State Purchasing, overseeing the execution of all state contracts and statewide procurement vehicles.

In the wake of the September 11, 2001, attacks, Rhett was recalled to service and reported to U.S. Marine Forces Europe. Later he joined the U.S. Special Operations Command in Tampa, Florida, with subsequent assignments with the U.S. Forces Afghanistan, and the U.S. European Command.

Rhett is a graduate the University of Florida, and a Lieutenant Colonel in the United States Marine Corps Reserve.



OPENING STATEMENT OF
LOUIS J. CELLI
NATIONAL DIRECTOR, LEGISLATIVE DIVISION
THE AMERICAN LEGION

BEFORE THE

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
UNITED STATES SENATE

ON

A ROUNDTABLE DISCUSSION
SERVING OUR SERVICE MEMBERS:
A REVIEW OF PROGRAMS FOR VETERAN ENTREPRENEURS

NOVEMBER 13, 2013

Chairwoman Landrieu, Ranking Member Risch, and distinguished Members of the Committee;

According to a Kauffman Institute report; between 1996 and until three years ago, U.S. veterans started companies at higher rates than their non-veteran peers, and accounted for 12.3 percent of all entrepreneurs in the United States. By 2011 that percentage was slashed by more than 50 percent and is now an alarming six percent.

On behalf of the two and a half million members of The American Legion, we thank you for the opportunity to discuss The American Legion's views at this Round table discussion. We appreciate the efforts of this Committee to address the entrepreneurial needs of the men and women who are currently serving, and those who have served during past conflicts.

In 1999, Congress found;

(1) Veterans of the United States Armed Forces have been and continue to be vital to the small business enterprises of the United States.

(2) In serving the United States, veterans often faced great risks to preserve the American dream of freedom and prosperity.

(3) The United States has done too little to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises.

(4) Medical advances and new medical technologies have made it possible for service-disabled veterans to play a much more active role in the formation and expansion of small business enterprises in the United States.

(5) The United States must provide additional assistance and support to veterans to better equip them to form and expand small business enterprises, thereby enabling them to realize the American dream that they fought to protect.

Section 101, 15 USC 657b – better known within the veteran small business community as Public Law 106-50. That preamble could have just as easily have been written today, and we are here today to discuss programs that will begin to address the disparities veterans business owners face, that civilian businesses simply do not.

While there are some promising programs like the VWISE (Veteran Women Igniting the Spirit of Entrepreneurship), and EBV (Entrepreneurship Bootcamp for Veterans), these programs were not designed or built to service an entire nation of veterans.

The SBA (Small Business Administration), as a result of P.L. 106-50 opened the Office of Veterans Business Development, and over the course of almost 15 years, has only been able to grow to 14 Veteran Business Development outreach centers in that time, while other SBA outreach offices have experienced double and triple that growth. These centers are the primary client generator for the veterans business outreach office, yet they are but an obscure link in the

middle of a webpage that has more than 50 such links that offer a variety of services ranging from Native American Business support, to a VA Facility Locator.

In 2007, SBA Administrator Steve Preston introduced a lending program called The Patriot Express, but over the years, the strength of that program has been so diluted that is really isn't any more advantageous that other lending programs in the SBA portfolio.

Our veterans deserve better.

One of our members, Dave Krasner, owns a small IT business in New Orleans; He is a disabled veteran who was medically evacuated out of Iraq. When he applied for the Patriot Express loan, he was denied because of a bureaucratic administrative error that SBA was unable to compensate for. The mistake was eventually corrected, but Dave never did get that loan.

We hope that today, we will be able to work with this committee and these round table participants to come up with innovative ideas that reinvigorate these struggling programs, and together, develop a strategy that provides the programs and support that our returning veterans deserve, and reverse the disturbing lack of participation from our veteran entrepreneurs in the regrowth of the American economic engine – small business development.

Thank you and I look forward to working with all of you today.

For additional information regarding this testimony, please contact Mr. Louis Celli at The American Legion's Legislative Division, (202) 861-2700 or lcelli@legion.org.

Louis J. Celli Jr.



Following his 22 year career in the United States Army, Master Sergeant Celli founded the company Leaders Advantage, Inc. that sold sales and leadership training material out of its 3 Boston area retail locations.

In 2005 Louis Celli transformed the enterprise into a nonprofit organization called the Northeast Veterans Business Resource Center, Inc. (NEVBRC), which is dedicated to assisting veteran entrepreneurs start and grow small businesses.

Mr. Celli retired from NEVBRC in 2012 to become the Legislative Director for the American Legion – the largest veteran service organization in the United States.

As a published columnist, professional speaker, and nationally recognized small business development expert, Louis Celli has been quoted in national and local media such as the Boston Business Journal, USA Today, Forbes, MSNBC, Fortune Small Business, National Public Radio, and the Christian Science Monitor.

Louis is a graduate of Harvard University, a native of Boston Massachusetts, and together with his wife Elise has 6 children ranging in age from 11 to 22 years old.



Harvetta A. Spann
Co-Founder, The WAVE
President, BLS Group, Inc.

Harvetta Spann is a former US Army field grade logistics and operations officer. She has over 25 years of professional experience as a planner and manager. Ms. Spann has extensive experience in providing operational and strategic event planning services to government, non-profit and private organizations. Her specialties include: Logistics Officer; Event/Project Management; Building and leading successful teams; Customer Advocacy; Women Veteran Advocacy; Developing and managing executive relationships.

Ms. Spann is the President of BLS Group, Inc. BLS Group, Inc. is a Service Disabled Veteran and Woman-Owned event planning company providing exceptional meeting and event management solutions. It is based in Northern Virginia.

Ms. Spann is also the Co-Founder of The "WAVE" Women as Veteran Entrepreneurs. (www.thewave.us.com) The purpose of The "WAVE" is to provide a forum for Veteran Woman-Owned Small Businesses to promote success through (1) creating the opportunity to meet prime contractors to discuss business teaming, sub-contracting and mentoring opportunities, (2) providing information detailing success strategies for doing business with the government, (3) networking, and (4) creating a sense of civic responsibility to give back to support our Women Veterans. The Women In Military Service for America Memorial Foundation, Inc., www.womensmemorial.org is their designated 501(c)(3) non-profit charity.

Ms. Spann is a graduate of Norfolk State University in Norfolk, Virginia. Upon graduation she entered the United States Army where she had worldwide assignments from 1985 to 1994. She served in the ranks of Second Lieutenant to Major.

WRITTEN INTRODUCTORY REMARKS OF HARVETTA SPANN
PRESIDENT, BLS GROUP, INC.
NOVEMBER 13, 2013

My name is Harvetta Spann.

I'm a former Army Logistics Officer, turned Corporate Executive, turn Entrepreneur. I'm also a graduate of Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE).

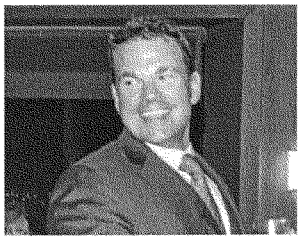
I'm the President of BLS Group Inc., a Meeting and Event Planning company based in Northern VA.

I'm also the Co-Founder of The WAVE, Women as Veteran Entrepreneurs. The WAVE is an organization that creates forums that connect Veteran Woman Owned Small Businesses with government agencies and Prime contractors to help them grow their business.

The WAVE was launched on March 21, 2011. We are currently planning our 4th Annual WAVE Seminar. It is scheduled for March 20, 2014 at the Women's Memorial at Arlington National Cemetery.

Aaron Dirks

DirksCapital



Originally from Baton Rouge, Aaron has made his way around the world and back to Louisiana through an exciting journey. Aaron graduated from the United States Military Academy at West Point in 1996 and served for ten years in the Army. After concluding his active duty service in 2001 and completing his MBA, Aaron returned to Louisiana to pursue private business.

At the age of 26, Aaron purchased an engineering firm in Baton Rouge and his entrepreneurial drive has not stopped since. Joining Merrill Lynch in the fall of 2002 Aaron grew a successful private wealth management practice before forming his own investment firm, Dirks Capital. Aaron's spirit of entrepreneurship has lead him to create a diverse business portfolio of companies with interest in luxury transportation, health care, real estate and renewable energy.

Aaron is the co-founder of the Association of Corporate Growth Louisiana Chapter and is a former president of the Louisiana Chapter of the Entrepreneurs' Organization.

Jason C. Anderson
Founder and CEO | Active-Duty Entrepreneur LLC
Springfield, VA 22152

Bio:

Jason Anderson is an active-duty US Air Force Lieutenant Colonel working at the Pentagon. A native of Jackson Wyoming, he and his family will return to Wyoming after his June 2014 retirement. Jason and his wife, Adrianna, launched their first Wyoming-based small business this April after three years of planning. Additionally, in June he published a book entitled Active-Duty Entrepreneur. The book spells out the rationale for military members and their spouses to start their small businesses well before military separation or retirement. By utilizing the military ecosystem that provides a stable job, pay, health care, and a predictable career timeline, they can create their own smooth transition in a low-risk environment.

Remarks:

Helping service members and their families make the transition from active duty to the private sector is an ongoing challenge to our government. In my opinion, two main factors drive these challenges: military training and culture. First and foremost, our military is the best trained, most capable military force in the world. With such a wide variety of missions, training is the key. Beginning with boot camp, whether enlisted or officer, we are stripped of some individuality in favor of the team--and that is a good thing. We all deeply feel it critical to serve something larger than ourselves. And while serving the country we love--often times in dangerous lands away from family and friends--we are provided a stable system which includes salary, healthcare, and the opportunity for promotion. The system's purpose is to support the military member and their family so they can focus on protecting our national security interests at home and abroad.

While the system is certainly necessary and proper, given the sacrifices we and our families make, it also creates some unintended consequences. Due to the initial training mentioned in the previous paragraph, members get used to the military ecosystem that provides consistent pay, health care, scheduled promotions, and stability for their family. This dependency grows stronger over time. For those leaving the military ecosystem after 10 or more years, there can be a tremendous level of anxiety. Where the military ecosystem provides structure, they view the private sector as completely unstructured. As a result, they delay their transition to the 11th hour. It is all about the training and military ecosystem's effect on the individual. The anxiety is only exacerbated by the current fiscal environment where the defense sector--a standard go-to for military people--is contracting.

I wrote Active-Duty Entrepreneur to completely change the transition narrative. I want to reach active duty members and their spouses early in their career and let them know there is an alternative to standard employment. In a strange twist of fate, I want to use the same military ecosystem that made them dependent to help them launch their own small business and create their own transition. I want to empower the individual and their family to create their own future--a uniquely American ideal! All will benefit. The individual will create a smoother transition for themselves and their family. The military unit will benefit from the business skills learned by the individual service member. In the aggregate, the Department of Defense will benefit by having business-savvy people scattered throughout the ranks. The Veteran's Administration will benefit by having fewer numbers of those that need training and seek jobs. And finally, the US economy benefits by putting capable and creative new small businesses that can provide jobs to their fellow citizens.

Biography

Dr. Mike Haynie is the Executive Director of the Institute for Veterans and Military Families at Syracuse University, and also the Barnes Professor of Entrepreneurship at Syracuse University's Whitman School of Management. Mike completed his PhD in Entrepreneurship and Business Strategy at the University of Colorado at Boulder, and his research has been published in many of the world's leading academic journals, and is widely cited in the popular press. Before beginning his academic career, Haynie served for 14 years as an officer in the U.S. Air Force. In 2011, Haynie developed and enacted a plan to launch higher-education's first interdisciplinary institute focused on the social, economic, and policy concerns of the nation's veterans and military families. Today the Institute for Veterans and Military Families at Syracuse University is widely acknowledged as the national hub of both thought leadership and actionable programming, positioned to address the post-service life course concerns of the nation's 22 million veterans and families.

Opening Statement

My name is Dr. Mike Haynie. I'm a military veteran, the Executive Director of the Institute for Veterans and Military Families at Syracuse University, and also the Barnes Professor of Entrepreneurship at Syracuse University's Whitman School of Management. I would like to thank Senator Landrieu, Ranking Member Risch, and the other members of the Senate Committee on Small Business and Entrepreneurship, for the opportunity to participate in today's roundtable focused on Veteran Business Ownership. As both a veteran, and also professor of entrepreneurship, this is a subject that for me represents more than simply a professional interest, but it is also a personal passion. I believe that there is no segment of society more deserving of the opportunity to enact the American Dream of business ownership, than those men and women who have worn the cloth of the nation in defense of that dream. To that end, I have spent much of the past seven years focused on designing and delivering training programs and supportive services positioned to empower veterans through business ownership. These programs include the Entrepreneurship Bootcamp for Veterans with Disabilities (EBV), the Entrepreneurship Bootcamp for Veterans Families (EBV-F), Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE), and the new business ownership track of DoD's Transition Assistance Program (TAP), called Boots2Business. We're excited and heartened by how we've been able to seed and cultivate these programs as collaborations between government, higher-education, and the private sector, and in the end deliver world-class training and support to transitioning service members and veterans with entrepreneurial aspirations. It is the aim and objective of our partners in higher-education and the private sector, to continue to work closely with the SBA, DoD, and Congress to expand and increase access to training opportunities which support veteran business ownership.

WRITTEN TESTIMONY OF CHRIS FERGUSON, PRESIDENT,
SHOULDER 2 SHOULDER INC.
SERVICE DISABLED VETERAN OWNED SMALL BUSINESS
Before the Senate Committee on Small Business and Entrepreneurship
November 13, 2013

Madam Chairwoman Landrieu, Ranking Member Risch, and Members of the Committee, Thank you for inviting me to appear before the committee to speak on such an important topic and thank you for your continued support of Veteran entrepreneurs.

I am the President of Shoulder 2 Shoulder Inc. My Partner, Ken Falke, is a Service Disabled Veteran. Unfortunately, he was unable to attend today because he is hosting a Chamber of Commerce lunch for Loudoun County Chamber to help bring awareness to wounded Veteran issues. This is his second Service Disabled Veteran Owned Small Business (SDVOSB). He founded his first small business in 2002 called A-T Solutions and quickly set the company on a path for rapid growth. During his tenure as CEO/President with A-T Solutions, Ken grew the company from four SDV's to over 500 employees of which nearly 70% were Veterans. After the sale of A-T Solutions, Ken dedicated a great deal of his time advancing two 501 (c) 3 nonprofit's and currently serves as the Chairman of the Explosive Ordnance Disposal Warrior Foundation and Chairman of the Boulder Crest Retreat

I spent my business career in the commercial sector with much of that time overseas. I have experience with brands including Walt Disney Co., SAB Miller, and the InterContinental Hotel Group. Ken and I met through the Young Presidents

Organization and I serve on the Board of Boulder Crest Retreat. Together we spent a great amount of time with our Wounded Warriors at the Walter Reed National Military Medical Center. Their collective desire to get back with their units and communicate their lessons learned from their life changing incidents compelled us to start Shoulder 2 Shoulder (S2S) two and a half years ago.

S2S is a socially responsible certified SDVOSB located in Arlington, VA. S2S was founded with the mission to provide breakthrough solutions that are centered on assisting and healing those who provide us the freedoms we cherish. Our primary goal is to develop information technology (IT) and multimedia solutions that improve operational performance, prevent traumatic injuries and enable Veteran recovery and reintegration. We pursue our goals with a socially responsible business plan - we deliver tangible results to the government while driving up to 50% of our after-tax profits back to Veteran charities. In addition, our business model incorporates the highest possible priority for Veteran hiring. I am proud to say that 57% of our employees are US Military Veterans and 40% of them are disabled US Military Veterans. Our flagship product is a customized mobile application called IMPACT (Injured Military Personnel Assisting Combat Troops). IMPACT is a secure collaboration focused on video lessons learned from across the Counter Improvised Explosive Device (IED) Community without the dangerous unknowns of commercial data mining and exploitation. The goal of the IMPACT program is to enable peer-to-peer collaboration on Unclassified C-IED content in a context that the current generation of Warfighter best understands: mobile

technology and video. IMPACT is currently available across five separate platforms including desktop Web, mobile Web, iPad, iPhone, and Android mobile devices. S2S not only designs and executes the systems architecture for IMPACT, but we also produce crisp video lessons learned interviews taken directly from the first person wounded warrior point of view.

DoD has invested a substantial amount of funds in IMPACT and the government has full purpose rights to utilize the tool for other requirements. The Army, OSD, and the US Special Operations Command (USSOCOM) Care Coalition are currently using the App. The USSOCOM has nearly 70,000 Army, Navy, Air Force and Marine Corps personnel, including Army Special Forces and Rangers, Navy Small Boat Units and Navy SEALs, Air Force Combat Controllers, and Marine Corps special operations personnel. IMPACT has been repurposed and adapted to serve the USSOCOM Care Coalition with a new product called "Team Room." Team Room will serve as a tool for the entire SOF family and assist Special Operations Forces Wounded Ill & Injurec service members and their families communicate and navigate through their continuum of care and recovery. IMPACT is also being leveraged to help other communities and efforts such as the Caregiver community, adaptive sports programs, and very soon we will be promoting transitional efforts to help Veterans start their own business.

As you are all well aware, there are already an inordinate number of unemployed Veterans in the United States. As the remaining Afghanistan Veterans come home

next year they will be challenged to find work and start a business in this tough economy. Although my fellow witnesses and others have incredible programs I believe there is not enough space and funding to send all interested Veterans to these excellent training programs. We need to arm these ambitious Veterans with the necessary tools and technology that is scalable and deployed on technology platforms where this generation of warfighter learns and communicates. If we do this right, our best and brightest leaders on the battlefield can help one another become the next generation of successful business owners.

Our goal at S2S is to leverage DoD investments in IMPACT, team with successful programs similar to my fellow witnesses here today, and transition our already fully operational and validated IMPACT mobile application to a secure collaborative Veterans business network. This tool will enable the already robust VOSB/SDVOSB community to have a secure network in which to share best practices, mentorship, and watch powerful video content directly related to their experience. This Veterans business network will be a scalable entrepreneurship training and business-counseling tool that will utilize the lessons learned from successful small business mentors to enhance and sustain the success of Veterans entering their new business ventures.

I look forward to working with the committee in the future on this topic and look forward to answering your questions.

Chris Ferguson, President of Shoulder 2 Shoulder Inc.
Biography

Chris Ferguson has been active in both domestic and international private sector business for over 20 years.

His track record in both business and education shows a longstanding focus on the intersection between commerce and social welfare.

His early career was heavily influenced by his time growing up in Tokyo, Japan. Chris's passion for living and working overseas compelled him to return to Asia after graduation from Georgetown University. From 1995-1998, he worked for Donnkenny, Inc. the largest apparel licensee of the Walt Disney Company as Vice President of International Business Development. While based in Hong Kong, Chris opened eleven Disney-themed retail stores throughout Mainland China.

After returning from China, Chris Ferguson explored a long-standing passion for teaching and became a high school teacher and boarding parent at the Baylor School in Chattanooga, TN. Chris taught English and Art History classes and became an instructor in Baylor's national award-winning outdoor education program. While at Baylor, Chris led mountaineering and kayaking trips throughout the United States and educational trips throughout Europe.

Chris returned to the business world in 2003 as the Chief Operating Officer of the Franklin Haney Company, a privately held company based in Washington, DC with over $1 Billion in assets. Chris ran the operating divisions for the Haney Company including the hotel, vending, and beer distribution units. He was later put in charge of the firm's GSA office brokerage and property management holdings including The Portals, a 1 MM square foot Class A office building in downtown Washington that is the headquarters of the Federal Communications Commission (FCC). Chris left the Franklin Haney Company in February 2011 to launch S2S.

He has a B.S. in Asian Languages, Georgetown University, on the Board of the Boulder Crest Retreat for Wounded Warriors, and a member, Young Presidents Organization (YPO).



Statement of C. E. "Tee" Rowe

President/CEO, America's SBDC

Committee on Small Business and Entrepreneurship

United States Senate

November 13, 2013

Chairwoman Landrieu, Senator Risch, members of the committee. Thank you for inviting me to participate in this roundtable. I'll be brief since I know the point of these roundtables is participation. My name is Tee Rowe and I am the President of America's SBDC, the Association that represents the nationwide small business development center network of over 950 locations and over 4,000 dedicated professional counselors and advisors.

For 30 years the SBDC network has been providing services to veteran small business owners and aspiring veteran entrepreneurs. Providing support to veterans has been a part of the SBDC mission since the program was founded and over the years SBDCs have assisted literally hundreds of thousands of veterans either with their existing businesses or in starting new businesses.

To accomplish that mission SBDCs have developed programs nationwide based on initial training and followed up with intensive one- on-one counseling for the veteran business owners.

Overall, SBDCs counseled and trained 38,531 veterans in 2011 and 37,660 in 2012. Of those veterans in 2011 - 9,266 were service disabled and in 2012 – 9,182 service disabled veterans were assisted.

These veterans represent approximately 13% of the SBDC assistance provided annually. For example, last year, the Florida SBDC Network served 1,800 veterans through consulting and training.

Each state has developed its own programs and New York is a great example.

In New York, the SBDC has a comprehensive veterans' small business assistance program, providing targeted business training, counseling, and mentoring for veterans and service-disabled veterans. There are Veterans' Business Outreach Centers at the Farmingdale, Buffalo, and Albany SBDCs, each with a dedicated Veterans' Business Advisor. In addition, all of the 24 Regional Centers in the state-wide network prioritize assistance to veterans.

In Brooklyn they work with the New York City Mayor's Office of Veteran Affairs and the Mid-Hudson SBDC works with the Wounded Warrior Unit at the US Military Academy at West Point on joint programs for returning wounded veterans. The Mohawk Valley, Onondaga and Jamestown SBDC have all established an annual Veterans events supported by numerous regional organizations that provide breakout workshops, dozens of exhibitors, networking sessions, and matchmaking for Government Contracting.

In addition, NY has the Entre Skills for Veterans online training program. This web-based interactive educational program teaches veterans how to be successful entrepreneurs and small business owners. The program takes veterans through cumulative stages as it helps them refine and develop a small business concept, address legal and marketing issues, prepare financial statements, and, ultimately, prepare a complete business plan.

The results for New York over the last five years – 791 veteran owned business starts, an average of 6,535 hours of counseling, 441 jobs created and over $33 million dollars in financing.

On top of these programs and one-on-one counseling, SBDCs are working with SBA's Office of Veterans' Business Ownership on the new Boots-2-Business program. The program has been successful and SBDCs see it as a good introduction point for one-on-one counseling and continuing assistance. SBDCs support the program and I think Rhett can speak to how well-attended his training sessions were at the SBDC Annual Conference.

My hope is that we can have a dialogue on how to most efficiently deliver Boots-2-Business and all the other needed services to veterans. We support the program and its goals; our biggest concern is resources and adequate coordination to use those resources effectively.

In closing, I've attached a few examples of the veteran-owned businesses SBDCs have worked with and counseled from all over the country. Thank you.

John Rainey, ERRA Surgical Supplies [Rockland NY SBDC]
John Rainey opened ERRA Surgical Supplies in November 2010, in an area of Manhattan known as Spanish Harlem. He currently employs several Hispanic women and a few independent sales representatives. John's proximity to Columbia Presbyterian Hospital makes him the closest surgical supply outfit to the hospital with this type of specialty. The custom-made diabetic shoes and orthotics that ERRA supplies to its customers have positioned his business into a model for success. His efforts have led to gainful employment in an area of Manhattan that is currently suffering from high unemployment. ERRA Surgical Supply has been welcomed into the neighborhood with open arms. As a lieutenant in the Army, John served his country with honor and dignity - attributes that permeate his being and have allowed him to serve the disabled with one goal in mind, first to help the less fortunate and second to help his family. John understands of investment, his ability to see the industry for what it is and a deep desire to help others, who are less fortunate, along with the guidance the SBDC, helped him achieve success and accomplish his goals.

Jonathan Quinn, Captain Quinn's Fitness Boot Camp [Brooklyn SBDC]
From his initial weeks of basic training to the Reserve Officer Training Program at Syracuse University and throughout his career as an Air Force officer, Jon Quinn experienced firsthand the benefits of group exercise - military style. Jon started Captain Quinn's Fitness Boot Camp because he is passionate about fitness and about serving others through fitness education. His dedication to fitness has spanned over twenty years of service in the military, the private sector, and in non-profit organizations. Jon, a Certified Personal Trainer is on a mission to ignite a lifetime passion for fitness and healthy living in as many people as possible through programs designed to motivate, educate and inspire transformation and self-improvement. His Fitness Boot Camp provides results-oriented fast paced group fitness classes, private and small group fitness training and coaching, nutritional guidance and, eventually, on-line/retail video instruction. Jon consulted Business Advisor Janet Page at the Brooklyn SBDC for assistance with business plan development, sources of financing, cash flow projections, and discussions about start-up and growth. Jon ultimately obtained a $45,000 Patriot Express Loan from Bethex Federal Credit Union. Jon believes deeply in the power of fitness to transform lives, and tells all his clients that "Fitness is essential and should always be FUN!"

Peter DelCotto, The Woodshed [Buffalo SBDC]
When he was in the Air Force and traveling through Asia, Europe, and the Middle East, Peter Delcotto developed a wealth of knowledge about food and exotic cultures. He came to believe that food tells a certain story about the people and their environment. He decided to become a chef to share his experiences in other cuisines by highlighting the most popular dishes of each respective culture. After earning a degree in Hospitality Management, Peter consulted the Buffalo SBDC for assistance in refining his business plan and financing. Peter credits having a strong business plan and taking the time to truly learn this new industry as critical factors in enabling him to successfully leverage his management background into his restaurant. In May 2012, he got funding and founded The Woodshed, a family owned and operating restaurant that serves up traditional Southern style smokehouse barbecue. The restaurant is Peter's lifelong dream – a place with a relaxed casual atmosphere and great food on the table.

Lieutenant Colonel Gabriel (Gabe) Ruiz retired from the U.S. Army in 2006. Since then he has leveraged a military career in information technology and an entrepreneurial spirit as owner and CEO of Advanced IT Concepts, Inc. which provides IT consulting services and value added resale of computer hardware and peripherals to both the government and private sectors. AITC, Inc. is a Service Disabled Veteran-Owned Small Business and has recently earned its 8(a) certification.
Since incorporation the company has achieved outstanding results with sales exceeding $1.5 million in the first fiscal year. Year two was a breakout year which saw sales nearly double with a net profit margin exceeding 12.5%. Sales in this current year will again double exceeding the $5 million milestone. In the three year period [2010-2013], the company has added 11 full-time employees reaffirming the fact that "small business" is this country's economic engine.
The company's rapid growth has been accompanied with business challenges and Gabe turned to the Florida SBDC at the University of Central Florida. In Gabe's words, "The SBDC at UCF has been a true and invaluable partner to AITC. From our first meeting with growth acceleration services consultant Roger Greenwald who showed a true caring attitude and superb business knowledge we have received expert advice in areas such as marketing, business development, budgeting and forecasting, operational effectiveness and more.

Daron Horne, Sr., owner of Daron's Construction Solutions LLC in Pensacola, FL is growing his business by pursuing contracting opportunities. To date, Daron has been awarded several Emerald Coast Utilities Authority contracts and four contracts with Gulf Power. Laura Subel, SBDC procurement specialist and business consultant, advised Daron on how to work with the federal, state and local governments, and is preparing Horne for becoming a certified minority-owned and veteran-owned business, as well as an 8(a) certified business. Certified business consultant Thawanna Keaton assisted Horne with his LLC operating agreement, membership certificates and updating the company's information with the Division of Corporations.

John Butler, American Produce Express (WA SBDC)

Third generation orchardist John Butler refers to himself as "just a farmer." But the growth in the past decade of his $1 million per year fruit processing company qualifies him as a successful businessman, as well. American Produce Express has doubled revenue in the last three years, and he contributes at least part of that success to his SBDC business advisor, Lew Blakeney. Butler first approached the SBDC in the late 1990s, when the profit margins on his apples he was trucking the fruit to Montana and Arizona to find additional markets.

"The banks would not loan us the money needed to finance the trips," he said. "With the help of our SBDC, we were able to secure an SBA-guaranteed bank loan to cover our transportation costs and turn a profit on the trips."

Then, in 2002, Butler began to see the processed fruit market as a potential niche. As he started experimenting with slicing apples and building his business, he again turned to the SBDC. "Lew advised us as we developed our product line and manufacturing methods," Butler said, recalling that they created and modified equipment piece by piece in a machine shop.

With other, larger companies competing for the sliced apple market, American Produce Express focused its efforts on producing a consistently high- quality product and delivering directly to the customer —school districts in particular. A map on his office wall identifies the 60-plus districts throughout the state that carry his products. "We are looking at installing additional equipment and possibly adding a second shift to our processing line," he said. The plant can produce more than 100,000 pounds of fruit per month. During the school year, 15 employees are on staff; a limited summer operation supplies camps and others. In addition to apples, the operation distributes oranges, pears, grapes and nectarines.

Supporting the community and staying environmentally friendly are priori- ties for American Produce Express. "We are working with Career Path Services locally to place special needs individuals in our operation," Butler said. The company directs excess inventory to the area food bank, with byproducts and waste going to nearby feedlots.

C. E. "Tee" Rowe

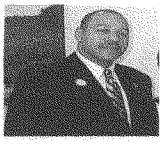
C. E. "Tee" Rowe is the President and CEO of the Association of Small Business Development Centers, a nationwide network of nearly 1,000 centers providing free, confidential business consulting and low cost training to small business owners. He joined the ASBDC in August of 2009.

Tee also serves as a member of the Board of Directors of the Small Business Legislative Council, a Washington, DC based advocacy organization of small business trade associations.

A graduate of Dartmouth College (AB, Russian/Government, 1983) and the Tulane University School of Law (JD, 1989), Mr. Rowe has a long history of legislative and advocacy experience on behalf of the small business community. Prior to joining the ASBDC he served as Associate Administrator for Congressional and Legislative Affairs for the US Small Business Administration from 2005 to 2009. Before that he served as Assistant Administrator for Congressional Affairs and as the Assistant General Counsel at SBA from 2001 to 2005.

Tee also worked for ten years (1991-2001) in the US Congress as Counsel to the Committee on Small Business in the US House of Representatives. In that role he was responsible for drafting most of the major small business legislation passed by the US Congress.

Joe Wynn
President, VETS Group
VET-Force Executive Committee



In 2004, Joe founded the VETS Group, a non-profit organization that provides entrepreneurial education, federal procurement training, employment assistance and other supportive services primarily for veterans, people with disabilities and persons of limited means. Over the past few years, Joe has participated in conferences for federal, state, and local governments in an effort to heighten the level of awareness regarding the needs of veterans.

Through the VETS Group, Joe manages a program that provides technical training for eligible veterans seeking employment and identifies employers who are committed to hiring veterans first. He previously worked as Director of Education at PTC Career Institute and as an Instructor at Strayer University.

Joe is also helping to develop an initiative to increase the number of procurement and employment opportunities for veterans by identifying procurement opportunities in the private-sector. Partnerships are being formed with large corporate enterprises to offer veterans apprenticeships, internships, business education, financial literacy mentoring, technical assistance, and access to international markets.

Joe serves as Special Advisor to the Director of Government Relations for the Vietnam Veterans of America (VVA) on projects relating to Veterans Employment, Vocational Rehabilitation, and Small Business Development. He is a lifetime member, National Vice Commander and Legislative Director for the National Association for Black Veterans (NABVETS), and serves on the Executive Committee for the **Veterans Entrepreneurship Task Force (VET-Force)** which is composed of over 200 organizations and affiliates representing thousands of veterans throughout the U.S., to monitor the impact of legislation on veterans procurement programs.

Veterans Advocate: Serving the veterans community for 20 years; Joe was appointed as a Commissioner on the Veterans Disability Benefits Commission by Leader Nancy Pelosi. He currently serves as the Chairman of the Armed Services and Veterans Affairs Committee for the NAACP; a member of the Mayor's Veterans Advisory Board for the District of Columbia; and has received recognition awards for his advocacy for veterans from the Small Business Administration, the NAACP, VET-Force, Blacks in Government and the United Black Fund.

Military Service: A Vietnam-era veteran, Joe received an Honorable Discharge from the U. S. Air Force in 1974, where he served with the 66th Strategic Missile Squadron, stationed at Ellsworth AFB South Dakota.

Educational Attainment: Under the G.I. Bill, Joe attended the universities of the District of Columbia and Howard. He completed a Bachelor's degree in Computer Information Systems, a Master's degree in Business, and two years toward a Doctorate in Organizational Communications. Joe, a Vietnam-era Veteran, received an Honorable Discharge from the U.S. Air Force and has been an advocate for veterans for more than 20 years. Joe entered the military and was sent to Keesler AFB in Mississippi where he completed the Admin Specialist course far ahead of schedule. He then served one tour of duty with the 66th Strategic Missile Squadron at Ellsworth AFB, South Dakota.

Dear Ms. Postanowicz,

Please share this email with Chair, Senator Landrieu:

Quote,
It is my understanding that you hosted a Roundtable discussion on 11/13/2013 regarding Veteran Entrepreneur programs.
Allow me to share my testimonial of a related program for which I am a graduate, the Veteran Institute for Procurement
(VIP).

I was privileged to attend the VIP Program in 2012. Please know that as a Service Disabled Veteran Owned small
business; my company, Value Enterprise Solutions, Inc.; a Florida based minority owned business, received great benefit
by attending the VIP Program. My attendance to the VIP course has allowed me to better focus my business development
efforts with the continued growth of my company. Thus, I respectfully request that you continue to support the VIP program.

I am confident that Florida Senator Marco Rubio, a member of the Committee; would be interested in knowing what his constituents are saying about the VIP Program.

Sincerely,

Luis Ramos, MBA, PMP
President, Value Enterprise Solutions, Inc.
3314 Henderson Blvd; Suite 100P
Tampa, Florida 33609
www.vesi7.com

End Quote

RE: Veteran Entrepreneur Programs 13Nov2013

To Senator Landrieu, Senator Risch and other fellow Patriots,

I appreciate the opportunity that you have allowed me to write this email. My hopes are that my comments are taken into consideration in regards to the 13Nov2013 hearing regarding SR-428A entitled *Serving our Service Members: A Review of Programs for Veteran Entrepreneurs.*

It is no secret that small businesses are the vital to the stabilization, success and growth of our economy on local and national levels. Many communities depend on these small businesses to function, let alone survive. So I do fully appreciate the fact that this forum exists that not only in discussions but as oversight on small businesses and the programs, as well as to the socioeconomic programs that are provided.

As someone who has been a small business veteran entrepreneur since 2006, I fully stand behind the spirit and the intention of the veteran socioeconomic programs. While I am not writing this to pass judgement upon which program is greater than other, I do feel that it is pure genius for our leadership to stand before us as patriots to advocate for the men and women who have sacrificed for our nation. Yet, while I fully believe in the veteran based set-aside programs and commend our leaders on it, I have personally endured the "Dr. Jekyll and Mr. Hyde" facets of the implementation of the program. My greatest criticism being the fact that, up until the past couple of years, there has been an utter lack of advocacy to support us. My own experiences have gone to where I have personally contacted my local congressman, Senator Ron Johnson's office in regards to my own company's veteran issues. Everyone does want the program to succeed but there is a lack of advocacy for this success. In no ways do I point my finger at any one element, but the fact of the matter certain agencies do govern and outline the requirements.

An example is the infamous great disconnection between the SBA and the Department of Veterans Affairs (VA) on the requirements to be Service-Disabled Veteran Owned (SDVO) and Veteran Owned (VO) Small Business certified. Yet, this disconnection runs even deeper as the "left hand" of an agency fails to cooperate with the "right hand" of the same agency. For an example, many of our veterans qualify for VA Chapter 30 (GI Bill) and Chapter 31(Vocational Rehabilitation) educational benefits. The same agency, the VA, are also administrators of the most stringent SDVO/VO certification program. As a veteran, I cannot walk into a VA regional office and obtain Chapter 30 & 31 benefits that can be directly applied to education tailored for a business owner. Chapter 30 requires that I am proactively seeking a specific degree program which as a veteran who was honorably discharged in 1999, I currently personally fail to qualify for Chapter 30 benefits. Chapter 31, the more flexible of the two education programs, has core requirements for veterans to obtain the benefits but also has no system to supporting a veteran who walks into a VA regional office and says "I would like to open my own business up" minus sending them to a 4 year college to earn a bachelor's degree. This isn't just at the Federal level, this applies to many states as to where there are scholarship opportunities for veterans. I do feel that I am lucky to resident in Wisconsin as to where our Department of Veterans Affairs is led by Secretary Scocos, who is a great leader and a veteran himself.

Then on the flip-side of the coin, while the amount of advocacy we have is limited, I have been

lucky to be able to take advantage of the APTAC/CVE Federal Contractor Certification (FCC) and the Veteran Institute for Procurement (VIP). Yet, none of it is formally recognized nor is it endorsed or sponsored by governing agencies.

The FCC program is a tiered certification program that is a joint project of the VA's Office of Small and Disadvantaged Business Utilization (OSDBU) and the Association of Procurement Technical Assistance Centers (APTAC) with the assistance of the Defense Acquisition University (DAU). This program is at no cost to the veteran and even though sponsored by the government, it continues holds no weight bearing in regards to certification. Yet the same education is mandatory for the contracting officers themselves that this entrepreneurs are required to work with via the Federal Acquisition Institute (FAI in ref. to FAC-C) so the government employees who are the legal representation of the US government in contracting are required for this training but it holds no value in regards to SDVO/VO certification due to not being formally recognized. I can spend 4 years in post-secondary education, taking electives on sleeping and instruction for a business management degree, not once even hint as what legal document gives authority to the government to procure goods and what regulations govern them; and that still holds more weight than being taught in the first 5 minutes of the FCC that the US Constitution empowers the government '...shall have Power to lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence...' that is now governed by the FAR.

The VIP program easily carries forward for someone who is FCC certified. The VIP program a 27-hour comprehensive training program presented over 3 days by the Montgomery County Chamber Community (MCCC) Foundation that I was lucky to be able to attend, at no cost to me, other than for transportation to fly from Wisconsin to Washington D.C.. I emphasis that me, a veteran from Wisconsin, qualified for this program by the Foundation based on me being a veteran, not just limited to veterans within Montgomery County or Maryland. The Foundation provided me with meals, accommodations and the program. In addition to the opportunity, there was also a forum created that allowed for interaction amongst ourselves, ask questions as well gather other SDVO/VO businesses' experiences. In addition to networking with peers, it also provided opportunities for representatives from different agencies to provide valuable information. Yet again, the government does not formally recognize this program nor does it allow for me as the veteran to use any of my education benefits for this program.

Even with the little support we do have, I feel that it is meet with resistance. For example, while the VA has stressed that they are not on a 'witch hunt' against veteran entrepreneurs, the environment they have created dictates the 'witch hunt' atmosphere because of the lack of advocacy. If I fail to meet a requirement, it is pass or fail. There is no answer to "Can I sit down with someone so they can work with me to fix this?" Without using the assets and the experiences learned by the SBA with the 8(a) program. For example. while the SBA does provide a local Business Agent for the 8(a) program, the VA does not provide similar for their SDVO/VO certification program. There is also disconnection as to what is expected by a president of a company should know. I have gone through numerous site investigations pertaining to my SDVO status with the VA. While I have been asked questions that I would expect my field employees in my construction business to know, I have yet to hear real questions as to what I would ask a president of a company knowing what I know today after this training

above and over 6 years in experience. Such as: What system would you log into to response to Past Performance on a DD Form 2626? What is a Termination for Convenience? What is a Termination for Default? Has your company ever had a contract terminated? What system would you check to verify if you were/were not? Which agency provides guidelines for certified payroll reports? How often do you provide certified payroll? At a minimum, the president of any small business contracting with the federal government is required to know these answers. My point being, in addition to my own experiences, the FCC and VIP program both provided practical education that I use everyday at work.

While I am a proactive member of the Veterans of Foreign Wars (VFW), and locally hold an officer position within the VFW organization, I find that there is limited support within our own Veteran Service Organizations (VSO) to include the VFW. Unlike other veteran related issues, I cannot directly turn to my comrades for assistance. Yet it goes without saying, that as a member of the American Legion, I have found that the American Legion is the most vocal VSO that fully recognizes the lack of advocacy and have step forward to assist veterans to obtain entrepreneur counseling. I have seen them in many occasions presenting the voice of the veteran entrepreneur and employ that they continue to do so. For me, It definitely makes things easier knowing that I can get answers and advice from an unbiased sources such as American Legion Economic Division.

I ask that programs that focus on entrepreneurs are looked at in a serious light to be formally considered as an opportunity to support the very same people who signed the "blank check" and gave it to the government for their military service. I also ask we recognize that we need to provide advocacy to these veterans to learn and not expect them them to go from being an E-5 in the Navy to an E-Expert in logging into CPARS to respond to a Performance Evaluation.

Again I thank you for this opportunity. I feel it is safe to say that I speak for veterans across the board when I say we appreciate having the opportunity to have served our country and to be recognized by the socioeconomic program available to us. I am a US Army veteran, having served overseas and with the 82nd Airborne. I take great pride in being able to have the opportunity to work within the three VA Medical Facilities in Wisconsin. Within Wisconsin's VFW alone, last year we had 34103 members within the state. I take pride going into work and seeing the projects that my company has completed and currently working on, affecting me, but the 34102 other veterans that are my father, my brother, my cousin, my neighbors... my comrades. These projects and veterans are not just numbers to me, they are the faces and names of people I know. The hallway that my company installed Vinyl Composition Tile in is the same hallway I walked along side with families who were crying over a terminal loved one.

I would ultimately explain the current effectiveness of the veterans entrepreneur programs in relation to our government advocacy by simply finding the next veteran to discharge from the military and just saying "You might qualify for federal procurement in socioeconomic dollars if you start a business" and walk away.

Thank you and Happy Thanksgiving,

Telemachos P Agoudemos
--
President

C3T Inc.
6045 N 55th St., Suite 102
Milwaukee, WI 53218

Phone: 414-464-0382
Fax: 414-461-2972

I am a graduate of the Veterans Institute for Procurement (VIP) hosted by the Montgomery County Maryland Chamber of Commerce.

This program was very helpful in allowing me to interact with dozens of experts in the federal procurement space. They counseled me in areas pertaining to my business including finance, insurance, risk management, marketing, employment, proposal preparation, teaming, sub contracting, joint venturing and more.

I came away with actionable information and filled with positive ideas for expansion. There were 52 attendees in my class form 10 states. One of the significant benefits of the class was the interaction with other veteran owned business leaders and the follow on collaboration.

In those 27 hours of instruction, I learned how to better manage my business to successfully win and retain federal contracts.

Thanks for accepting my perspective. Happy Thanksgiving.

Rich Porter
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A veteran owned federally certified 8(a) small business

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Small Business Subcontracting Verification Discussion Paper

Issue: Although the government set formal goals to ensure that small businesses get their fair share of work, full enforcement has been a challenge to manage and validate. Agency contracting officers do not have the time and bandwidth to properly verify if total subcontract dollars allocated by prime contractors actually match the government's goals.

Discussion: Amending Subpart 19.7- "*The Small Business Subcontracting Program*" of the FAR by shifting the burden of proof to prime contractors to validate their small business subcontracting performance vs. just attempting to do "*a good faith effort,*" should greatly enhance the ability of the government to effectively validate.

Recommendations: The following three recommendations are provided for consideration:

1. Leverage prime contractor small business subcontracting performance on formal Past Performance proposal requirements for new contract bids.
    a. Require all prime contractors to submit a semi annual report to their government contracting officers depicting how they actually delivered on their small business subcontracting goals. The report should show total contract dollars compared to small business subcontracting dollars executed. Require the prime and their subcontractors to sign off on the report. This will become an official part of the prime contractors past performance citation reporting requirements for new contract bids.

2. Weight the prime contractors past performance citations as selection criteria for all new contract bids.
    a. If a prime meets or exceeds the mandated small business subcontracting goals in their past performance citations, it should be weighted favorably at an adequate percentage (Approximately 10-15%) towards their new contract selection criteria. This is very similar to the existing benefit used for veterans applying for Federal jobs. Eligible veterans can claim a 10-point preference on their application or resume by completing Standard Form (SF) 15, *Application for 10-Point Veteran Preference*.

3. Government contracting officers would have the option not execute option years on multiple year contracts for prime contractors who do not meet mandated small business subcontracting goal performance standards.

MCCC FOUNDATION
Montgomery County Chamber Community Foundation

NATIONAL CENTER for VIP
Veteran Institute for Procurement
Arming Vets to Win

Senate Committee on Small Business and Entrepreneurship

Serving our Service Members: A Review of Programs for Veteran Entrepreneurs

November 13, 2013

Barbara A. Ashe
National Director, Veteran Institute for Procurement (VIP)
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Dear Chair Landrieu, Ranking Member Risch and Members of the Committee. My name is Barbara Ashe, and I am the National Director of the Veteran Institute for Procurement (VIP). VIP is a classroom-style training program exclusively for service-disabled and veteran-owned government contractors. Business owners and key executives participate in a 3-day, 27-hour comprehensive certification program instructed by professional service experts, government officials, prime contractors, and agency representatives. VIP arms graduates with the critical skills and best business practices to win and comply with government procurements.

Unlike other business training programs, VIP is market-based business-to-business instruction; academic or government-based training tend to be distanced from the up-to-the-minute realities of government contracting. In addition, most training programs are funded for early stage start-ups that train individuals to become entrepreneurs or start a business. VIP picks up where those programs leave off at late stage early development. VIP invests in veteran-owned companies who on average have 10 or fewer employees and have been in business 6 years. This is exactly at the stage where tremendous capacity exists and it is working.

A recent survey of 121 graduates reported they created 1535 jobs and on average their business grew 41% one year following receipt of VIP certification. In addition, over 80% said they changed the way they do business after graduating. A majority of their employees are veterans. VIP Arms our VETS to WIN and to avoid business landmines. The Montgomery County (Maryland) Chamber Community Foundation (Foundation) privately funds this annual training program for 50 veteran owned businesses at no cost to the veteran participant. The Foundation launched VIP in 2009 and has since graduated 348 veteran businesses from 29 states and the District of Columbia. I am very proud to share that in 2011 VIP was recognized by the SBA as Veteran Small Business Advocate of the Year for Region III and the Capital District.

VIP enrollment is open to qualified veteran owned businesses nationwide. The National Center for VIP is located at The Bolger Hotel and Conference Center in Potomac Maryland (a U.S. Postal Service Center training center). There is a waiting list of more than 100 applications.

VIP has a proven track record of success and it is an appropriate item for consideration as this Committee reviews programs for veteran entrepreneurs. VIP is ideal to operate as public private partnership. This partnership will allow more veteran business owners to receive the unique benefits of VIP and address the tremendous demand for this program. Thank you for your consideration. Please let me know if you need any additional information.

Dear Honorable Senator Landrieu,

As a Veteran Institute for Procurement (VIP) Graduate, I would like to extend my personal request for your support. I am a Service Disabled Veteran Minority Owned Small Business owner in which has taken the lessons learned from this program into effective process and daily operations to another level.

Can you please support the Veteran Institute for Procurement (VIP) in which supports Veteran Small Businesses. I personally know it is an outstanding program for veteran business owners that sell to the federal government and as I mentioned has helped my company in various ways.

If Senator Marco Rubio is present during your committee, please send a warm greeting from one of his supporters down South Florida.

Respectfully,

Roger Reyes
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Service Disabled Veteran, Small Disadvantage, Minority Owned Small Business