

**OPENING DOORS TO ECONOMIC OPPORTUNITY
FOR OUR VETERANS AND THEIR FAMILIES
THROUGH ENTREPRENEURSHIP**

HEARING

BEFORE THE

**COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP
UNITED STATES SENATE**

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

JUNE 25, 2015

Printed for the Committee on Small Business and Entrepreneurship



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

U.S. GOVERNMENT PUBLISHING OFFICE

20-056 PDF

WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

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C O N T E N T S

OPENING STATEMENTS

	Page
Vitter, Hon. David, Chairman, and a U.S. Senator from Louisiana	1
Shaheen, Hon. Jeanne, a U.S. Senator from New Hampshire	2

WITNESSES

Panel 1:

Nowosielski, Katrina, Owner, Storm Guard of LA, Lafayette, LA	4
Tansey, Albert, President, Tansey Electric, Manchester, NH	7
Sayles Artis, Laurie, President and CEO, Civility Management Solutions (CMS), Bowie, MD	11

Panel 2:

Carson, Barbara, Acting Associate Administrator, Office of Veterans Business Development, U.S. Small Business Administration, Washington, DC	27
Haynie, Michael, Executive Director, Institute for Veterans and Military Fam- ilies, Syracuse University, Syracuse, NY	33
Daugherty, Scott R., Assistant Vice Chancellor and State Director, Small Business Technology & Development Center, Raleigh, NC	37
McCaffrey, Charles W., Acting Director, Veterans Business Outreach Center at Community Business Partnership, Springfield, VA	41

ALPHABETICAL LISTING AND APPENDIX MATERIAL SUBMITTED

Carson, Barbara	
Testimony	27
Prepared statement	30
Responses to Questions Submitted by Ranking Member Shaheen, Senator Gardner, and Senator Ernst	51
Daugherty, Scott R.	
Testimony	37
Prepared statement	39
Haynie, Michael	
Testimony	33
Prepared statement	35
McCaffrey, Charles W.	
Testimony	41
Prepared statement	43
Response to a Question Submitted by Ranking Member Shaheen	55
Nowosielski, Katrina	
Testimony	4
Prepared statement	6
Sayles Artis, Laurie	
Testimony	11
Prepared statement	13
ScoutComms	
Letter Dated July 10, 2015	50
Shaheen, Hon. Jeanne	
Testimony	2
Tansey, Albert	
Testimony	7
Prepared statement	9

IV

	Page
Vitter, Hon. David	
Opening statement	1

**OPENING DOORS TO ECONOMIC
OPPORTUNITY FOR OUR VETERANS
AND THEIR FAMILIES THROUGH
ENTREPRENEURSHIP**

THURSDAY, JUNE 25, 2015

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

The Committee met, pursuant to notice, at 9:36 a.m., in Room 428A, Russell Senate Office Building, Hon. David Vitter, Chairman of the Committee, presiding.

Present: Senators Vitter, Fischer, Gardner, Ernst, Ayotte, Shaheen, Cantwell, and Hirono.

**OPENING STATEMENT OF HON. DAVID VITTER, CHAIRMAN,
AND A U.S. SENATOR FROM LOUISIANA**

Chairman VITTER. If I can have everyone's attention, good morning. This hearing of the Senate Small Business Committee will come to order.

Thanks for joining us today to examine how we support veterans' entrepreneurship through various programs at the U.S. Small Business Administration. I want to thank Ranking Member Shaheen for suggesting this hearing and for working with me on a comprehensive veterans' entrepreneurship bill that we hope to mark up next month.

We will be hearing from two panels of witnesses today. The first is a panel of entrepreneurs who have honorably and bravely served our country in the Armed Forces, and the second panel includes representatives of programs that help these veterans start and grow their businesses.

Of course, veterans are invaluable members of our community, serving our country in so many ways, both here and abroad. Of course, it started with their valiant military service, but it also continues in terms of being business leaders and absolutely vital members of our economy. They gain valuable experience throughout their service, and 69 percent of veterans say that their biggest challenge after leaving the military is finding a job. We have over one million veterans currently unemployed, with unemployment rates for veterans at nine percent, and in some markets as high as 21 percent.

So, we are here today to examine how we can better serve our returning heroes through entrepreneurial development programs at

the SBA that target veteran service members throughout their transition to civilian life.

The SBA operates a number of relevant programs. We are here to find out how we can make them even better and more effective. There are SBA's core technical assistance programs, such as Small Business Development Centers, SCORE, and Women's Business Centers, that also serve and have outreach initiatives specific to veterans. And, the SBA has supplemented these efforts with several new innovative initiatives aimed at supporting veterans and their families, like Veterans Business Outreach Centers, Operation Boots to Business, Veteran Women Igniting the Spirit of Entrepreneurship, and the Entrepreneurship Bootcamp for veterans with disabilities. These programs serve as vital resources for veteran entrepreneurs for training and counseling on how to translate their professional skills into a viable, sustainable business operation.

Today's hearing will inform us in a number of areas, including the development of legislation that we are working on. I am particularly interested in finding out more about the role SBA's core entrepreneurship programs play in delivering entrepreneurship training to veterans nationwide and how we can ensure that any new initiatives are fully integrated with these partners.

I also want to ensure that our veterans get the highest quality assistance as they start their own businesses and that we are making effective taxpayer investments. Metrics for these programs must be clearly defined and reliable and measurable, and the grant award process must be robust and fully competitive.

I know that our witnesses can shed really important light on these and other issues, and so thanks to all of our witnesses participating today once again.

Now, I would like to turn to our Ranking Member, Senator Shaheen, for her opening statement.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, RANKING MEMBER, AND A U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Thank you very much, Mr. Chairman.

Good morning, everyone. Thank you to our witnesses who are here to enlighten us this morning.

I really appreciate this opportunity to discuss a topic that is incredibly important not only for our veterans, but also for our economy and for our nation as a whole, and, let me apologize at the beginning of my remarks because I will have to leave at about 10:30 because the Appropriations Committee is marking up legislation today and I want to make sure I am there to see how we are spending the money. So, I apologize in advance to the second panel, which I am afraid I will miss entirely.

Today, there are approximately 2.4 million veteran-owned small businesses across the United States and they represent about eight percent of all small business. Veteran-owned small businesses generate over \$1 trillion in revenue each year and they employ nearly 5.8 million people.

In my home State of New Hampshire alone, there are nearly 14,000 veteran-owned firms, accounting for \$6.7 billion in sales. That is roughly 10 percent of the companies and 5.6 percent of all

sales in New Hampshire. That is the fifth-highest percentage in the country for those small businesses.

Now, today's hearing is about the federal government's investment in promoting veteran small business ownership and entrepreneurship, specifically through programs at the Small Business Administration.

Military veterans who choose to become entrepreneurs play a critical role in our nation's economy, as those statistics show. Their training and leadership skills provide a natural foundation to establish and grow businesses, which in turn create employment opportunities for returning veterans and American workers. That is why we must ensure that the federal government makes veterans' small business development a priority and that the programs being administered work effectively and efficiently.

Encouraging veterans to start small businesses and succeed has been one of my top priorities on this committee, and I know that it is something that the Chairman shares as well as other members of the committee. Earlier this year, I introduced the Veterans Entrepreneurship Act, which was approved unanimously by the committee and it would make fee waivers permanent for veterans for SBA loans to help them get access to credit.

Now, today, we have an opportunity to take a look at the full range of programs that are offered through the SBA to help veterans start and grow small businesses. The SBA offers programs that provide critical information, education, training, and counseling to our veterans. The committee's review of these programs is timely and I look forward to discussing ways we can make these efforts more effective and responsive to veterans' needs, and I am sure our panelists this morning, particularly those of you on the first panel, will have some thoughts about that.

I want to, as I said, welcome all of you today, but I want to take this opportunity to just say a few words about the witness from New Hampshire, Mr. Al Tansey. Mr. Tansey is President of Tansey Electric, which is an electrical contracting business in Manchester, New Hampshire. He was recently named the SBA New Hampshire and Region 1 Veteran Small Business Owner of the Year. Congratulations, Al, for that recognition. He has a great story about his journey to becoming an entrepreneur and the importance of making sure our veteran support programs are working effectively and in a coordinated fashion.

So, again, thank you all very much for being here. Al, thank you so much for coming down from Manchester, and I look forward to hearing what each of you have to say this morning.

Thank you, Mr. Chairman.

Chairman VITTER. Thank you, Senator Shaheen.

And now, we will go to our first panel. I will introduce the other two members of our first panel.

Mrs. Katrina Nowosielski is a Marine veteran and owns Storm Guard of Louisiana with her husband, James. Their company offers hurricane protection products to residential and commercial structures. They reached out to the Louisiana Small Business Development Center at the University of Louisiana at Lafayette upon starting their business and have continued to rely on the SBDC's services as their company has grown.

And, of course, you just heard about Al Tansey. Welcome.

And, finally, Ms. Laurie Sayles Artis is the owner of Civility Management Solutions in Bowie, Maryland, and a veteran of the U.S. Marine Corps. Before establishing her business, Ms. Artis went to SCORE, where she started working with a mentor who helped her navigate the early challenges of starting a business and has continued to help her expand her contracting business.

Welcome to all of you. You will each have five minutes to testify, and, of course, your full written statement will be made a part of the record.

And with that, we will start with Mrs. Nowosielski.

**STATEMENT OF KATRINA NOWOSIELSKI, OWNER, STORM
GUARD OF LOUISIANA LLC, LAFAYETTE, LA**

Mrs. NOWOSIELSKI. Hello, everyone.

Chairman VITTER. Hi.

Mrs. NOWOSIELSKI. Well, I did not write it, so I am just going to impromptu—

Chairman VITTER. Sure.

Mrs. NOWOSIELSKI. When I was 16, I attended my brother's Marine Corps graduation. The first thing that I heard was boots hitting the ground in unison. It was so powerful, and just feeling the essence of all the Marines there, I knew at that point that I wanted to be a part of that. I wanted that strength and that power behind me.

A couple of years later, after I graduated, I joined the Marine Corps. I served four years, and I served a 10-month tour in Iraq, which is where I met my husband. When we came back, we had about two years left of service and we transitioned out at that point because we were ready to start our family.

We moved to Florida, where James, my husband, began working for a hurricane shutter company in South Florida. We spent about a year and a half there and decided to move home to Louisiana around family. We realized that there were no companies really focusing on hurricane protection there the same way that they did in Florida. So, we used the business model that we experienced there, and we replicated it at home in South Louisiana, and it has gone pretty fantastically.

We began in Florida using the SBA from a distance. They guided us from start to finish on how to go about those things. Basic questions were answered. The liaisons there are phenomenal. They are wonderful, wonderful people. They helped me with things that I could not possibly have done for myself.

I began with QuickBooks training, which was something that I had very little knowledge of, and anybody who is in business knows that books are probably one of the most important things to grasp. So, that was really important. It was one-on-one training. They matched 50 percent of the program. So, that was something that I could not have afforded on my own.

I started with that. They helped with a Web site, as well, 50 percent towards the Web site, producing the Web site. So, again, something that we could not have afforded, starting a new business on our own, and a combination of those two things really pushed us

forward to a place that we would not have been able to get to financially on our own.

They also helped us with a line of credit in our first year, which we attempted multiple times to get a line of credit and got denied, and, the SBA helped us to get a line of credit, which helped us to purchase materials which, obviously, allowed us to float things longer and really get on our feet. That was all within probably the first two years.

And then, after that, they have provided us with an advisor, basically, who comes in, looks at our books, and then, in turn, will guide us on where we should go, what we should think about next, because we are young business owners and this is our first venture in business. He really keeps us on track and lets us know what to think about next and where we should go from there. And, again, that service, in general, has really guided us through this whole process.

This will be our eighth year of business and we are going strong, and, you know, we are actually venturing out into other things, as well, since this has grown. It is providing for our family wonderfully, and we could not be more grateful for the services. We continue to use the services along the way.

As far as anything that could be bettered, I have a really hard time coming up with anything that I could complain about with the service. A lot of the programs that I know you guys are concerned about are things that were not available when I got out, so the program from getting out, to what information you get, to transitioning that to a home state as opposed to just the bases where you get out, those things were not available when I got out, so I have a hard—you know, I cannot really testify on that, but—

[The prepared statement of Mrs. Nowosielski follows:]

Monday, June 22, 2015

Katrina Nowosielski
Owner - Storm Guard of La LLC
Lafayette La - SBDC

When I was 16 I attended my brothers Marine Corps graduation. As we walked onto the base I could hear the thunder of thousands of boots hitting The ground in unison. They were wrapping up a motivational run just before the graduation began. I remember feeling the power when Marines walked by thinking to myself I want to be a part of this. A few years later I enlisted in the United States Marine Corps. I served four years as a military police officer. I served a 10 month tour in operation Iraqi freedom. In 2006 after my husband and I finished our service we decided to move to Florida where he began working for a Hurricane Shutter company. He spent one year working in the hurricane shutter industry. After we began our family we decided to move to Louisiana near family. We decided to use the same business model here in Louisiana that James worked for in South Florida. The state had just suffered through both Hurricane Katrina and Rita and there were almost no companies offering these hurricane protection products. We decided to give small business ownership a try. Before opening I contacted the SBDC to get guidance on how to properly apply for a name and tax ID numbers. Through the first several years of being open I used the SBDC often. We were provided help with things such as QuickBooks training, building a website, and counseling services to address pricing our products properly and strategically setting up our manufacturing area in the most efficient manner. This is something that at the time we could not have afforded on our own. The Small Business Administration also helped us to secure a line of credit in our first year of business. The combination of all this help and two hard working people has contributed to our successful business. I can honestly say that if we would not have had so much support from the SBDC we may not be where we are today. I am grateful for this program and the support that it has offered my family and I am honored to testify on behalf of there success.

Chairman VITTER. Okay. Thank you very much.
Mr. Tansey.

**STATEMENT OF ALBERT TANSEY, PRESIDENT, TANSEY
ELECTRIC, MANCHESTER, NH**

Mr. TANSEY. Good morning, Senators. It is with great honor that I am afforded the opportunity to address the Committee on behalf of veterans' members and the Veterans' Business Owner Initiative. It is also a great honor to be sitting in between two Marine veterans.

The Veterans' Business Owner Initiative is an organization I hold dear to my heart, and I am not alone. The VBOI is established to assist veterans facing physical and emotional challenges and run successful business ventures, giving veterans an organized environment, encouraging them to develop skills in management, operations, and financial planning.

As you are all aware, there are many government-funded programs that give veterans access to building loans, business loans, and most needed moral support. We as an organization strive to create a safe haven for veterans to dream of entrepreneurship and give them the tools they need to get there.

You may be wondering how I know so much about the VBOI and the local success story. I am a small veteran business owner myself and I am personally connected to the organization as their president.

I did not have the easiest life after service, a common story among veterans. I joined the Army in 1977, was discharged in 1980. I immediately went into the Army National Guard, but felt that disconnect from the service and I reenlisted back in the United States Navy under the advanced weapons program—electronics program. I was discharged in 1985.

Like many veterans, I was unsure of what to do. I was able to get back into the International Brotherhood of Electrical Workers in my hometown in 1985. And over the next 23 years, I worked as a union electrician and basically worked for other people in different shops from time to time.

In 1997, I moved up to New Hampshire and I moved my trade and assets up to New Hampshire, in Manchester. Over the next several years, I worked for a couple of contractors, at which time I decided I was going to venture off on my own. A customer I was working with locally suggested that I not retire and start my own business.

At that point, I ventured into my local SBA and met Miguel Morales and he suggested going to a veteran roundtable that was hosted in Nashua, New Hampshire, and Miguel and Ray Milano and a few others, and at that point, I met Gerald Pinsky from the Veterans Association who was there to support the SBA on their ability to help veterans.

Gerald was at the meeting supporting the SBA in their mission to support veteran entrepreneurs. I started attending the VBOA classes in Manchester that were taught by Gerald. I worked my way through the 18 business modules. After graduation, with both the SBA and the VBOI's support, I was able to put together a business plan and financial projections. With the assistance and rec-

ommendation of both the SBA and VBOA, I approached the Radius Bank and received a line of credit through the Patriot Loan Act of \$300,000 to start my business.

I could not believe how my rapid success, with \$500,000 in revenue the first year and \$1.2 million revenue in the second year. I finally had purpose in life, a feeling that many veterans lack in their personal and professional lives. Taking control of my destiny has changed my life, and I am here today to speak for all veterans that lives will be changed with the help of the VBOI.

Why the VBOI is better than most business organizations? Because we are veterans helping veterans create and start and own businesses. The Veterans Business Owner Initiative believes that the qualities that make good warriors also make good entrepreneurs. The VBOI has achieved many accomplishments since its inception in 2004. In 2006, with the help of Babson College students, the Empowerment Bank Loan Fund was established to provide small loans to veteran members teaching how to establish and maintain good credit relationships. Loans are \$150 to \$1,500 and are made in a step-wise fashion to build confidence. Over 100 loans have been given. All but three have been repaid.

I could go on and on about the success stories that have emerged from the organization, but unfortunately, we do not have the time. But, I do want to stress why I am here today.

The future of the VBOI and countless number of veterans is only possible with your help. The future could be bright if the VBOI can increase its establishment around the country, not only in New England. A dart thrown at a map of the U.S. will land on a spot where I guarantee you will find at least one dozen veterans who will give anything for the education opportunity I have had because of the cooperation of the VA and the SBA.

With the support from the Senate, the VBOI can continue to support veterans and give back to them a return on the service they have given to us. With determination and thoughtful planning, we are optimistic about the future of the program and our role as veterans helping veterans to do more to overcome, to excel at whatever goals we choose for ourselves.

Thank you very much for your time.

[The prepared statement of Mr. Tansey follows:]

Good Morning Senators,

It is with great honor that I am afforded the opportunity to address this special subcommittee on the behalf of the veteran members of the Veteran Business Owners Initiative.

The Veteran Business Owners Initiative is an organization I hold dear to my heart, and I am not alone. The VBOI was established to assist veterans facing physical and emotional challenges run successful business ventures. Giving veterans an organized environment encourages them to develop skills in management, operations and financial planning. As you are all aware, there are many government funded programs that give veterans access to business loans but most need more support. We as an organization strive to create a safe haven for veterans who dream of entrepreneurship and give them the tools they need to get there.

You may be wondering how I know so much about the VBOI and their local success stories. As a small veteran business owner myself, I have a personal connection to the organization.

I did not have the easiest life after service, a common story among veterans. I joined the Army in 1977 and was discharged in 1980 and became a member of the Army National Guard. I then joined the US Navy until I was discharged for the last time in 1985.

Like many veterans I was unsure what to do, so I joined the International Brotherhood of electrical workers and with the help of another veteran, I got sober and have been since 1989.

Over the next 27 years I worked as an electrician and jumped from job to job but never felt like I had a meaningful career. It was a customer of mine that suggested I start my own business. I went to my local SBA to get help and also attended a veteran round table where I met Gerald Pinsky.

Gerald was at this meeting supporting the SBA in their mission to support veteran entrepreneurs. I started attending VBOA classes offered at the Manchester VA that were taught by Gerald. I worked my way through the 18 business modules. After graduation, with both SBA and VBOA support, I was able to put together a business plan and financial projections.

Albert Tansey, President, Tansey Electric, NH

With the assistance recommendation of both the SBA and VBOA, I approached Radius Bank for a Line of credit. With my business plan and the support of both VBOA and SBA I was awarded a \$ 300,000.00 line of credit to start my business.

I could not believe my rapid success with 500K in revenue for year one and 1.2 million dollars of revenue in year two. I finally had a purpose in life; a feeling that many veterans lack in their personal and professional lives. Taking control of my destiny has changed my life and I am here today to speak for all the veterans that lives will be changed with the help of the VBOI.

Why is the VBOI better than other business organizations? Because we are veterans helping other veterans create and start our own businesses.

The Veteran Business Owners Initiative believes that the qualities that make a good warrior also make a good entrepreneur. The VBOI has reached many accomplishments since inception in 2004. In 2006, with the help of Babson College students, the "Empowerment Bank" loan fund was established to provide small loans to veteran members teaching how to establish and maintain good credit relationships. Loans are \$150 to \$1,500 and made in a step-wise fashion to build confidence. Over 100 loans have been given and all but three have been repaid.

I could go on and on about how many success stories have emerged from the organization, but unfortunately we just don't have the time, but I do want to stress why I am here today. The future of the VBOI and a countless number of veterans is only possible with your help. The future could be bright if the VBOI can increase its establishment around the country, not just in New England. A dart thrown at a map of the USA will land on a spot where I can guarantee you will find at least one dozen veterans who would give anything for the education and opportunity I have had because of the cooperation of the VA and SBA. With the support from the Senate, the VBOI can continue to support veterans and give back to them in return for the service they have given to us.

With determination and thoughtful planning, we are optimistic about the future of this program and our role as veterans helping veterans to do more than overcome—to excel at whatever goals we choose for ourselves!

Thank you for your time.

Chairman VITTER. Thank you very much for your testimony. And now, we will go to Ms. Artis.

STATEMENT OF LAURIE SAYLES ARTIS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CIVILITY MANAGEMENT SOLUTIONS, BOWIE, MD

Ms. ARTIS. Good morning.

Chairman VITTER. Good morning.

Ms. ARTIS. Thank you, Chairman Vitter, Ranking Member Shaheen, and members of the committee, for this opportunity to testify, and I ask that my complete testimony be entered into the records.

My name is Laurie Sayles Artis and I established Civility Management Solutions in August of 2012 as a professional services company. We are a woman, minority, service-disabled, veteran-owned small business, and I am also located in a HUBZone area in Prince George's County, Maryland, and currently in the process of submitting our 8(a) package on business development.

I was born in Chicago and joined the United States Marine Corps and served during Grenada, Lebanon, and Desert Storm. My job in the Corps was maintenance management, which means I monitor the management and functionality of equipment for the fighting Marines, like the rifles, trucks, and the radios, and I had the honor of preparing Reserve Marines for the possibility of serving in Operation Desert Storm.

The development of Civility Management Solutions came from an opportunity that I got to work in a corporate office of a woman-owned small business that was also 8(a) and HUBZone, in which I managed up to 128 staff nationally within eight government agencies totaling up to \$11.5 million in contract value. And, mind you, when I got out of the Marine Corps, I started as a receptionist based on staffing agencies' qualifications, making \$17,000 a year.

But whereas my experience of serving in the Marine Corps gave me courage, discipline, teamwork, and tenacity that attributed to my transition into the civilian workforce. It was a slow and steady process, but the Corps taught me to lead and survive. So, what I was lacking was business acumen.

Before establishing, I went to SBA SCORE, over three years now, and obtained a mentor, and I was appointed a retired Major General, Fred Elam, who was just perfect. Our first meeting was, "Is your husband in agreement? Take courses with SBA and get an attorney and an accountant before you need them."

[Laughter.]

If my mentor lacks expertise in any area, he refers me to another mentor to ensure that I get the proper insight or response.

My highlight of the relationship with SCORE is the Washington, D.C., office honored me in 2015, this year, as "Client of the Year" for my entrepreneurial spirit and accomplishments.

So, in January of 2014, I attended VWISE and experienced networking at its best with women veteran entrepreneurs. But, adding more substance for the training for federal and commercial contracting would be great to add value for the program.

The VWISE National Graduate Training Conference was a big kick. It allowed advanced training. It gave some booth exhibits to

women that owned businesses and also provided for more networking opportunities for the graduates.

It is clear that the heightened awareness in our country for veterans and veteran entrepreneurs is there. However, as of recent, I have spoken with Fortune 500 companies that stated it is difficult to find strong veteran candidates for employment and procurement-ready veteran-owned businesses for being a part of their supplier diversity office. We need more synergy in promoting veterans to the commercial opportunities, as I do plan to be a conduit on that and would appreciate the support of the program.

I am a recent graduate of the Montgomery County, Maryland's, Veteran Institute of Procurement, and they are doing an excellent job of training veteran-owned businesses that are already procurement-ready for doing work with the federal government. They are slowly doing it, and they are the only ones out there who are doing it.

During my training, I had a group exercise for responding to sources sought, also called an RFI request for information, and since graduation, my company has been awarded work with the Department of the Army because I was able to respond to their sources sought due to the training. And, the work was set aside for a service-disabled veteran-owned small business, and we went after it and won.

So, I suggest that they become an authorized program as opposed to just being a grantee.

Lastly, as an officer on the Veteran Entrepreneurship Task Force Committee, which is a non-federal community group that advocates for veteran-owned small businesses that offers recommendations and advice to Congress, government, and other entities also providing training to us, I have been affiliated for the past three years and have received much support, guidance, and information relative to being in business with the federal government by attending their monthly meetings.

Again, thanks for the opportunity to share my experience with the committee on veteran entrepreneurship programs.

[The prepared statement of Ms. Artis follows:]



June 25, 2015

United States Senate Committee on Small Business and Entrepreneurship

Thank you Chairman Vitter, Ranking Member Shaheen and Members of the Committee for this opportunity to testify, and I ask that my complete testimony be entered into the records.

My name is Laurie Sayles Artis and I established Civility Management Solutions in August, 2012 as a professional services company that works with the Government and Commercial sector. We are a Woman, Minority Service Disabled Veteran Owned Small Business, located in a HUBZone area of Prince George's County, Maryland and currently in the process of submitting for the 8(a) Business Development program.

I was born in Chicago and joined the United States Marine Corps in 1982 and served 7 years during the Grenada and Lebanon Conflicts. My job in the Corps was "Maintenance Management" which means I monitored and managed the functionality of equipment for Fighting Marines, like rifles, trucks, tents and radios. I served in Camp Lejeune, NC; Kaneohe Bay, HI and Cherry Point, NC and served 3 years as a reservist in Newport News, VA as the units Platoon Sergeant, and had the honor of preparing Reserve Marines for the possibility of serving in Operation Desert Storm.

My civilian career spans across corporate, non-profit and the public sector, and the first civilian job offered through a staffing company in DC was as a receptionist, which meant I started my 2nd career from the bottom of the Corporate ladder, after serving the Corp at the rank of an E6, Staff Sergeant. However, I have always been an entrepreneur, to include professional modeling during High School, promoting health and wellness, and operating an outdoor fitness boot camp program, to name a few.

My entry point to developing Civility Management Solutions was an opportunity to work in the public sector as a Project Manager overseeing an administrative contract. This opened the door for the next position in contracting, and after completing my Bachelor of Science Degree at the University of Maryland University College in Social Science with a Minor in Strategic Management and Entrepreneurship I moved into the corporate office in which I managed up to 128 staff nationally within 8 government agencies totaling up to \$11.5 million in contracts for a Women Owned Small Business that was both 8(a) and HUBZone.

My experience of serving in the Marine Corps gave me the courage, discipline teamwork, and tenacity that attributed to my transition into the civilian workforce. It was a slow and steady process, and I never became homeless because of my ability to make friends and live amongst them. But the Corps taught me to lead and survive, and what I needed was the business acumen for becoming a President and CEO.

Before I established Civility Management Solutions, I went to SBA SCORE and obtained a mentor. I was amazed to have a Retired Major General, Mr. Fred Elam, what an honor. He is perfect for me, and immediately began walking me through the steps to ensure I had a strong foundation by first asking if my husband, Lionel Artis was in full agreement of me building the contracting business. He assigned courses for me to take with SBA and told me to get an attorney and an accountant, before I needed them. One of the great things I like about SBA SCORE, is if they lack a certain expertise they will readily refer you to another mentor who possess the knowledge. Thus far the highlight of my relationship with SCORE is that I was awarded by the Washington, DC SBA SCORE office as "Client of the Year" for recognition of my Entrepreneurial Spirit and Accomplishments.

My experience at Veteran Women Igniting the Spirit of Entrepreneurship (VWISE) was engaging. The networking was incredible as being in a room filled with Women Veterans that are entrepreneurs is both encouraging and life changing. Our country has made great strides in ensuring that we don't isolate Veterans, as we once did with our Vietnam Veterans, and they too have been instrumental in supporting my business knowledge. However, Women Veterans tend to not self-identify and the movement that is taking place now is helping many to join forces. This makes VWISE not just a program but it has helped develop a strong community. Women Veterans have been trained to work as a team on their entry into boot camp, and with that, the likelihood of them having each other backs as civilians is extremely high.

As a Woman Marine, I still live by "leave no man behind," as I am known to share information with others, for example: Knowing Kristin Guerrero, the founder of Turbo Pup who has received great benefits from VWISE received an email from me regarding Shark Tanks search for Veteran Entrepreneurs to be on their program. Since my business in contracting / staffing is not the ideal business for pitching or investors, I thought of her and she elected to submit her information, and is now in business with investor Daymond Jones. Hence, programs like VWISE has promoted the bridge that I can cross to support fellow Women Veterans at will.

So, networking with Women Veterans is critical to our support group. While I applaud the efforts of including and supporting Women Military Spouses I would be remised if I did not share that Women Veterans will never acknowledge a military spouse (wife) as a Woman Veteran. Also, I would like to suggest that Syracuse University revisit their title of VWISE as it represents "**Veteran Women Igniting the Spirit of Entrepreneurship**" and this should mean Veterans, Active Duty, Reservists and the National Guard. As a Veteran, we know that all women that wore a uniform will ultimately be a Veteran and the respect will always be regarded. Due to my network of Veterans over the past four years, I can speak on matters regarding VWISE that covers the following:

First, know that all Women Veterans feel that VWISE is a required program and we would like for it to be funded by both private and public funding in order to ensure enough coverage for Syracuse University to broaden the program. For example, being able to keep the VWISE graduates engaged in growing their businesses through the different stages of development and to keep the camaraderie would be always beneficial.

A second point would be that it is clear that VWISE brings a wealth of knowledge and expertise to encourage us, along with developing competitions that promotes funding for the Veteran businesses. The sums of monies paid out to participants that take the step of competing in Business Plan Competitions and Pitch Contests is very attractive and rewarding to many, but not all. Women Veteran entrepreneurs that are focused on building businesses in the government space (contracting), or staffing with Fortune 500 companies are not attractive in these competitions. I recommend that VWISE consider competitions for those entrepreneurs in order to level the playing field for competition.

Third is the need of VWISE to maintain the VWISE National Graduate Training Conference, in which all graduates are asked to return for opportunities to learn and grow with more advance training. Having exhibit tables at the Graduate Conference was a huge hit and what a great way to help promote the Women Veteran Businesses. However, more work needs to be done to get us involved with business support partners through their Supplier Diversity offices, i.e., Oracle, Dell, Prudential, Hartford, Adecco and Marriott.

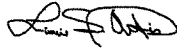
I want to acknowledge the fact that there is a heightened awareness being expressed in our country for Veterans and Veteran Entrepreneurs and it is greatly appreciated; however, as of recently, I have spoken with Fortune 500 companies that have stated it is difficult to find strong Veteran candidates for employment, and Procurement Ready Veteran Owned Businesses for being part of their Supplier Diversity programs. This observation tells me that we need more synergy with building a cohesive strategic effort in promoting Veterans to the Fortune 500 companies, and I will be a conduit in this regard and would appreciate the support of the programs.

My fourth point comes from my experience as an Officer on Vet-Force, an advocacy group for Veteran Owned Small Businesses and offers recommendations and advice to Congress, Federal, State and Local agencies, and other entities on laws, policies, regulations, that affect the opportunities for veterans to start or expand their own businesses or to do business particularly in the federal marketplace. The Interagency Task Force Report from 2012 contained a section regarding Veterans being allowed to use their GI Bill to start or expand their own small business. I understand that SBA and others have supported the idea of Vets using their GI Bill benefits to start a small business if the process can be supervised, i.e. Vet must submit an approved business plan; business development closely monitored; funds to be used in increments; and limit to amount that can be used. Please keep this program for us as I could benefit from this, as I would like to take certifications at University of Maryland University College that will give me an edge on procuring with the Federal Government.

As a fifth point, I observed, along with other Women Veterans the lack of visibility regarding Women Veterans and Diversity in the programming and planning phases of the VWISE program. Women Veterans can be very territorial and there is power in being present with our colleagues that decided to serve our country, and with that, it will add much value to have some visibility of successful diverse Women Veterans in our midst. Whether they are participating in the events, or being a part of the planning discussions. Because there is a need to add a track that focuses on working with the Federal and Commercial space in providing professional services.

Again, thanks for the honor to share my experiences of both SCORE and VWISE and know that their passion for inspiring us is greatly appreciated.

Sincerely,



Laurie Sayles Artis
President and CEO
Civility Management Solutions

Chairman VITTER. Great. Thanks to all of you for your excellent insight and testimony.

Because of her schedule and requirement to leave in a little bit, I will turn first to Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

I want to start, Mr. Tansey, with you. You talked about the importance of the roundtable with other veterans in helping to encourage you to actually make the jump to go out on your own. Can you talk about how important that is for veterans everywhere, as you talk about the sort of support for getting direction for what you might want to do when you get out of the service?

Mr. TANSEY. Yes, Senator. Thank you. I know for myself, the SBA was an integral part of myself getting started, but joining the Veteran Business Owner Association Group locally, the veteran-to-veteran peer networking, there is something about when I left the service—and I speak for myself, but I know I speak for a lot of veterans—when we leave the service, there is what I call the service disconnect, and we feel like we do not belong “out here” and there is that longing to belong to something.

What I found inside my group is that the veterans meeting with other veterans, it is not just the peer-to-peer network as far as growing the business intelligence, but also the veterans helping each other talk about problems they may have in their current lives. And, it helps boost the morale and the confidence.

One of the important things about—you know, I bring a lot of veterans—I tried to bring a lot of veterans into my businesses. Veterans already have the package. We just have to learn how to open it up. Most veterans are conditioned to adverse conditions, to strive to make sure that the mission is completed at all costs. And once they have the respect and the honor, they are very loyal. We call it, we have your six. It is a proven fact.

Senator SHAHEEN. So, you talked about going into SBA and the support you got there. Are there ways in which we can do a better job of helping reach out more to veterans so that they know that SBA is there and that it is available to help when people have an idea or want to start a business?

Mr. TANSEY. Yes. I am currently working with Miguel Morales, my local SBA interaction up there in Manchester, who goes to Pease Air Force Base from time to time to give the boost to business talk, and I call it the Charlie Brown effect. When people are leaving the service, all they hear is wah-wah-wah-wah-wah. Let me out the door.

[Laughter.]

So, I was instrumental in helping with Jerry. We put together a pamphlet for the VBOI that he can hand to the individual so they can have it in their packet. I am going to be working with him here closely to put together a packet so the individual, when he leaves the service, has something to hold onto that within two, three weeks afterwards, when the dust settles, he has got numbers he can call, people he can come to, because it is instrumental that he come back to ground.

Senator SHAHEEN. I think that is a great idea, and thinking about how we can do that kind of outreach through SBA is really important.

Mr. TANSEY. It is very important at all the programs, the SBA, the PTAP, the VA, the VBOI, all start talking to each other. I mean, they all have wonderful assets. They all have wonderful programs. What we need to do is combine them all together to get them talking. Get the conversation open and see what happens. I think you will be surprised.

Senator SHAHEEN. Thank you.

To our other two panelists, Ms. Artis and Ms. Nowosielski, I was very pleased to see that we have two female veteran-owned business representatives here, because as you are probably aware, unfortunately, women veterans are under-represented in terms of starting their own businesses. So, I wonder if you could talk about how we could increase awareness among female veterans about the assistance that might be available and encourage them to take those great ideas, like both of you have done, and start their own business? Either one.

Ms. ARTIS. Thank you. It is odd, by the way, to have two women Marines in a room, because I have actually gone on a boat cruise with veterans. It was 192. I was the only woman veteran on that cruise. So, it is a pleasure to be here with her.

But, as far as having more visibility, I would say that—I know that they have the TAP programs out there. Thank goodness now for the Internet, when comparison to the time that I got out, that stuff did not exist, that they need to incorporate more information there, because a lot of veterans are getting out thinking to start their business in this generation, whereas that was not my thought. It was more about I just need a job. I wanted to put a suit on and go to work.

So, now the pace has picked up, and there is a huge women's movement that is going on. There are a lot of nonprofits that exist. So, it is just a matter of someone spending the time to kind of bringing all those entities together, or at least getting on their mailings, getting in their e-mail world, so that they can be informed of what the SBA is offering.

I, myself, personally, am a huge mentor and I am sharing all the time. One of the first things I ask, do you have a SCORE mentor, and if they tell me no, then I advise them how to get one.

Senator SHAHEEN. Thank you. I would point out that Senator Ernst, who just left, is also an ex-Marine, so we actually had three in the room today.

Ms. ARTIS. That is amazing.

Senator SHAHEEN. And, can I just ask, Mrs. Nowosielski, do you have anything to add to that about, as somebody who came out a little later and was starting up, what was most helpful to you?

Mrs. NOWOSIELSKI. I would definitely agree with both Mr. Tansey and Ms. Artis on the TAP program. When exiting, they give you a ton of information. There was a lot of literature, and for myself, I made a giant packet, because I did do the Charlie Brown effect. You do not hear anything. You are just ready to go.

And, so, you get out there, and I probably still have it in a file somewhere, where it was just a giant pile of information, and I did go back through it when I was ready to consume it and use that guidance, and I think that is how I ended up at the SBA, because

it was in there. So, it absolutely is there. You just have to want it and you have to want to go for it.

I think that one of the things that a lot of folks do is they end up in the medical facility, the VA medical facility, and I think that maybe that might be a really good place to connect and be given information again at one point, and they do have a ton of information there, as well.

The Web sites are helpful, obviously. We get out there and we just surf. I found a lot of my own information that way. You just go from one place to another to another, connecting. But, the information is there. It is there. You just have to look for it.

Senator SHAHEEN. Thank you all very much. My time has expired.

Thank you, Mr. Chairman.

Chairman VITTER. Thank you, and we will go to Senator Hirono. I will wait until last. Senator.

Senator HIRONO. Thank you, Mr. Chairman, and thank you all for coming to testify.

I am a member, also, of the Veterans Committee as well as the Armed Services Committee, so I am very focused on the transition from active to veteran status, and I have heard from meeting with veterans all across my state that the TAP—that is a lot of information given to you pretty much in a very condensed way when all you are thinking about is leaving, transitioning out. And, I think you make a good point that there needs to be other—maybe the rest of you also agree—that there needs to be other points at which this information is readily available to the veterans.

Mr. Tansey, you mentioned that there are all these different programs and they should be talking to each other and you do not see that happening in the way that would be beneficial for veterans who seek this kind of information.

Mr. TANSEY. Yes. I do see some talking back and forth, but as a personal note, I see different programs out there. Everybody is pining to be the next best thing for the veterans' needs.

Senator HIRONO. Mm-hmm.

Mr. TANSEY. So, some things get lost in the translation for the different programs. I am just a conduit to try to take in, bring all the assets to bear. SBA was an integral part of me starting my business and they have great assets. Part of the issue for the SBA in my state is they say, you know, they need the support from the outside world. So, my organization, I encourage all my members to support the SBA, to get that interaction back and forth, to get that communications open.

Senator HIRONO. So, the SBA is in every state, but, for example, I have some experience with SBA's, the Small Business Development Centers, and those can be in different communities. I am wondering whether—and that is kind of a one-stop place for just people who are interested in starting small businesses, not necessarily a veteran-focused one-stop center. Are there any of these veterans programs that can serve as more of a one-stop center for veterans who are interested in starting their businesses, of all the different programs that are out there? Any of you?

Mr. TANSEY. I know for myself, as President of the Veterans Business Owner Initiative, currently, we have been going for about 10 years——

Senator HIRONO. Are you in every state?

Mr. TANSEY. No. Right now, we are only in New England. That is pretty much why I brought packets down——

Senator HIRONO. Yes.

Mr. TANSEY [continuing]. Because I want to be in every state. What I would really love to do is to interact with the SBA. SBA is already in place. They already know the contacts. All we need to do is talk, and——

Senator HIRONO. So, how is your organization supported, then? You are only——

Mr. TANSEY. We are self-supported. We are a 501(c)——

Senator HIRONO. Okay.

Mr. TANSEY [continuing]. So, we are actually looking for funding to start a pilot program for two years. We would love to have 10 locations over two years with a small funding just to see how the program goes along before it actually gets, you know, totally funded. We are a 501(c), so—it is veterans taking pride in their own organization to help other veterans.

Senator HIRONO. So, there are federally supported programs that you are also familiar with. Would you like to respond?

Ms. ARTIS. Yes, ma'am. There are—actually, the VWISE is something that SBA has funded. I understand that VIP, as well, is kind of as a grant scenario. They should be authorized, though, because they provide something that nowhere else can we get, because it is for ready companies for federal government work, meaning they would like for you to have three employees. They would like for you to have already some funds on the books. Then when you go, of course, you are getting knowledge that you can apply immediately and be able to bounce off what you have already set up to what the experts are saying about what you are doing and being able to come away with really improving what your organization has to offer.

But, I really need to echo one thing that he has stated that is very true. We can be a little territorial as veterans, meaning that veterans supporting veterans is a much bigger deal for us, seasoned veterans like him and I, specifically—I notice he is a little younger—because we have been through a lot already to get through the transition. And many of the newer veterans, you know, they have to become civilians first. Veteran, civilian, the same thing, because that process takes a while. I do not know when I stopped saying, “I am going to the head.”

[Laughter.]

And, I was working in a professional environment before I switched over to going to the bathroom, so that is my comment.

Senator HIRONO. My time is running out, but I just wanted to ask, would it be a good idea for us to try and bring all of these various programs together, at least under—if not physically under one roof, at least under one Web site that you could go to and that you could see all of the array of assistance? Is there such a place right now on the Internet that you could go to?

Mrs. NOWOSIELSKI. I do not know of a place, but I do like the SBDC connection with the whole thing. There are a lot of veterans, and because they are housed at the universities, when a lot of us get out, we end up using our G.I. Bill, and we are looking for things and it is there. And, I like the idea of having it connected at that point, whatever programs are available. They have a direct, you know, connection. I have used the SCORE program, as well, which is a wonderful, wonderful program which the SBDC pointed me in their direction. I signed up for their Web sites, and they send out when they have meetings and different things and you can attend. So, I think that that is a great, great core place——

Senator HIRONO. SBA——

Mrs. NOWOSIELSKI [continuing]. If you are looking for one spot—the SBDCs, the local——

Senator HIRONO. Okay. Thank you.

Mrs. NOWOSIELSKI. Yes, ma'am.

Senator HIRONO. Thank you, Mr. Chairman.

Chairman VITTER. Thank you, and we will go to Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman, and I appreciate the witnesses being here today and for their testimony.

I wanted to ask you about access to capital. What challenges did you face getting access to capital as small businesses? Do you think military members have unique challenges there? What are some of the things that we can do to help with that?

Mrs. NOWOSIELSKI. I think that unique challenges—I would not say anything unique other than what a non-veteran would experience. But, just like any small business in that first year, they want to see that you have legs to stand on and nobody does at the beginning. So, it was very hard.

The way that we ended up with a line of credit in our first year of business was that it just so happened a person at a bank needed the products that we had. There was no-one local selling them at the time. And, she just really went to bat for us. It took one person to stand up for us, and she got us an SBA line of credit for \$50,000 and that is what got us started. But, I had been to multiple banks up until that point and was denied multiple times.

Senator CANTWELL. Any of the other witnesses?

Mr. TANSEY. I know for myself, I believe I have the last of the American Patriot Loan Act. Unfortunately, it helped me get my business going, my line of credit, \$300,000. It was instrumental in me getting my business going. But, it was what I had to do to get that loan. As a veteran, not only did I have to throw up 100 percent collateral—my house, my retirement, the whole nine—I had to take a life insurance policy out. The only thing I did not have to give was a child, for just a small loan. And, after researching that loan, we found that the Patriot Loan had a very large failure rate.

So, I know my organization, we are talking back and forth about something a little different, a loan package for veterans, for veterans. We are working in the avenues of trying to start our own intermediary bank, so——

Senator CANTWELL. And, what would that do? What size would you be looking at?

Mr. TANSEY. Uh——

Senator CANTWELL. For, like, starter loans?

Mr. TANSEY. For starter loans?

Senator CANTWELL. What range, yes?

Mr. TANSEY. Ten to \$20,000, \$30,000 for starters, but it could go up to \$150,000, depending on the entrepreneur, their record, basically on their credit scores. But, it would be a loan for the veteran, the customer, me the customer, not the banks. Having to put up—most veterans put up their lives on a ticket.

We sign an oath to defend the Constitution of the United States. And when we come back—we put our lives on hold for many, many years, some 10, 20 years. So, they do not have the ability to build that credit establishment when they come out. So, they are starting like a green bean coming out of high school. So, they do not have the greatest credit score. They do not have the credit history, so it is hard for them.

Senator CANTWELL. Or the private sector work experience.

Mr. TANSEY. Or work experience, exactly.

Senator CANTWELL. Sometimes you get somebody who works in a field and then decides to spin off and go their own route, but they do not have that, here is five years where I worked in this sector.

Mr. TANSEY. And, actually, that is all highlight points that the bankers look at and say, well, this is a high-risk loan, so we are going to attach so much to it, and we should not have that.

Senator CANTWELL. So, it is the collateral that—so, you are looking for ways to have things without a high level of—

Mr. TANSEY. Collateral.

Senator CANTWELL [continuing]. Collateral, yes.

Mr. TANSEY. Exactly.

Senator CANTWELL. Okay. Ms. Artis.

Ms. ARTIS. Actually, ma'am, I can say that is still a problem. I do not have financing. I have been just blessed with the whole family-friend scenario. But, I do know that is one of the biggest challenges. I am one of the younger companies here on the table. That is still a continuous challenge among my peers that I speak to. That is the biggest challenge, is getting the capital to fund the professional services that they offer.

Senator CANTWELL. And are you thinking the same range that Mr. Tansey was talking about?

Ms. ARTIS. Yes. Actually, that range would be a safe range, specifically in the services that we provide, because we are just waiting for the government to pay us for the services that our staff may have already provided to them. So, we just need that float money between pay periods.

Senator CANTWELL. Okay. Thank you, Mr. Chairman. I know you have a second panel that you want to also get to.

Chairman VITTER. Yes. Thank you.

Senator CANTWELL. Thank you. Thank you to the witnesses.

Chairman VITTER. Thank you very much.

I have a few questions. Ms. Nowosielski, I know you went into this somewhat, but specifically, what were some of your biggest challenges as a transitioning service member, coming out of the service and thinking about business?

Mrs. NOWOSIELSKI. The biggest challenge was probably funding and figuring out how to get money in order to make money. And

then going to school and juggling with an education through all of those things.

Challenges, probably the financial aspect of it. We just grew slow. We started really small and we spent—what we made, we spent, and then we grew, you know, over a period of seven years. We just had to take a slow route as opposed to getting money to do bigger things. There were many projects that we had to pass up because we did not have the capital to do them at the time.

Chairman VITTER. Right. So, single biggest challenge was capital—

Mrs. NOWOSIELSKI. Probably, yes, sir.

Chairman VITTER [continuing]. And funding to get started as a business.

Mrs. NOWOSIELSKI. Yes, sir.

Chairman VITTER. Okay. And, after you were initially started, what were some of the continuing issues that SBDC, in particular, helped you with?

Mrs. NOWOSIELSKI. Education was the biggest thing that I received help with. We received a business advisor through the SBDC who came in and broke down books and explained to us how to read financials and how to navigate through what we should spend and what we should not spend, and what we could afford and not afford. They also came in and helped. We do light manufacturing, so they helped us to set up our assembly line in an efficient manner. They helped us to find used equipment, things like that, that was affordable for us at the time so that we could pick up production and produce more. And those things were extremely valuable to us.

Chairman VITTER. Great. Okay.

I know that SBA tries to create sort of a whole network of support for veterans' business owners. In your personal experience, how would you grade that sort of network?

Mrs. NOWOSIELSKI. I think I would grade it an A. I think it is wonderful. I had no problems. Everything that I asked for was provided and then some. I was never told no or turned away. If they could not provide it, they gave me a point of contact where I could get the help.

Chairman VITTER. Okay.

Mrs. NOWOSIELSKI. I have zero complaints.

Chairman VITTER. Great. Okay.

Mr. Tansey, I think you have dealt with VBOI as well as SBA, right?

Mr. TANSEY. Yes.

Chairman VITTER. How would you compare them, and is there duplication? Is there overlap or duplication that is counter-productive?

Mr. TANSEY. Well, I believe the SBA and the Boost to Business program, I did not go through that program, but working with Miguel, I get the logistics of it.

The VBOA basically is an 18-class module starting from conception all the way up to financial and out the door business planning. So, we were able to build a business plan. The SBA also provides this kind of support, but what I found is that the veteran-to-veteran peer networking within the group—the group dynamics is

what has changed my attitude as far as what is better and what is worse than others. VBOA groups themselves, you have to experience. As the President of the VBOA, I invite each and every one of the panelists to come to one of our meetings in Massachusetts or New Hampshire, you know, an open invite, to see the difference in the lives of the veterans as they transition back.

Basically, there are a lot of veterans out there that are having issues with post-traumatic stress, alcohol, drug-related issues, the pill pop from the Veterans Administration to help quiet the voices in the head. Coming back to the group, I see time and time again those people getting off the medications and getting back into the real world. It is real time. It is real. But, I do not want to push away the SBA, because the SBA has always been an intricate part of my business.

Chairman VITTER. Right.

Mr. TANSEY. It still is.

Chairman VITTER. Right. Okay. Thank you very much.

Let me go to Senator Ayotte.

Senator AYOTTE. Thank you, Chairman. It is really an honor to have you here, Mr. Tansey, and thank you for coming today, and congratulations on being named the New England Veteran-Owned Small Business of the Year. That is terrific. I am glad to hear that you have been able to grow with the help of the Veterans' Business Owners Initiative.

I know that you have already testified, but I also understand that you were the first Veterans' Business Owners Initiative member in New Hampshire to reach \$1 million in sales.

Mr. TANSEY. That is correct.

Senator AYOTTE. That is fantastic. And, I know this started in New England and that one of the things you have told this committee today is that this program has been effective and we should expand it nationwide. What can we do, do you think, to be able to take what has happened in New England and really scale it up nationwide, and what—I know you have probably already talked about this, but—what do you think is the most important tool that is part of this program? You talked about the peer-to-peer mentoring aspect of it.

As you know, Senator Shaheen and I work together on a lot of these veterans issues, whether it is the health care issue that we are trying to make sure that our veterans in New Hampshire get more access to health care because we do not have a full-service hospital, and wanting to make sure that whatever we are doing is the best to have that local connection, because I think that is probably why it has been so effective for you and helpful for the veterans. So, just any thoughts for us on how we can take what you are seeing and make it for everyone to have that opportunity.

Mr. TANSEY. Thank you, Senator. It is good to see you again.

Senator AYOTTE. Great to see you.

Mr. TANSEY. I am happy to see a couple supports for the women-owned initiative in New Hampshire. I support the SBA on women's issues, also.

Senator AYOTTE. Yes. Fantastic.

Mr. TANSEY. The VBOI, basically, we have an idea how we can take this model. We have a model already set in place. We have

the numbers all put together. And, I would love the support of the Senate or Senate subcommittees to take a look at our numbers, to present a pilot program to where we could reach out to 10 cities for pilot for two years and see how it goes.

Senator AYOTTE. Mm-hmm.

Mr. TANSEY. But, my experience, the peer-to-peer mentorship between the veterans, whether it is man-on-man or woman-on-woman, we have women businesses in our group already, so—

Senator AYOTTE. Yeah.

Mr. TANSEY [continuing]. It needs to get out there. We need your help.

Senator AYOTTE. Absolutely. So, I have a question for you. One of the issues that we have been hearing a lot, too, on, because I serve on the Armed Services Committee, as well, is, so, veterans, in terms of the experience they come out of the military with, we know that that experience, incredible in terms of the training, the leadership skills, the ability to work with other people. But, often, how you put—let me use an example. You have been a sniper. How does that translate into a job description that an employer can understand so that we can make sure that veterans get hired more?

And, so, wanting to make sure—like, much of the training that you get in the military—it is often that private employers—veterans do not know how to translate that, or private employers, frankly, are not translating this incredible skill set of our veterans so that they know what our veterans are capable of so we can get more veterans hired.

I just wanted to get your thought on that. I mean, you come to this, obviously, with having served and having that experience of the peer-to-peer, but getting that issue of translation of skills so that we can get more veterans hired, I just wanted to get your thought on that.

Mr. TANSEY. It is basic military training. As we transpire through military training, it is drawn into us to lead by example and to expect the unexpected. Most veterans in a cohesive unit group know what the guy to the left and the guy to the right does. And in the case of troubling times and that person is no longer there, we can take up the slack. As a leader of a unit, you become in-tuned to exactly the needs and the attributes of each one of your members and you learn how to key off those assets to trigger that veteran to the next level.

Unfortunately, in the business world, it is do or die. We want it done. Why is it not done yet? So, the business owner in the real world does not really understand the concept of what goes through a military mind, because it is droned into us, it is driven into us, it is reactive. What I see time and time again is veterans coming back to veterans, and we can key off on those key points because we know them, and we take them to the next level of confidence. And, once a military member that has been trained hits that confidence level, you cannot stop them.

Senator AYOTTE. Right. I am a little partial, because I am married to a veteran. He has his own business, so I see that.

[Laughter.]

But, I think getting that word out, whatever we can do to get the word out to employers, private employers, so that they are hiring

more veterans, would be terrific. So, any thoughts down the line you have for us on that, I would really appreciate it.

Ms. ARTIS. I would like to add, snipers and individuals that have interesting jobs in the military that kind of have more of a difficulty transitioning, apprenticeship programs and training, specifically now all these certifications that they have out here in IT, at this point, all service members are operating on computers. They have e-mail addresses, things, again, that did not happen in our era. But, nonetheless, they are very techy. So, those types of programs need to be elaborated on, and the G.I. Bill funds need to be allocated for them to be able to use that for those sources, not just a typical four-year degree, because you are 30, 40 years old and you are not about to go to school—or do not desire—

Senator AYOTTE. I totally agree. There are actually a lot of great advanced manufacturing jobs where you need those skill sets and the pay is good, so we can transition to that. That is not a four-year degree, but getting those skills, so I appreciate it.

Ms. ARTIS. Yes, ma'am.

Senator AYOTTE. Thank you.

Chairman VITTER. Great. Thank you all very much. We really appreciate your testimony here, as well as everything you are submitting for the record.

We will now move on to our second panel, and as they get in place, I will go ahead and start introducing them.

Ms. Barbara Carson is the Acting Associate Administrator for the Office of Veterans Business Development at the SBA. She is responsible for veteran-related programs for active duty and reserve service members, service-disabled veterans, and military dependents and survivors.

Dr. Michael Haynie is the Vice Chancellor of Syracuse University, responsible for veteran and military affairs. Dr. Haynie also serves as the Founding Executive Director of Syracuse University's Institute for Veterans and Military Families and as the Barnes Professor of Entrepreneurship. Before beginning his academic career, he served for 14 years as an officer in the United States Air Force.

Mr. Scott Daugherty is also a U.S. Army veteran. He serves as the Assistant Vice Chancellor for Economic Development at North Carolina State University and the State Director of the Small Business Technology Center, which provides confidential business advisory services and educational programs for existing businesses and start-ups. And, in 2011, he was also appointed by Governor Beverly Perdue to serve as North Carolina's first Small Business Commissioner and was a part of the Senior Management Team of the Department of Commerce there.

And, Mr. Charles McCaffrey has served in the U.S. Navy, including the Navy Reserve Officers Training Corps and on the President's National Security Telecommunications Advisory Committee Cybersecurity Collaboration Task Force. He now serves as a Director of the Veterans Business Outreach Center in Springfield, Virginia.

Welcome to all of you. Just like the last panel, you will be invited to testify here for five minutes each, and, of course, your entire written testimony will be made a permanent part of the record.

So, we will start with Ms. Carson. Welcome.

STATEMENT OF BARBARA CARSON, ACTING ASSOCIATE ADMINISTRATOR, OFFICE OF VETERANS BUSINESS DEVELOPMENT, U.S. SMALL BUSINESS ADMINISTRATION

Ms. CARSON. Good morning, Chairman Vitter and Ranking Member Shaheen and members of the committee. Thank you for the opportunity to testify on the U.S. Small Business Administration's continuing efforts to empower veteran entrepreneurship and small business ownership.

We do this by executing programs and policies that maximize the availability of SBA services for veterans, service members, and their spouses. We are grateful for this committee's continued support of SBA's programs to provide training and counseling, access to capital, and federal procurement opportunities for our nation's heroes and job creators.

As small business owners, veterans continue to serve our country by creating critical employment opportunities and driving economic growth. They possess the skills, discipline, and leadership to start and operate successful businesses in their communities. In fact, veterans over-index in entrepreneurship and are at least 45 percent more likely than those with no active duty military experience to be self-employed. Nearly one in 10 small businesses are veteran-owned, and these businesses generate over \$1.2 trillion in receipts annually and employ nearly 5.8 million Americans.

SBA's programs are making a significant positive impact to ensure that we create the next greatest generation of veteran small business owners. This year, to provide training and counseling, we executed on our first appropriation for Boots to Business, the entrepreneurship track of the DOD's Transition Assistance Program, known as TAP. This has trained over 27,000 transitioning service members and their spouses to date.

Working through the interagency governance of TAP, we are extending Boots to Business to all active duty service members and spouses at any point during their service through the Military Lifecycle Strategy. And, with support and active participation from the private sector, nonprofit NSBA resource partners, we are extending this program to veterans of every era and their families through a program we call Boots to Business Reboot.

For access to capital, we will sustain the SBA's Veterans Advantage Policy to waive fees for veterans and their families that qualify for SBA guaranteed loans of \$350,000 and below, and reduce fees by half for SBA guaranteed loans between \$350,000 and \$5 million. This policy has already saved veterans over \$8.6 million in fees since January 1, 2014.

In the area of federal contracting, we are very pleased to report that the SBA's leadership will soon announce that the federal government exceeded the three percent goal for contracting with service-disabled, veteran-owned small businesses for the third straight year.

We continue to provide funding to programs for our severely disabled veterans, called the Entrepreneurship Boot Camp for Veterans with Disabilities, as well as programs for women veterans,

called the Veteran Women Igniting the Spirit of Entrepreneurship program.

OVBD's commitment to its mission extends to and is enabled by our partners. Our network of 15 Veteran Business Outreach Centers, known as VBOCs, is the cornerstone of our delivery model. These VBOCs serve as providers and integrators of business assistance and maintain the expertise to refer veterans to other federal and local service providers, as well. In many cases, VBOCs are extensions of SBA's business offices and assist SBA employees assigned as Veteran Business Development Officers.

Our 15 VBOCs extend the services nationwide by collaborating extensively within SBA's network of resource partners, which also includes Small Business Development Centers, Women's Business Centers, and SCORE. This collaboration allows VBOCs to maximize SBA's integration of service and knowledge for veterans, as exemplified by the VBOC Directors who will testify today.

Our partnership model also extends to other veteran entrepreneurship centers of excellence, such as the Institute for Veterans and Military Families at Syracuse University, who is also appearing today.

SBA's innovative private partnership framework enables our effectiveness, and importantly, our efficiency. Our collaboration produces success stories like Mr. Timothy Page. After serving 27 years on active duty in the U.S. Army, Tim attended Boots to Business at Fort Meade in Maryland as the first step of his transition mission to pursue small business ownership. His idea was to create eco-friendly car washes that he calls Auto Spas, and through the facilitation of Mr. Mark Williams and SBA's Boots to Business Program, he was introduced to Ms. Melissa Dent, who is a counselor at the Maryland Small Business Development Center, who helped him develop a business plan.

Just this past May, Tim competed in a business plan competition that was privately funded specifically for Boots to Business graduates, and that is where he won first place and \$30,000 in seed capital. His first Auto Spa will open in Forestville, Maryland, in the spring of next year.

While Tim's story is a great example of how our programs and partners integrate to empower veteran entrepreneurship, it also highlights a gap that we must address, and that is access to capital. We can and must do more to get capital, and in particular start-up or seed capital, into the hands of veterans like Tim. We must also strengthen and modernize our information technology infrastructure so that we may sustain our programs and make SBA more accessible.

In addition, we must enable data sharing between SBA and federal agencies, such as the Departments of Defense, Labor, and Veterans Affairs, as well as external partners. This will allow us to synchronize our efforts, connect veterans and military spouses with the resources they need, and report on essential performance outcomes, such as business formation, capital acquired, and the creation of jobs.

Thank you for the opportunity to testify today and to highlight our mission. By authorizing our work, you are mandating that the United States government does all it should to provide the Amer-

ican dream of business ownership to those who have fought and continue to fight every day for our country.

Thank you, sir.

[The prepared statement of Ms. Carson follows:]



U.S. Small Business Administration
Washington, D.C. 20416

Testimony of
Barb Carson
Acting Associate Administrator
Office of Veterans Business Development (OVBD)
U.S. Small Business Administration

Before the
U.S. Senate Committee on Small Business and Entrepreneurship
Empowering Veteran Entrepreneurship
Thursday, June 25, 2015

Chairman Vitter, Ranking Member Shaheen, and distinguished members of the Committee, thank you for the opportunity to testify on the U.S. Small Business Administration's (SBA) continuing efforts to empower veteran entrepreneurship and small business ownership. We do this by executing programs and policies that maximize the availability of SBA services for veterans, Servicemembers, and their spouses. We are grateful for this Committee's continued support of SBA's programs that provide training and counseling, access to capital, and federal contracting opportunities to our nation's heroes and job creators.

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Washington, D.C. 20416**

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We continue to provide funding to programs targeting our severely disabled and women veteran entrepreneurs, the Entrepreneurship Bootcamp for Veterans with Disabilities and the Veteran Women Igniting the Spirit of Entrepreneurship.

OVB's commitment to its mission extends to, and is enabled by, our partners. Our network of 15 Veterans Business Outreach Centers, known as VBOCs, is the cornerstone of our delivery model. VBOCs serve as providers and integrators of business assistance, and maintain expertise to refer veterans to other federal and local service providers. In many cases, VBOCs are extensions of SBA's district offices and assist SBA employees assigned as Veteran Business Development Officers (VBDOs).

Our 15 VBOCs extend their services nationwide by collaborating extensively within SBA's network of resource partners which also include Small Business Development Centers, Women's Business Centers, and SCORE. This collaboration allows VBOCs to maximize SBA's integration of service and knowledge for veterans – as exemplified by the VBOC testifying today. Our partnership model also extends to other veteran entrepreneurship centers of excellence, such as the Institute of Veterans and Military Families at Syracuse University also appearing today. SBA's innovative private partnership framework enables our effectiveness -and importantly -our efficiency.

Our collaboration produces success stories like Mr. Timothy Page. After serving 27 years on active duty in the U.S. Army, Tim attended Boots to Business at Ft. Meade, MD as the first step of his transition mission to pursue small business ownership. His idea was to create eco-friendly car washes he calls "auto spas". Through the facilitation of Mr. Mark Williams, in SBA's Baltimore district office, Tim was introduced to Ms. Melissa Dent, a counselor at Maryland's Small Business Development Center, who helped him develop a business plan. In May, Tim competed in a business plan competition privately funded for Boots to Business graduates where he won first place and \$30,000 in seed capital. His first auto spa will open in Forestville, MD in the spring of next year.

While Tim's story is a great example of how our programs and partners integrate to empower veteran entrepreneurship – it also highlights a gap we must address – access to capital. We can and must do more to get capital, and in particular start up or "seed" capital into the hands veterans like Tim.

We must also strengthen and modernize our information technology infrastructure to sustain our programs and make SBA more accessible. In addition, we must enable data sharing between federal agencies, such as the Departments of Labor, Defense and Veterans Affairs as well as external partners, to synchronize our efforts, connect veterans and military spouses with the resources they need,



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Washington, D.C. 20416**

and report essential performance outcomes such as business formation, capital acquired and creation of jobs.

Thank you for the opportunity to testify today and highlight our mission. By authorizing our work you are mandating that the United States Government does all it should to provide the American dream of business ownership to those that fought and continue to fight every day to protect it.

ⁱ "Factors Affecting Entrepreneurship among Veterans," Office of Advocacy, U.S. Small Business Administration, March 2011.

ⁱⁱ "Survey of Business Owners - Veteran-Owned Firms, 2007," U.S. Census Bureau, Department of Commerce, May 2011.

Chairman VITTER. Great. Thank you very much, Ms. Carson. And now, we will move to Dr. Haynie.

STATEMENT OF J. MICHAEL HAYNIE, VICE CHANCELLOR, SYRACUSE UNIVERSITY, AND DIRECTOR, INSTITUTE FOR VETERANS AND MILITARY FAMILIES

Mr. HAYNIE. Mr. Chairman, members of the committee, thank you very much for the opportunity to spend a little time talking about an issue that is a personal passion of mine. As both a military veteran and also an entrepreneurship professor, veteran business ownership really does represent for me the nexus of two passions.

Beyond my written testimony, I think what I will spend my time doing is just reflecting on just how far I think we have come as a community over the course of the last eight years or so.

I left active duty service in 2006. I was fortunate that while I was a serving Air Force officer, the Air Force sent me off to get a Ph.D. in business strategy and entrepreneurship, so I made my transition from military service directly to a role at Syracuse University as an entrepreneurship professor and found myself in a situation where I saw an opportunity to leverage that new role in service to the only professional community that I had ever known, which were military and veterans.

I created a program in Syracuse in 2007 called the Entrepreneurship Boot Camp for Veterans with Disabilities, a program designed to empower our wounded warriors who may face barriers to traditional employment as a consequence of some of the disability challenges that they may face so that they could leverage self-employment as a path forward.

I share that story only to suggest, at the time, there was very little focus on business ownership, particularly institutionalized focus on business ownership, as a path through the transition process. And, I know that because the very first opportunity I had to go talk to some soldiers about this new program that we were trying to create was several months prior to the first offering. I went to Walter Reed and about 200 soldiers in a Wednesday morning Commander's Call in a gym and talked to them about business ownership, and after I was finished, one of the vocational counselors there spent some time scolding me about talking to transitioning soldiers about business ownership because it is too hard and they are going to fail.

I, again, share that story only as a means to reflect on the fact that today, with the introduction, for example, of Boots to Business, we now have institutionalized a path to the transition to civilian life focused on business ownership in a way that is very, very powerful, and, I think, empowering to this community.

We look at programs like the EBV program I mentioned, the VWISE program. In my two minutes, I will also share that VWISE is a program that was created in 2010 at the request of the Small Business Administration, but as an entrepreneurship professor, that first conversation, I pushed back a little bit. I was not sure why we would create a business ownership training program specifically for women, because there is nothing necessarily that says to me I would train a woman to be a business owner any dif-

ferently than I would train a man. As a veteran, I jumped right to veterans, our veterans.

I could not have been more wrong, however, and I commend the SBA for pushing to explore that path, because one of the things I realized when we delivered the first program in San Antonio, Texas, in 2011, was that many of the women that participated, many of the female veterans that participated, maybe had been out of the military five, seven, 10, 15 years, and this was the first veterans-related event that they had ever participated in.

And, exploring that motivation, what we found is that as a consequence of the fact that women are much less likely to self-identify as veterans, they are also much less likely to participate in typical veteran-focused events, trainings, because they will represent a stark minority in the context of many of those programs, and importantly, we also heard from some of those participants that they do not necessarily always feel safe, and when I mean—physically safe is what they are referring to—at some typical veterans' events.

The outcomes that we have realized from the VWISE program over the course of the last four years or so have been remarkable. Forty-one million in revenue was generated by businesses created by VWISE graduates. Sixty-five percent of those going through the program have created businesses. And, they are hiring, and they are hiring other veterans. Currently, the average number of employees from VWISE-created businesses exceeds four. That is a very powerful outcome for that particular program, and it is an outcome that actually exceeds what you would see from like training programs.

So, with that, I will say I am excited for the opportunity to both work with this body, to expand opportunity for veteran business ownership, and I am broadly excited for the future because I think this is a community on the edge of really doing remarkable things as an engine for the economy of this country. Thank you.

[The prepared statement of Mr. Haynie follows:]

**SYRACUSE UNIVERSITY
OFFICE OF VETERAN
AND MILITARY AFFAIRS**



**Testimony of Dr. J. Michael Haynie
Vice Chancellor, Syracuse University
Director, Institute for Veterans and Military Families**

BEFORE THE

**U.S. Senate Committee on Small Business and Entrepreneurship
*Empowering Veteran Entrepreneurship***

June 25, 2015

Chairman Vitter, Ranking Member Shaheen, and distinguished members of the Committee: Thank you for the opportunity to testify today on a subject that represents for me a personal and professional passion – that is, leveraging business ownership as a means to empower our nation's veterans and their families.

As a veteran myself, I can think of no community of Americans more deserving of the opportunity to live the American Dream of business ownership, than those who have defended that very dream while wearing the uniform of the nation. Further, as an entrepreneurship professor I'm convinced that opening new pathways to business ownership for transitioning service members and veterans represents a compelling economic opportunity for the nation, well-positioned to fuel the engine of new venture creation and business growth in America.

I make this claim as one grounded in both academic research and historical precedent. Veterans are over-indexed to business ownership, representing 13.5 percent of all small businesses. The nation's 2.4 million veteran-owned businesses employ more than 5.7 million Americans, and contribute approximately \$1.2 trillion annually to our GDP. Given that more than 60 percent of new jobs created each year come from small businesses, including many of the new jobs currently being filled by the more than one-million post-9/11 veterans who have transitioned to civilian life over the past 10 years, expanding access to business ownership for our veterans makes economic good sense.

A second and equally compelling argument for action to empower veterans as business owners is grounded in service and citizenship, and the relationship between the role that our veterans played in defending freedom, and the role that veterans can play in creating economic freedom for themselves, and this nation. For me, entrepreneurship and business ownership represent the most freedom creating economic activity underpinning our democratic society. I believe that as deeply as I believe in anything, because I've seen it in action.

I've watched entrepreneurship change lives and communities, conferring freedom and a voice to countless numbers of Americans; to the young mother denied opportunity by her employee because of her status as a single parent; to the retiree who is assumed to have nothing left to offer simply because of his age; to the young Marine who I met when I made my first visit to Walter Reed hospital in 2007. This young man had lost both his legs in Afghanistan, and said to me that he sees business ownership as a means to take his life back from the government and

from the doctors, and from all those people who appear to have written him off because they assumed – given his injuries – that the economically productive period of his life was over.

Put simply, it's for these reasons that the men and women who have answered the nation's call to military service should be afforded expanded opportunity to serve their families, communities and the nation as business owners and leaders. Accordingly, I'm thrilled for the opportunity to highlight to the committee what I would describe as unprecedented collective and collaborative action – across the public and private sectors – in support of expanding access to business ownership for transitioning service-members and veterans.

To begin, I'll highlight and commend this body. With the support of Congress, and through an interagency collaboration led by the Small Business Administration, the Boots to Business program has been legislated as a component of the Department of Defense's Transition Assistance (TAP) program. For the first time since World War II, a pathway to business ownership has been institutionalized within DoD's formal transition infrastructure – a pathway that to date has afforded more than 30,000 transitioning soldiers, sailors, airman, and Marines the opportunity to receive business ownership training and mentorship.

The SBA has been forward-leaning and innovative with regard to leveraging public-private partnerships, supporting new and community-connected initiatives advancing veteran business ownership across its network of Small Business Development Centers (SBDCs) and Veteran Business Outreach Centers (VBOCs). Further, the SBA has also formed strong partnerships with academic institutions like mine – Syracuse University – and others, to bring scale to programs like the Entrepreneurship Bootcamp for Veterans with Disabilities (EBV), and Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE). These programs have demonstrated extraordinary impact, and also the ability to scale efficiently to meet ever increasing demand.

Finally, it's exciting to see how, just recently, the private sector has seized on the opportunity to expand access to business ownership for our veterans. For example, last month a coalition of some of the nation's leading companies, in partnership with the Institute for Veterans and Military Families at Syracuse University, announced the launch of the Coalition for Veteran Owned Business (CVOB). This first-of-its-kind national initiative will support the success of veteran, service member, and military family-owned businesses by connecting them with entrepreneurial education and training, small business resources and solutions, and commerce and supplier opportunities. Led by First Data Corporation, member companies such as American Express, BP America, KKR, Lockheed Martin, SunTrust, USAA, Verizon, Walmart, Sam's Club, and the Walt Disney Company have pledged to support veteran and military family-owned businesses in a host of ways, all aimed toward increasing 'main street' business opportunities for veteran-owned ventures.

In closing, thank you for the opportunity today to share my perspective, and thank you for your ongoing leadership in support of both public- and private-sector efforts to empower the next greatest generation of veteran business owners. I look forward to your questions.

Testimony of Dr. J. Michael Haynie
Vice Chancellor, Syracuse University
U.S. Senate Committee on Small Business and Entrepreneurship
Thursday, June 25, 2015

Chairman VITTER. Great. Thank you, Dr. Haynie.
And now, we will move to Mr. Daugherty. Welcome.

**STATEMENT OF SCOTT R. DAUGHERTY, ASSISTANT VICE
CHANCELLOR FOR ECONOMIC DEVELOPMENT, NORTH
CAROLINA STATE UNIVERSITY, AND STATE DIRECTOR,
NORTH CAROLINA SMALL BUSINESS TECHNOLOGY AND DE-
VELOPMENT CENTER**

Mr. DAUGHERTY. Good morning.

Chairman VITTER. Good morning.

Mr. DAUGHERTY. Mr. Chairman, Senator Hirono, I am the State Director of the North Carolina SBTDC. I am also here today representing the Association of Small Business Development Centers, which, as you know, are the 63 SBA-funded SBDCs around the country and across the globe.

My remarks are really based on 30 years' worth of working at—working on how to help small businesses and veteran-owned businesses be successful. I have been Chairman of our National Association multiple times, probably due to brain injury earlier in my life.

[Laughter.]

But, I have had opportunities to engage with many, many of my colleagues around the country. Your own SBDC Director in Louisiana, Rande Kessler, and I have been very interactive. And, I have a pretty good appreciation for what that resource can do.

As you noted, I am a veteran. I am personally and deeply committed to services from whatever source that will help the women and men of the military find opportunities to realize the American dream and create a business.

The SBDCs are actually the SBA's largest and most impactful resource in the country for business assistance. They have an unrivaled national presence, multiple locations in each state and locality. We are viewed as highly successful. I can tell you that we are highly introspective, measure everything, just like in the military we used to paint rocks that did not move. We count and measure everything. We want to know why we are doing, what we are doing, and how we are doing.

SBDCs have a very long and successful record of serving veterans going back to the days when the primary tool for veterans leaving the military was the TAP program at the military installations. That certainly has been true of our SBDC in North Carolina for many, many years.

The other thing that I think is often overlooked in this process, and I am going to talk briefly about this in a moment, but the assistance and resources to veterans and those leaving—transitioning from the military is more than an educational program. It really is an opportunity through resources like the SBDCs to gain that trusted business advisor relationship with a counselor who can provide probing questions and guidance on how to move forward.

Our own service to veterans in North Carolina is significant. We have a very substantial military base in our communities. Fort Bragg is the largest military installation in the United States. Camp Lejeune is the Marines' East Coast representative. We have an Air Force base with an active fighter wing, and, believe it or

not, the largest and most busy Coast Guard air station in the United States.

We have had a lot of opportunity to provide instructional support along with partners in the Boots to Business program around our State, but most important is the one-on-one counseling that we provide to the businesses. Twelve to 14 percent of our client base, which is around 4,200 to 4,500 counseling clients a year—12 to 14 percent are veterans. And, that is reflective of our big military presence, but it is also reflective of our interest in serving them.

To give you a little idea on the scalability of things, there are around 24.6 million veterans in the country and that is roughly 12 percent of the national population. It is a declining number, though, as veterans from World War II and the Korean War have declined, and now it is my era, the Vietnam War era veterans that are passing on, as well. The current military is about one percent of our national population, and so one of the consequences is that we can anticipate that the actual veteran population will begin to decline slightly in the years ahead.

You are considering legislation on the Small Business Development Act, and it has applicability to our ability to serve the needs of veterans in the years ahead. A renewed and continuing commitment to helping existing veterans and those who are transitioning is a very laudable and noble undertaking. I support it. I have a few concerns, and I would like to share just a couple of observations.

First, the new business start-up process, which is what we have been talking about much of this time with the prior panel and their start-up experience, it is a process. You do not just wake up one morning, you are a successful business owner. It has four steps.

The first is the information gathering step, where folks will independently or through some sort of program like the TAP program or the Boots to Business program, which they are offering at the various military installations, is you take in information.

The second is kind of the processing part of it, and that is reflecting on what you have heard and learned in that preliminary environment and making some conscious decisions about do I proceed with a plan to start a business.

And that is when you get to what I characterize as the action planning step of the process. That is typically maybe a longer-term educational program, like your eight-part online service, and most SBDCs have some sort of multi-week program.

Chairman VITTER. Mr. Daugherty, if I can just ask you to wrap up.

Mr. DAUGHERTY. All right. Anyway, so you have multiple stages.

What I would leave you with is this. You already have a very robust service delivery network. We ought to capitalize on that and utilize that network for delivery of enhanced services to veterans and to transitioning veterans. So, I encourage you to look at the SBDCs as a delivery mechanism.

[The prepared statement of Mr. Daugherty follows:]

Scott R. Daugherty
State Director, North Carolina SBTDC and
Assistant Vice Chancellor for Economic Development
NC State University

David Vitter, Chairman:

I'm Scott Daugherty, the State Director of the North Carolina Small Business and Technology Development Center (SBTDC). I'm here today as the representative of the Association of Small Business Development Centers (ASBDC), whose members include the 63 SBDCs funded under the Small Business Act.

My remarks are based on 30 years of experience in the SBDC program. I've served on the ASBDC Board of Directors for numerous terms, and as Chairman three times. I've served on the Association's Accreditation Committee, all of which has provided me with a broad understanding of the competencies and capabilities of the national SBDC network.

Finally, I'm a Veteran. I'm deeply committed to serving the needs of America's Veterans and to do so in a way that is impactful and cost effective.

The SBDCs, as you know, are the US Small Business Administration's (SBA) largest and most impactful resource for business assistance. They have an unparalleled national presence, are viewed as highly successful in achieving their goals and objectives and are the only SBA resource expected to undergo a periodic and rigorous accreditation process.

The SBDCs have a very long and successful record of service to America's Veterans. They have provided Transition Assistance Training Programs at our many military installations across the country for many years. Their annual program performance requirements with SBA include a number of initiatives that are directly related to supporting transitioning members of the military. Most important, however, they actually provide direct, in depth one-on-one counseling to a very significant numbers of Veterans each year.

Our experience in North Carolina is reflective of this. We have some of the largest military installations in the country:

- Fort Bragg, is the largest military installation in the United States. It is home to the 18th Airborne Corps, the Joint Special Operations Command, Forces Command and others.
- Camp Lejeune, is the major Marine Corps installation on the east coast.
- Seymour Johnson Air Force Base is the home to the 4th Fighter Wing and several active Air Force Reserve units.
- Coast Guard Air Station Elizabeth City is the largest and busiest Coast Guard Station in the US.

The SBTDC currently provides direct instructional support for the Boots to Business Program in our state as a partner with the SBA and others. Our most important service contribution, however, has been through our one-on-one counseling to Veterans. Over the past decade, Veterans have represented 12% to 14% of our client base each year. This is reflective of and consistent with the large military presence in North Carolina.

To put this level of service in perspective it might be useful to consider the size and growth of the Veteran population in the country. Currently there are approximately 24.6 million Veterans in the U.S. This is equal to roughly 12% of the national population. The percentage of Veterans is actually declining as the number of those who served in WWII and Korea are declining sharply. The current, all

volunteer military is equal to about 1% of the US population. Given current trends, it is not anticipated that the percent of the population of Veterans will increase over the next decade.

This Committee is considering legislation, the Veterans Small Business Development Act, which has a direct applicability to our ability to best serve the needs of Veterans in the years ahead. A renewed and continuing commitment to helping transitioning Veterans and to helping existing Veterans pursue the startup of businesses is both necessary and highly laudable.

While I applaud and strongly support this interest, I have a number of concerns as to how that objective might be best achieved.

To help you with this, I would note that the new business startup process is something that we in the SBDCs fully understand.

First it is a process for an individual to move from the idea (or dreams) to reality.

The initial step, most often, is an information gathering phase. Offerings such as Boots to Business and the earlier TAP program are a vital examples of services at this phase. All SBDCs, for instance, have some form of training similar to Biz Boost at the front end of their engagement with would be startup entrepreneurs.

The next step is the reflection phase. This is where the individual digests what she or he has learned and assesses where they are and what is an appropriate next step.

The third step is the action planning phase which often results in a formal business plan. This can be done alone by individuals but is significantly enhanced when undertaken with guidance from an experienced business advisor.

The fourth step is the implementation phase, or the business launch.

This multi-step process is fundamentally important to success. The first phase and second phases are necessary but not sufficient. The third and fourth phases are absolutely necessary if good outcomes are to be achieved.

I would note this multi-phase process is too often not addressed by initiatives aimed at serving Veterans or the general public in the new business startup arena.

Finally, I'd like to make several suggestions as you consider renewing or establishing programs and services focused on our military Veterans (and other populations).

First, understanding the fiscal constraints of our current budget environment, decisions with respect to new or extended programs should built on existing services delivery capabilities rather than creating new fragmented and, frankly, under horse powered networks.

Second, any new or renewed initiatives must demonstrate true capabilities for nationwide reach and on the ground services.

Third, it is critically important to remember that new business startup training initiatives, alone, are insufficient to achieve maximum desired outcomes. Training must be linked to and supported by ready access robust business advisory services.

Fourth, there must be an evident, upfront capacity to measure and evaluate program performance and outcomes.

This Committee has made long-term investments in what is today a clearly proven model for national outreach and service, the SBDCs. They have the commitment and capabilities to be more effectively utilized and engaged in your future plans to reach and serve transitioning members of the military and Veterans.

Thank you for your consideration of these thoughts. And thank you for your interest in better serving our Veterans.

Chairman VITTER. Great. Thank you very much.
And now, Mr. McCaffrey.

TESTIMONY OF CHARLES W. McCAFFREY, DIRECTOR, VETERANS BUSINESS OUTREACH CENTER AT COMMUNITY BUSINESS PARTNERSHIP, SPRINGFIELD, VA

Mr. McCAFFREY. I would like to thank the members of the committee for allowing me this opportunity this morning to testify. I encourage the committee's continued support of veteran entrepreneurship programs.

As was noted earlier, I am a Navy veteran with 20 years of military and government contracting service. I am also a repeat business owner offender, if you will, first as a partner in an Italian deli and market in State College, Pennsylvania, more recently as a management consultant here in the metro D.C. area.

When I transitioned from the military, we had a two-day program that taught you how to get veterans' benefits, how to write a resume, and to tie a double Windsor. I am happy to say that we have expanded those programs and I am very honored to be able to lend my experience to assisting my fellow veterans.

The organization I represent, Community Business Partnership, was founded in 1995 and is a nonprofit organization working in collaboration with local, regional, and national organizations to promote small business growth in our communities. We are a sponsored program of George Mason University under the Office of Research and Economic Development.

We accomplish our mission through a variety of separately funded programs, including a Small Business Development Center, a Women's Business Center, a Business Finance Center, and a Business Incubation Center that provide training and counseling, access to capital, low-cost office and meeting space, networking opportunities geared to meet the needs of today's small business owners. On May 1 of this year, we were also designated as a Veteran Business Outreach Center for the National Capital Region, including Northern Virginia, Washington, D.C., Maryland, Puerto Rico, and the Virgin Islands.

Although we only recently received designation as a VBOC, Community Business Partnership has a long history of supporting veteran entrepreneurship. For the past 10 years, we have hosted the Veterans in Business Conference. What started as a small gathering of 25 veteran business owners has grown to the premier veterans' entrepreneurship conference in the metro D.C. area, bringing together more than 275 veteran business owners, federal agency representatives, prime contractors, nonprofits, and service providers each year.

In 2012, we were approached by the TAP office at Marine Corps Base Henderson Hall to provide entrepreneurship training to transitioning Marines as part of the Department of Defense Entrepreneurship Pathway. At the time, Boots to Business was an unfunded program requirement that involved significant commitment from limited resources. But having supported socially and economically disadvantaged small business owners for many years, we knew this was a worthwhile initiative and we became part of the pilot program.

In 2014, Community Business Partnership, along with the SBA Washington District Office and its resource partners, ranked number one in the country for total number of Boots to Business classes held and total number of attendees. In addition, we participated in the Boots to Business Reboot Program held at the Eisenhower Executive Office Building with 110 attendees comprised of veterans and their families.

In 2015, we are positioned to provide Boots to Business classes at 16 military installations and in the metro D.C. area as well as a Reboot program and monthly one-day intensive business plan bootcamps.

In 2014, Community Business Partnership held 244 training events with 3,430 attendees and provided 1,119 hours of counseling to 413 clients. Veterans make up 11 percent of our training clients and 17 percent of our counseling clients, and we would not be able to achieve these numbers were it not for the many public and private partners that we work with, including local Chambers of Commerce, Economic Development Authorities, Objective Rally Point D.C., and Dog Tag Bakery, just to name a few.

As proud as I am of the numbers representing our support of veteran entrepreneurs, it is actually their successes that really tell the story. Staci Redmon is a third-generation service-disabled veteran. After 20 years of federal service, she started Strategy and Management Services in 2008 to work in the federal contacting arena. Staci was a participant in the first veterans' entrepreneurship mentoring group started by Fairfax SBDC in 2010, was a resident business at the Business Incubation Center at Community Business Partnership. She received training from our Women's Business Center and lending assistance from our Business Finance Center. Through budget cuts, sequestration, and furloughs, SAMS has endured with the support of Community Business Partnership and closed their 2014 fiscal year generating \$13.5 million in revenue and employing 130 individuals.

In 2013, Staci received the Virginia Small Business Veteran of the Year Award from the Virginia SBDC Network, and Staci exemplifies the spirit of that award in service to her country, success in business, and involvement with her community. And, she also embodies the long-term commitment that the SBA resource partners strive for with our clients.

Again, I thank you for the opportunity to testify today and to share our efforts and their successes in veteran entrepreneurship.

[The prepared statement of Mr. McCaffrey follows:]

Testimony of
Charles W. McCaffrey
 Director, Veterans Business Outreach Center
 At Community Business Partnership

Before the
U.S. Senate Committee on Small Business and Entrepreneurship
Empowering Veteran Entrepreneurship
 Thursday, June 25, 2015

I would like to thank the members of the Committee for allowing me this opportunity to testify today and to encourage the Committee's continued support of Veteran Entrepreneurship programs. I am Charles McCaffrey and I am the Director of the Veterans Business Outreach Center at Community Business Partnership in Springfield, Virginia.

I am a Navy Veteran with 20 years of military and government contracting experience. I am also a serial small business owner – first as a partner in an Italian market and deli in State College, Pennsylvania, and more recently as a management consultant here in the metro Washington DC area. When I left military service 10 years ago, my transition consisted of a 2 day class on how to claim Veterans' benefits, how to write a resume and how to tie a double Windsor. I am pleased to see that the Transition Assistance Program has expanded since then, and I am honored to be able to lend my entrepreneurial experience to assisting our transitioning military service men and women.

The organization I represent, Community Business Partnership (CBP), was founded in 1995 and is a non-profit 501(c)3 organization working in collaboration with local, regional and national organizations to promote small business growth in our communities. We are a sponsored program of George Mason University under the Office of Research and Economic Development.

We accomplish our mission through a variety of separately-funded programs including a Small Business Development Center (SBDC), a Women's Business Center (WBC), a Business Finance Center and a Business Incubation Center that provide training and counseling, access to capital, low-cost office and meeting space and networking opportunities geared to meet the needs of today's small business owners. On May 1st of this year, Community Business Partnership was designated as the Veterans Business Outreach Center (VBOC) for the National Capital Region; including Northern Virginia, Washington DC, Maryland, and Puerto Rico and the U.S. Virgin Islands.

Although we only recently received designation as an SBA Resource Partner for Veterans' services, Community Business Partnership has a long history of supporting Veteran entrepreneurship. For the past 10 years, we have coordinated and hosted the Annual Veterans in Business Conference at Army Navy Country Club in Arlington, Virginia. The Veterans in Business Conference provides education, networking and business opportunities for Veteran and Service Disabled Veteran small business owners. What started as a small gathering of 25 Veteran business owners has grown to be the premier Veterans' entrepreneurship conference in the metro Washington DC area – bringing together more than 275 Veteran business owners, federal agency representatives, prime contractors, non-profits and service providers each year. We have been honored to have such small business advocates as Mr. Andre Gudger, Director for the Department of Defense Office of Small Business Programs, Congressman Don Beyer (D-VA 8th District), Congressman Gerald Connelly (D-VA 11th District), Senator Mark Warner (D-

VA) and the Honorable Maria Contreras-Sweet, Administrator of the U.S. Small Business Administration, as our keynote speakers.

In 2012, we were approached by the Transition Assistance Program at Marine Corps Base Henderson Hall to provide entrepreneurship training to transitioning Marines as part of the Department of Defense Entrepreneurship Pathway. At the time, Boots to Business was an unfunded program requirement that involved significant commitment from our limited resources. Having supported socially and economically disadvantaged small business owners for many years, we knew this was a worthwhile initiative and we became part of the pilot program. In 2014, the SBDC at CBP, along with the SBA Washington District Office and its resources partners, ranked number 1 in the country for total number of Boots to Business classes held (34) and total number of attendees (727). In addition, we participated in the Boots to Business REBOOT program held at the Eisenhower Executive Office Building with 110 attendees comprised of Veterans and their spouses and families. In 2015, we (along with other SBA resource partners in the area) are positioned to provide Boots to Business classes on 16 military installations in the metro Washington DC area as well as a REBOOT program and monthly one-day intensive business planning boot camps.

Additionally in 2014, Community Business Partnership held 244 training events with 3,430 attendees and provided 1,119 hours of counseling to 413 clients. Veterans make up 11 percent of our training clients and 17 percent of our counseling clients. We would not be able to achieve these numbers were it not for our many public and private partners including our local Chambers of Commerce and Economic Development Authorities, the VA Center for Veterans Enterprise (CVE), Objective Rally Point DC, the National Veteran-Owned Business Association (NaVOBA), Dog Tag Bakery and the Yellow Ribbon Fund.

And I must thank our many sponsors and volunteers who give graciously of their time, their experience and their funding in support of our Veteran entrepreneurship programs. Corporate sponsors including BAE Systems, Lockheed Martin, Capital One Bank, TD Bank, Quality Support, Inc., and Planate Management Group. And individuals such as Bob LeMay, Bonnie Sanchez, Jason Osser, Michael Mort, Fern Hernberg, Rebecca Geller and Patrick Behan. Just to name a few.

As proud as I am of numbers representing our support of Veteran entrepreneurs, it is their successes that really tells the story.

Staci Redmon is a 3rd generation service-disabled veteran. Her maternal grandfather served in the Army during World War II and her father served in the Army during Vietnam. Her paternal grandfather served in the Merchant Marines. Her daughter served in the Navy, and her son-in-law is currently serving in the Marine Corps.

After 20 plus years of federal service in uniform, as a civil servant, and as an industry contractor, Staci started Strategy and Management Services, Inc. (SAMS) in 2008 with the intent to “exceed expectations with people who make a difference” in the federal contracting arena. Staci was a participant in the first Veteran Entrepreneurship Mentoring Group started by the Fairfax SBDC in 2010, and was a resident business in the Business Incubation Center at Community Business Partnership. At the time, she had just one employee assisting with business development. She received business training from our Women’s Business Center and lending assistance our Business Finance Center. Through budget cuts, sequestration and furloughs, Staci has endured with the support of Community Business Partnership, and closed their 2014 financial year generating more than \$13.5M in revenue with 130 employees.

Every year, SAMS gives back 1 percent of their annual profits to non-profit organizations that support veterans and family members of veterans. They have made donations to organizations such as: Operation Homefront, Veterans Moving Forward and the Lead the Way Fund. SAMS employees also annually participate in the American Cancer Society Relay for Life.

SAMS is a Veterans First hiring company. Employees with prior military service often bring key insight, experience and knowledge of their government customers' needs and requirements, helping them develop better solutions for their most critical challenges. Over 90 percent of SAMS employee staff is Veterans, or family members of Veterans.

Staci has devoted countless hours to coaching, counseling and mentoring emerging Veteran and non-Veteran owned businesses. She never misses an opportunity to meet with entrepreneurs to share her lessons learned and to help others along the way. As SAMS grows, they are always looking for ways to help start-up companies. They frequently team with emerging companies so that as they win work together, they can help the new companies build past performance and put infrastructure in place to grow.

In 2013, Staci received the Virginia Small Business Veteran of the Year Award from the Virginia SBDC Network. Staci exemplifies the spirit of this award in service to her country, success in business and involvement with her community. And she also embodies the long-term commitment that the SBA resource partners strive for with their clients.

Thank you for the opportunity to testify today and to share our efforts and our successes in supporting Veteran entrepreneurship.

Chairman VITTER. Okay. Thank you all very much for being here, for your testimony, both oral and written.

Now, we will go to Senator Hirono.

Senator HIRONO. Thank you, Mr. Chairman.

Thank you all for testifying. What I get from all of your testimony is that we have a number of programs that are specifically targeting veterans, and it appears as though there is quite a lot of collaboration that is already occurring, so that is really good to know.

I was struck by, is it Mr. Daugherty, you mentioned a four-step process which is too often not addressed by the various programs and initiatives that we have to help our veterans. I know you ran out of time. Did you have a suggestion as to how we can better address these four steps?

In fact, one of the steps that I was curious about is the reflective part. Is there counseling, or are they the challenges of opening a business? Is that the point at which that kind of information would be helpful to the veteran?

Mr. DAUGHERTY. Yes. I think——

Senator HIRONO. Could you expand a little bit more?

Mr. DAUGHERTY. I think it is. The important element in the process is that training is a piece of it, reflection is a piece of it, and access to business advisory services to kind of sort through the options and opportunities, and how do you think through it and build a plan that will allow you to be successful?

And, too many of the programs have a piece and do not have that other piece. You are just hoping that occurs. And, what you want is something that is integrated, that provides an opportunity. So, it could be a training program like the one you have developed, but there ought to be a direct connection to your business advisory resources in terms of delivery of that kind of consultative support to the clients. I think it would be very helpful.

Senator HIRONO. You noted that the SBDCs, those are a nationwide SBA small business effort to help small businesses, and I am familiar with a couple of them in Hawaii. The SBDCs, would that be a setting for the kind of more complete support that you are talking about, Mr. Daugherty?

Mr. DAUGHERTY. Well, it exists. It is already out there. They are already serving veterans. And, there are lots of terrific ideas we heard in the first panel. They are really great. But, if you are talking about the application of very scarce federal-level resources, how do you get the best bang for the buck to assure that there is integration?

Sometimes within agencies, you know, there are silos, and I am not——

Senator HIRONO. Yes.

Mr. DAUGHERTY [continuing]. Speaking out of turn.

Senator HIRONO. No.

Mr. DAUGHERTY. You know, you have an office——

Chairman VITTER. You are not shocking us, do not worry.

Mr. DAUGHERTY. No, exactly.

[Laughter.]

So, you have an Office of Small Business Development. You have got a veterans' office. And then you have got this thing called field

operations, which is kind of disconnected from all three of them in terms—so you are really relying in the end at the local level, the goodwill of folks to make it happen as opposed to it being part of a strategic way to think about the delivery of service.

Senator HIRONO. Ms. Carson, would you like to weigh in on how we can create a more integrated way to respond to the needs of the veterans who want to have their own businesses?

Ms. CARSON. Thank you for the opportunity to do so. I think that I could turn to Mr. McCaffrey, as well, and say that one of the—we identified the same problem that Mr. Daugherty has identified, which is a lack of integration and then a difficulty in getting the word out to the veterans who need these resources.

So, the Veteran Business Outreach Center, we just competed 14 of those grants this spring, and the criteria within it included—it was heavily weighted, as well. You must show a partnership. What is your network? What is your knowledge of all the resources that are available to veteran entrepreneurs? And, it was a competitive process.

So, that is in one place where we are showing that we recognize as an agency, a federal agency, that we absolutely do not have all the right ideas, nor the funds to enact them, but we do have partnerships and knowledge, and my office is accountable for knowing what those are across the federal space, connecting at the state level and local levels where it really happens. If I cannot get a local lender to help a veteran entrepreneur get access to capital, then something is not right at the higher levels. So, we are engaging at every level.

And, as Mr. Daugherty said, good will is not enough in all cases. So, we have done things like funding our resource partners to help us deliver Boots to Business across the nation and around the world with the help of the Institute for Veterans and Military Families.

So, I would like to say that we do hear this concern and we are absolutely acting on it to better integrate and optimize what is available for veterans, and I really want the Veteran Business Outreach Centers to be that first point, that triage, if you will, for a vet, that they will not have everything for everyone, but they know enough to transfer them to——

Senator HIRONO. Right now—excuse me. My time is——

Ms. CARSON. Sorry.

Senator HIRONO. Oh, it is up. Do you mind if I——

Chairman VITTER. Go ahead.

Senator HIRONO. A couple more minutes. So, there are only 15 Veterans Business Outreach Centers, so I do not know where these 15 centers are. Do you have one in Hawaii, for example?

Ms. CARSON. No, I do not have one in Hawaii. The Women's Business Development Center out of Chicago does service Hawaii and is already in coordination with the SBA district office there.

Senator HIRONO. Is there an intention to have these outreach centers in every state, or are you working through the VBOCs?

Ms. CARSON. The VBOCs——

Senator HIRONO. I mean—there are all these acronyms. SBDCs. [Laughter.]

SBDCs. I know you have SBDCs in Hawaii.

Ms. CARSON. Currently, we are authorized and appropriated for 15, and that is what we have. So, we make the most of that network by building upon our partnerships that also exist within SBA, the SBDCs, SCORE, and Women's Business Centers to reach every state and territory for our veterans.

Senator HIRONO. So, if I were to contact the SBDC on the big island, for example, which I have visited with, and started talking with them about the veterans business outreach efforts, they would be familiar with all of the resources?

Ms. CARSON. They have been a fantastic partner in our veteran programs and initiatives on their own, and we are integrating them with the Women's Business Development Center in Chicago, which just stood up. It is a recent awardee. So, together, they will service your veterans in Hawaii very well.

Senator HIRONO. I just want to end by thanking all of you, particularly, Dr. Haynie, I really appreciated your commitment to helping the disabled veterans, and all of you, because that may be a very special group of veterans that we ought to provide specialized kinds of resources to, just as I thank you for your acknowledgement that women veterans should have particular programs that are just their needs.

Mr. HAYNIE. You are very welcome.

Senator HIRONO. Thank you very much, Mr. Chairman.

Chairman VITTER. Great. Thank you, and thanks to all of you for your testimony, just like our first panel. This was an important hearing, including because it is not in a vacuum. As I mentioned at the beginning, the committee is working on a bipartisan veterans' entrepreneurship bill. We hope to mark it up next month. We want all of your continued input, so you will certainly get drafts, and please give us all of your input. Mr. Daugherty suggested some, and we want to follow up on all of that. So, thank you very, very much for your work.

With that, this hearing is adjourned.

[Whereupon, at 11:05 a.m., the committee was adjourned.]

APPENDIX MATERIAL SUBMITTED



**Advocating for Veterans and Military Families
Empowering Those Who Support Them**

The Honorable Jeanne Shaheen
Committee on Small Business & Entrepreneurship
United States Senate
428 Russell Senate Office Building
Washington, D.C. 20510

July 10, 2015

Dear Senator Shaheen,

On behalf of ScoutComms, Inc., I am writing to express our support for the Veteran Entrepreneurship Act (S. 957). The bill will make permanent the excellent program enacted last year to offer fee waivers on U.S. Small Business Administration (SBA) loans for military veterans, and will formally require SBA to review and enhance some of its other veteran support programs. This effort, like any effort supporting veteran-owned business, is an important step in increasing veterans' access to capital and supporting overall veteran employment.

ScoutComms is a service disabled, veteran-owned communications, advocacy, and corporate social responsibility firm supporting veterans, military families, and companies that empower them. As a Certified B Corporation, we are committed to solving the social problems facing the military community through business. ScoutComms was launched over four years ago and now supports four full-time employees and two interns. I also co-own Ladyburg LLC, a retail chain, with my spouse, Crystal Wellman.

Last year I was selected as the SBA Richmond District Office's Veteran Business Champion of the Year. As a retired Army officer, multi-business entrepreneur, and advocate for the veteran community, I have deep firsthand knowledge of the challenges of starting a small business as a veteran. One of the most significant challenges for many former service members is funding a business through traditional local means. Multiple relocations, deployments, and other unique aspects of military life mean that veterans often lack the connections and foundation required to access funding.

The SBA has made great strides in supporting veteran business and will benefit from more tools. The Veteran Entrepreneurship Act is a great start in assisting veterans as they embark on entrepreneurial journeys. Veterans make great business leaders, and studies have found that veterans are more likely to hire other veterans. By supporting this initiative and allowing easier access to lending, you are also aiding other veterans in access to employment.

Thank you for your leadership in regards to this important legislation and your support of veterans and their families. I look forward to seeing this legislation become law, and to future efforts to support our veteran and military family business community.

Sincerely,

Frederick P. Wellman,
Lieutenant Colonel, USA (Ret.)
Chief Executive Officer & Founder
ScoutComms



ScoutComms

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Questions from Ranking Member Shaheen:

Question) Does SBA collect any data regarding the proximity of its service branches, including Veterans Business Outreach Centers (VBOC), and the usage rate by veterans? As part of this process was there any effort to determine what the impact of moving this location out of the region would have on accessibility? Are there any other SBA regions that do not have a Veteran Business Outreach Center located within their borders?

SBA Answer) As far as proximity of service branches, including VBOC's, SBA is constantly assessing their outreach. Unfortunately, with only 15 VBOC's nationwide, proximity is an issue in every region in the country. VBOC's work hard to cover their assigned areas and we supplement their reach by utilizing the services of Small Business Development Centers and SBA District Offices to meet the needs of as many Veteran entrepreneurs as possible. We continue to work on ways to leverage our Veterans resources irrespective of location.

Nevertheless, we understand your concerns about the VBOC's location for New England (which is the only VBOC located outside its assigned area) and want to assure you we are continuously assessing how to reach our veterans.

Question) According to the SBA's most recent Congressional Budget Justification, VBOCs trained over 39,000 veterans in fiscal year 2014; however the goal for this fiscal year is only 33,000. Can you explain why the SBA's goal is lower than the number of veterans trained in the previous fiscal year?

SBA Answer) In FY14, SBA's Office of Veterans Business Development (OVBD) began evaluation of existing VBOC data collection and performance metrics in concert with an Agency-wide effort to standardize data definitions and measurement across all SBA resource partners. These definitions include more detail on criteria for counseling, training, jobs created, revenue generated and jobs retained. As OVBD implements the data definitions, data that is not consistent with definitions will no longer be reported, which may result in data indicating a lower total number of veterans trained. OVBD is also working with SBA's Office of Entrepreneurial Development to address situations where multiple resource partners provide services during a single event, such as a veteran entrepreneurship conference or Boots to Business class.

Question from Senator Cory Gardner

Question) Have any contractors currently performing work on the Aurora hospital project received the benefit of veteran-targeted SBA programs? How do the problems currently plaguing the construction project affect those veteran entrepreneurs?

SBA Answer) While SBA does not maintain this specific data, VA's Office of Small & Disadvantaged Business Utilization (OSDBU - <http://www.va.gov/osdbu/about/index.asp>) should be able to provide more information about the prime contractors who have been awarded contracts in connection with the Aurora project. In addition, the VA OSDBU should be

able to provide more information about the prime contracts themselves, including whether they were set-aside for veteran-owned small businesses.

It should be noted that the VA has its own statutory authority for setting aside contracts for service-disabled veteran-owned small businesses (Veterans Benefits Act, 38 U.S.C. 8127-8128), which is separate and distinct from the authority for SBA's Service-Disabled Veteran-Owned (SDVO) Small Business Concern (SBC) Program provided under the Small Business Act (15 U.S.C. 657f). This means that when the VA sets aside a contract for service-disabled veteran-owned small businesses under the authority of the Veterans Benefits Act, SBA's rules governing the SDVO SBC Program (13 C.F.R. 125.8-125.29) do not apply. For example, one of the primary differences between the two programs is whether certification is required. Under the VA's program, a firm must be affirmatively verified as a service-disabled veteran-owned small business and listed in a database maintained by the VA to be eligible for contracting preferences under the Veterans Benefits Act. Under SBA's SDVO SBC Program, a firm may self-certify as to its eligibility for preferences under the Small Business Act.

Furthermore, firms that self-certify as SDVOSBC's under SBA's program are not required to report to SBA on any contracts they receive or problems they encounter. That is handled by the procuring agency.

Question from Senator Joni Ernst

Question) In your testimony, you mentioned veteran entrepreneurs have a wealth of resources, many of which you help broker. One of the biggest challenges veterans face when they leave active duty is understanding which resources to use and navigating the numerous veteran employment and training program throughout the federal government. While I truly support the intent of these programs, all too often, these federal veteran employment programs operate with little oversight to measure their effectiveness or where they may overlap with other programs.

Does SBA work with other agencies to ensure optimization of veteran programs geared toward helping veteran start their own business?

SBA Answer) Yes, the SBA works across agencies through multiple channels to optimize and improve veteran programs geared toward helping veterans start their businesses. Minimizing duplicative efforts are a priority. As one example, we've met one-on-one with leaders from USDA to talk about their veteran initiatives then joined them on a radio show, attended the Farmer Veteran Coalition annual meeting with them and exchanged policy notes and talking points.

Question) If so, what agencies and how do you ensure your efforts are not fragmented or overlap with those that are existing.

SBA Answer) SBA's Office of Veterans Development (OVBD) works with the Departments of Defense, Veterans Affairs, Labor, Treasury, Agriculture, Education and the General Services

Administration on a regular basis. OVBD participates in both formal and informal meetings to stay abreast of proposed or new programs and policies, offer feedback on proposed, new and existing programs and to optimize the agencies' engagement in those programs across government (through outreach to veterans in events or informational mailings, cross-agency links on agency websites, etc). Examples of the formal meetings include the Interagency Task Force on Veterans Small Business Development and the Transition Assistance Program (TAP) governance structure and the Small Business Procurement Advisory Council. Informal meetings and outreach events are routinely held with Department of Labor Veterans Employment Training Service, Department of Veteran Affairs Veterans Benefits Administration, and Department of Defense offices (including Transition to Veteran Program Office and Military Spouse Employment Program)

Question) How do you measure the effectiveness of these programs?

SBA Answer) The program evaluation of Boots to Business focuses on four key metrics, the first three of which are being implemented now: 1) participation in the Introductory TAP course and the follow on "Foundations" eight week course (Output measure); 2) graduation rate from the Foundations course (Outcome measure); 3) Quality feedback from TAP assessment survey (Quality measure); and, 4) Rate and number of business formations from B2B graduates (Outcome measure – Available second half of FY2016). These measures are reported not only through SBA but also through the robust TAP interagency governance process.

Since its launch January 1, 2013 over 30,000 transitioning servicemembers and spouses have benefited from the Introduction to Entrepreneurship course administered through TAP on over 165 installations worldwide the program continues to grow at over 30% per year and will serve approximately 20,000 Servicemembers and spouses annually by FY2017. This course is consistently receives high ratings in feedback assessments administered by DOD. Over 2500 servicemembers have continued on to enroll in the eight-week Foundations of Entrepreneurship course.

SBA is in the process of clearing through the Paperwork Reduction Act process its first survey assessment to measure business formation rates resulting from Boots to Business. It is important to note that the overarching goal of the entire TAP including the Entrepreneurship Track (known as Boots to Business) is successful transitions to civilian life. In many cases Servicemembers who take the course determine business ownership is not the right post-service career vocation or it is not the right time. This is successful outcome that is not captured in business formation.

In the future, SBA also intends to track the B2B as a referral source to other SBA programs and partners. This is contingent on IT infrastructure upgrades and other process improvements to improve the integration of services across the SBA enterprise.

Question) It is my understanding that Iowa veterans are not eligible for the Boots to Business program. Iowa, unlike other states in the country, does not have a major military installation to

host this popular education and training program. However, Iowa has a very large National Guard and veteran presence that is eager to use a program such as this to help leverage what my state is already doing with organization like Home Base Iowa. Has there been discussion about expanding the reach of Boots to Business to help veterans in states like Iowa?

SBA Answer) Boots to Business is offered on active duty military installations across the United States and at numerous overseas locations. Although Iowa does not have any active duty military installations, Iowa veterans (including Guard and Reserve) who transition from active duty to civilian status do have access to the Department of Defense (DoD) Transition Assistance Program of which Boots to Business (B2B) is an elective track. SBA has also launched Boots to Business: Reboot to better serve Guard, Reserve, veterans of all eras, veterans who may have missed the opportunity to access B2B during Transition Assistance Program and military spouses by bringing the B2B curriculum and instructors into communities. Boots to Business Reboot is a public private partnership that provides one or two days of instruction followed by an opportunity to join an 8-week online course led by Syracuse University faculty and select veteran business owners.

On October 26, 2015, Cedar Rapids, Iowa will be the site of a Boots to Business: Reboot program hosted by the SBA's Des Moines District Office.



July 23, 2015

Senator David Vitter (R-LA)
 Chairman, Committee on Small Business and Entrepreneurship
 United States Senate
 Washington, DC 20510-6350

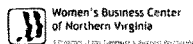
Senator Vitter:

Thank you for the opportunity to appear before the Committee on Small Business and Entrepreneurship on June 25, 2015, and to testify on behalf of the Veteran Business Outreach Center (VBOC) Program. I also appreciate the opportunity to respond to Ranking Member Shaheen's question concerning coordination between the VBOC and the Small Business Development Center (SBDC) network.

QUESTION 1: What does it mean to have the VBOC connected to Virginia's Small Business Development Center (SBDC) network? Can you describe how you leverage the SBDC network to provide services to Veterans through the VBOC?

ANSWER: Prior to assuming duties as the VBOC Director at Community Business Partnership (CBP) I served for two years as the Director of the SBDC at CBP. Our clients represented a myriad of business types (government contracting, service-based businesses, restaurants and retail, etc.) in a variety of phases of business (pre-venture, start-up, growth, maturity and decline). As professional and hardworking as any SBDC staff may be, it is impossible for any single SBA resource partner to provide quality service to every small business in their service area. Partnership amongst the resource partners is essential. At CBP, our Women's Business Center (WBC), SBDC, Business Finance Center (BFC) and Business Incubation Center (BIC) work collectively to support small business owners throughout all phases of business.

Beginning in 2012, we made a determined effort to support Veteran business owners by expanding our annual Veterans in Business Conference beyond government contracting education and networking; by teaching the SBA's Boots to Business program at several local military installations; and by becoming certified counselors for Veterans Administration SD/VOSB verification program. Our limited resources soon became strained supporting this client base – Veterans represent 11 percent of our training clients and 17 percent of our counseling clients. By adding the VBOC to our organization, we are now able to expand the number of Boots to Business classes to more military installations with greater frequency, to add an annual REBOOT program to support the existing local Veteran population and to offer monthly small business boot camps and peer group roundtables to our training and counseling catalog. The SBDC, in turn, can now focus on adding classes and counseling for high growth small businesses.




Each of the 15 VBOCs is tasked to support Veteran business owners in multiple States and territories. With nearly 250,000 service members transitioning annually, proper support can only be accomplished by teaming with the other SBA resource partners (SBDCs, WBCs and SCORE) in their service area. The VBOCs will focus on providing Boots to Business training to every military installation in the U.S. and its territories, as well as local REBOOT programs and Veteran-focused workshops, conferences and Veteran peer group roundtables. We will depend on our fellow resource partners to provide additional training and one-on-one counseling to these business owners based on their specific needs. These services include legal support, financial review and access to capital, human resources expertise, marketing and sales experience, strategic planning and much more.

Finally, although the focus of the VBOCs will be on Veteran entrepreneurial training and counseling, we will invariably be asked questions about other Veteran resources such as VA benefits, employment and use of the GI Bill. The VBOCs will/should build a network of referral resources to support the "whole Veteran" concept. Our SBA resource partners simply do not have the time, staffing, funding or charter to accomplish this mission.

Again, thank you for the opportunity to express my support of our Veteran entrepreneurs and the programs that support their efforts. Please contact me should you have any additional questions or require clarification of any of my testimony.

Very respectfully,



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