TECH TALKS: HOW SBA ENTREPRENEURIAL DE- VELOPMENT PROGRAMS HAVE EVOLVED WITH TECHNOLOGY

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TECH TALKS: HOW SBA ENTREPRENEURIAL DEVELOPMENT PROGRAMS HAVE EVOLVED WITH TECHNOLOGY

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THURSDAY, SEPTEMBER 14, 2017

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
SUBCOMMITTEE ON HEALTH AND TECHNOLOGY,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:00 a.m., in Room 2360, Rayburn House Office Building, Hon. Aumua Amata Coleman Radewagen [chairman of the Subcommittee] presiding.

Present: Representatives Chabot, Radewagen, Marshall, and Evans.

Chairwoman RADEWAGEN. Talofa lava. I call today's Subcommittee on Health and Technology hearing to order.

I would like to thank everyone for joining us today.

Over the last two decades, we have seen technology change and evolve at an exponential rate. As technology has continued to advance, businesses of all sizes have adopted various forms of technology as a way to increase efficiency and decrease costs. And as this reliance on technology has become more prevalent, more and more small businesses have found that an increased use of these technological tools is necessary to allow their businesses to compete and succeed in the market. Now more than ever every company needs a website. Marketing campaigns have moved online. And the ability to accept credit or debit card payments, sometimes right on the spot, can make or break a business's bottom line.

In a recent study, 80 percent of small businesses recognize this increased reliance on technology as a way of allowing their businesses to succeed, but they also reported that they were concerned about being able to afford and keep up with evolving technologies.

Today, we will look at how the Small Business Administration's Entrepreneurial Development programs are serving as a resource to help businesses, small businesses, develop and advance alongside this new technology. The SBA's Entrepreneurial Development programs include the Service Corps of Retired Executives, or SCORE, small business development centers, women's business centers, and veterans business outreach centers. Each of the programs offers training and counseling to both aspiring entrepreneurs and existing small business owners on how to start, grow, and compete in the market.

In order to fulfill this mission, each of these entrepreneurial development programs has adapted its training and counseling pro-

grams to reflect the increased need their small business clients
have for technology-based training and counseling. Given the large
number of training locations and clients these programs serve, this
type of program adjustment is no small task. In total, the entrepre-
neurial development programs have over 1,000 locations across the
United States, including one in my home territory of American
Samoa. They also have collectively trained more than 700,000 cli-
ents and advised or mentored more than 350,000 clients in fiscal
year 2016 alone.

I look forward to hearing from each of our witnesses on the
progress they have made and challenges their programs continue
to face as they adapt their training and counseling curricula.

I now yield to Ranking Member Evans for his opening statement.

Mr. EVANS. Good morning. And thank you, Madam Chair-
person.

The SBA administrates a portfolio of entrepreneurship develop-
ment programs, including Small Business Development Centers,
Women's Business Centers, the Service Corps of Retired Execu-
tives, or SCORE, and Veterans Business Outreach Center pro-
grams. These initiatives provide an aspiring entrepreneur and ex-
isting businesses with invaluable counseling, training and technical
assistance, and mentorship.

Whether it is creating a business plan, navigating the procure-
ment process, marketing a new product, or identifying networking
opportunities, the SBA entrepreneurship development programs
provide an array of services to help small businesses navigate regu-
latory obstacles, grow, thrive. And most importantly, many of these
services are easily accessible online.

Technology has not only changed how we communicate, but also
how businesses conduct it. It should come as no surprise that small
firms are some of the savviest users of technology. They have found
innovative ways to access untapped markets through low-cost voice
and video conferencing. And many small businesses are utilizing
social media to interact with consumers and markets themselves.

The resources they use also change as technology does. The SBA
entrepreneurship development services must be agile enough to
adapt to new technology, but also assist small businesses in their
adoption efforts. While digital outreach and training is just one
piece of that puzzle, it is one of the most important ones.

The SBA programs are key to helping small business owners re-
main competitive in a global market. It is vital that training and
counseling programs reflect the marketing increase reliance on
technology.

All four of the entrepreneurship development programs have al-
ready undertaken efforts to connect to their clients online by offer-
ing distance learning, forums, and personalized online assistance.
Yet challenges remain.

It is critical that as we consider ways to legislatively strengthen
SBA entrepreneurship development programs, we also do it with
technology in mind. We must not just look at the effect of online
knowledge share between resource partners' internally and exter-
nal networks. This Committee should also acknowledge the greater
burdens prohibiting the use of technology by centers.

One such challenge is a broad-based infrastructure that reaches everyone. Without investment in our infrastructure, it is inevitable that small firms in rural areas will fall behind because they lack access to the SBA resources. Poorly connected hurts the economic development programs and the businesses.

We must also look towards the development of a cybersecurity network that protects small employers trying to take advantage of digital communications and markets. It also is to protect the information conducted by economic development centers.

We can no longer afford to be complacent with security. That is why I have cosponsored H.R. 3170, the Small Business Development Center Cyber Training Act of 2017, to provide resources and tactics to assist in planning for cybersecurity and defending against cyber risks and cyber attacks.

Today's hearing will focus on the efforts within each of the SBA programs regarding digital training and outreach. It is also giving us the chance to hear about the challenges they face in developing their network and assisting small businesses adapt to rapidly changing technology.

I look forward to the witnesses' insight and thank you for being here today.

As you know, Madam Chair, I am sitting in for Ranking Member Lawson because of the Florida situation that he is in down there.

Chairwoman RADEWAGEN. And, yes, he is in our thoughts and prayers. Thank you, Mr. Evans.

If committee members have an opening statement prepared, I ask that they be submitted for the record.

I would like to take a moment to explain the timing lights for you. You will each have 5 minutes to deliver your testimony. The light will start out as green. When you have 1 minute remaining, the light will turn yellow. Finally, at the end of your 5 minutes, it will turn red. I ask that you try to adhere to that time limit.

Our first witness is Ms. Marsha Bailey. Ms. Bailey is the founder and CEO of Women's Economic Ventures, a women's business center with locations in Santa Barbara, Santa Maria, and Ventura, California. In addition to her position with Women's Economic Ventures, Ms. Bailey also serves as the chairman of the executive committee at the Association of Women's Business Centers. Thank you for joining us today, Ms. Bailey.

Our next witness is Mr. Scott Daugherty. Mr. Daugherty serves as a state director to the North Carolina Small Business Technology Development Centers, overseeing 14 SBTDC locations throughout the State. Mr. Daugherty also serves as the assistant vice chancellor for extension, engagement, and economic development at North Carolina State University. Thank you, Mr. Daugherty for being here today.

Our next witness is Ms. Bridget Weston Pollack. Ms. Weston Pollack serves as the vice president of marketing and communications for the SCORE Association. With 12 years of marketing experience, including 8 years with the SCORE Association, Ms. Weston Pollack oversees the Association's branding, marketing, public relations, and communications efforts. Thank you for being here, Ms. Weston Pollack.

I now yield to our ranking member for the introduction of the final witness.

Mr. EVANS. Thank you again, Madam Chairperson. It is my pleasure to introduce Mr. Brenton Peacock, the director of the Florida Veterans Business Outreach Center. Mr. Peacock is a business analyst who brings two decades of counseling experience to apply for his responsibility as the veterans business counselor and program director, including extensive marketing experience, well-honed communication skills to assist clients in various areas of business. He was awarded the Regional Consultant of the Year for 2014, recipient of the SBA 2014 VBOC of the year, regional impact CBA, certified business analyst, for the year 2012, CBA of the year 2009.

Since 1990, Mr. Peacock has worked in counseling, education, and instruction for college-level radio television broadcasting at the Gulf Coast Community College and teaches the Boots to Business program at Florida military bases to retiring, separating military members. Mr. Peacock has a Bachelor of Science degree from the School of Communications and Business at Florida State University and is currently a graduate student at the American Military University School of Business. Welcome, Mr. Peacock.

Chairwoman RADEWAGEN. With that, Ms. Bailey, you are recognized for 5 minutes. You may begin.

STATEMENTS OF MARSHA BAILEY, FOUNDER AND CEO, WOMEN'S ECONOMIC VENTURES; SCOTT DAUGHERTY, STATE DIRECTOR, NORTH CAROLINA SMALL BUSINESS TECHNOLOGY DEVELOPMENT CENTERS; BRIDGET WESTON POLLACK, VICE PRESIDENT OF MARKETING AND COMMUNICATIONS, SCORE ASSOCIATION; AND BRENT PEACOCK, DIRECTOR, VETERANS BUSINESS OUTREACH CENTER, GULF COAST STATE COLLEGE

STATEMENT OF MARSHA BAILEY

Ms. BAILEY. Good morning, Chairwoman Radewagen, Ranking Member Evans, and distinguished members of the Subcommittee. My name is Marsha Bailey, and I am the chair of the Association of Women's Business Centers and the founder and CEO of Women's Economic Ventures, or WEV, a women's business center in California.

AWBC supports the network of WBCs by providing mentoring and programming to improve services to women entrepreneurs. In fact, AWBC's annual leadership conference took place this week in Alexandria.

The WBC program is stronger than ever, serving 145,000 entrepreneurs last year, creating 17,000 new businesses and nearly 25,000 jobs. While not the focus of today's testimony, the AWBC is grateful to the Committee for advancing legislation to modernize the WBC program and for your continued support of Federal funding for women entrepreneurs.

WBCs have worked to leverage advances in technology to expand our reach and ensure our entrepreneurs are prepared for a 21st century economy. WBCs view technology from three perspectives: to enhance and promote our services, to educate entrepreneurs on

how to use technology to manage and grow their businesses, and to operate our centers more effectively and efficiently.

I want to stress that despite technology's capacity to provide options for distance learning, our clients overwhelmingly prefer in-person training because of the accountability, the camaraderie, and the support systems that are created in the classroom. And while business counseling can be delivered via Skype, it is more likely to be effective and productive if a relationship is first established between a business adviser and a client in person.

Technology allows our programs to reach those who may not otherwise be able to utilize in-person services. Many WBCs serve large regions, even entire States out of one center. Webinars and distance learning can fill a gap for rural areas where clients may live hundreds of miles away from a center. However, limited access to broadband in rural areas often limits the viability of such programs.

WBCs have come up with some innovative solutions to this problem. The WBC at REI Oklahoma established a mobile computer lab to provide QuickBooks training to clients across the State. Other WBCs have established stationary labs to help socially and economically disadvantaged women entrepreneurs bridge the digital divide.

WBCs use technology to expand our program's reach, but we also teach entrepreneurs how to use technology in their businesses. At WEV we bring subject matter experts into our classrooms to ensure that clients have access to the most up-to-date information, and we revise our curriculum every 2 years to keep up with the rapidly changing technology landscape. We have enhanced our in-person training programs by creating online assignments and tools in forming study and support groups through Facebook. We support and promote clients by posting their business milestones on our own social media pages.

At the national level, AWBC has partnerships with Intuit, Constant Contact, and Mastercard to provide WBCs with free access to software and training content. Technology plays an essential role in WBC operations. CRM programs like Salesforce simplify and streamline data collection and client communication. Nearly half of the WBCs, mine included, use VistaShare's Outcome Tracker, a client database which captures intake and outcomes data. The program enables entrepreneurs to request services and access resources directly through a program portal. Business advisers can enter information into the database to document the services each client receives.

Many WBCs are direct lenders, addressing the gap in women's access to capital. Several of us use online applications and underwriting tools, which give us more time to focus on ensuring that our borrowers are loan ready.

Rapidly changing technology requires small business owners to constantly learn new skills to remain competitive. Women's business centers have often been leaders and innovators in adopting new technology to better serve the entrepreneurs who rely on us.

Virtual access to services, technology training for business owners, and streamlining our administrative systems are three ways the WBC program has evolved with technology. And while tech-

nology provides many avenues to enhance our programs, I must stress that it is our people, their talent, their commitment, and their knowledge that drive the success of our programs and our small businesses. That combination of technology and talent will enable the WBC program to serve the unique needs of women entrepreneurs for years to come.

Thank you for inviting me to testify today, and I would be happy to answer any questions.

Chairwoman RADEWAGEN. Thank you, Ms. Bailey, for your testimony.

And now I would like to welcome Chairman Chabot.

Mr. Daugherty, you are now recognized for 5 minutes.

STATEMENT OF SCOTT DAUGHERTY

Mr. DAUGHERTY. Thank you. I thank the chair and members who are here with us today. I am pleased to be here on behalf of my SBTDC, but also on behalf of our brothers and sisters in the SBDC network nationwide.

The SBTDC was the first T accredited in organized state. There are now a third of the SBDCs that have become T accredited. We work with a whole range of companies from small startups to more mature companies.

It is clear that there are technology adoption trends in this country that are moving at almost light speed. And it is tough for smaller companies to keep up. They have got a lot of concerns. They are concerned about costs. They are concerned about security. They are concerned about, how do we understand this and how does it make our business work.

That is where service providers like the SBDCs and our colleagues can be real important: As the facilitator and communicator to make decision-making a little bit easier for our clients to look at the best options. The big survey out, the four levels of rating in the survey, from basic level of use of technology to very advanced level.

This is a classic example of what a website looks like at a basic level. It is essentially a business card. There is no interactive capability whatsoever. That is fine for somebody to get a telephone number and maybe an email, but it is inadequate. As you go down the chain, for greater utilization of technology in the operations of your business, a couple of things happen. Those are the businesses that are growing faster than everybody else in terms of customer count, sales count, and survivability. It is the pathway for the future for all of our small companies, and they have got to begin to move forward in that area.

The variety of surveys, a couple of really telling points from all the surveys about adoption of technology is, number one, it is driven by customers. It is not driven by the business. You don't make the market; you are responding to it. And that is just very true. And it is not just a millennial phenomena with people hanging out in coffee shops and never getting off their phone and this that and the other. People are much more intensely engaged in utilization of the internet.

So they are driving, and they have expectations that their businesses will be available to online, and that includes being able to

pay online. A very high percentage of people are comfortable paying online for goods and services. There are security concerns now arising, and very publicly because of the Equifax phenomena, which is pretty devastating. So online payments, online lending is becoming a bigger and bigger issue, and it is a concern I would raise with you.

I think the bottom line to it all is that technology is moving at a much more rapidly increasing pace. Costs are coming down, but it does mean that there will be continual change in that marketplace. It is not like my corner restaurant that still has the 1920 cash register that they ring up, it has got brass on it, it is cute, but that is the age we live in now, and all of our businesses are going to have to adapt.

As our SBDC has begun a couple of years ago, we are inquiring at the intake, what are your technology capabilities, what do you have, what have you looked at, what should you be thinking about in the future. And it gives us something to track now with clients over a period of years.

I would also say there are three issues for you to be concerned with. One, we need to make better utilization of these networks to deliver the message required to properly train our business clients on the opportunities and the pathways to successful adoption of technology. Secondly, we need to begin to pay attention to online lending. It is easy, it is simple, it is very expensive. It is not unusual to see 25 percent interest rate over 4 months. And finally, there is just a lot of uncertainty about cybersecurity, and somebody is going to have to take the lead, and I happen to think it might have to be Congress because of the breadth of the issues.

So thank you very much, and I am pleased to be here, and I am happy to answer questions.

Chairwoman RADEWAGEN. Thank you for your testimony, Mr. Daugherty.

Ms. Weston Pollack, you are now recognized for 5 minutes.

STATEMENT OF BRIDGET WESTON POLLACK

Ms. WESTON POLLACK. Good morning, Chairman Radewagen, Congressman Evans, and members of the Small Business Subcommittee on Health and Technology. My name is Bridget Weston Pollack, and I am the vice president of marketing and communications for SCORE. Thank you for the opportunity to offer testimony on how technology is enhancing SCORE.

First, I want to thank you for 53 years of support for SCORE. I also want to thank the United States Small Business Administration for their continued support.

One of SCORE's officially stated values is that clients matter. Our clients' success is our success. We are proud to report that, in fiscal year 2016, SCORE helped its clients to create 54,000 new businesses and add 79,000 new jobs. Technology is a major contributing factor to this success. At SCORE, we have harnessed technology to serve entrepreneurs wherever they are and however they want to be served.

By paying careful attention to the feedback and data collected from these clients and from the volunteers who serve them, we continuously streamline our operations and improve our effectiveness.

SCORE is utilizing technology to better serve and meet the needs of American small business owners. Strategic use of technology ensures that we remain relevant to future clients who expect us to be always open and always on.

I want to tell you what small businesses owners are telling us they need, the true voice of the customer. A survey by SCORE showed that a quarter of small business owners ranked technology advice as most helpful to their business success. SCORE is well positioned to meet these needs with more than 1,300 of our mentors having specific expertise in technology, a wealth of resources on the SCORE website dedicated to this topic, and additional local support from partners like SBDCs and other private sector organizations.

SCORE's web strategy now makes it even easier for our clients to connect with our mentors and resources, meeting them wherever they are and however they want to be served. Our website gives clients the option of browsing our pool of mentors, filtering them by key words, area of expertise, industry, language, and location. These mentor profiles allow clients to select the volunteers whose experience they feel most benefits them.

SCORE has also developed a mentoring widget that provides quick access to SCORE mentoring and services on third-party sites. More than a dozen partners now use this, including the National Urban League, and users can connect with a SCORE mentor without ever having to leave that partner's site.

Our video mentoring program connects volunteers with entrepreneurs in remote locations or whose busy schedules require flexibility using video conferencing technology such as Google Hangouts and Skype. Our data shows that video mentoring clients have the highest level of engagement, rating a 4.3 on a 5-point scale, and that is compared to a 4.15 for our face-to-face mentoring.

SCORE's robust distance learning program reaches audience members who cannot easily attend a local workshop or who prefer to learn virtually. Our live educational workshops average more than 500 attendees each week. Additionally, we offer more than 350 recorded webinars that are available on demand any time on our website. In total, these workshops drew 120,000 attendees last year, and we are on track to surpass that by more than 25 percent this year.

We also produced three virtual conferences during the past year and a half where clients remotely participated in an online environment with the look and feel of an in-person conference. The most recent in June of 2017 drew 3,200 live attendees, and 96.5 percent of those attendees told us the conference helped them.

SCORE used similar technology to host our inaugural volunteer virtual conference with 72 percent of SCORE chapters taking advantage of this training.

Online awareness efforts are critical to fulfilling our mission, and we aim to centralize those for our chapters wherever possible. SCORE now provides websites for each chapter, which has improved chapter website traffic by more than 29 percent this year. SCORE also centralized social media for a third of our chapters, with those participating chapters seeing an 8.9 percent increase in traffic, outperforming nonparticipating chapters.

SCORE has successfully integrated technology into every aspect of our business practices, centralizing and simplifying administrative tasks. A variety of metrics are available to help chapters and volunteers in realtime so they can monitor their performance and serve clients more effectively.

SCORE exists to help entrepreneurs achieve their dreams of small business success, in turn strengthening the American economy through business formation and job creation. Technology enables SCORE to be always open and always on, meeting the needs of our clients today and in the future and serving them when and how they want to be served.

I would be pleased to answer any questions you may have. Thank you again for your attention and for this opportunity to testify.

Chairwoman RADEWAGEN. Thank you, Ms. Weston Pollack, for your testimony.

Mr. Peacock, you are now recognized for 5 minutes.

STATEMENT OF BRENT PEACOCK

Mr. PEACOCK. Good morning. I am Brent Peacock, the director of the Veterans Business Outreach Center at Gulf Coast State College serving the State of Florida, which is one of the largest concentrations of military bases and veterans in the U.S.

The Veterans Business Outreach Centers, or VBOCs, is the Small Business Administration's program that provides business counseling, training, and SBA resource partner referrals to active duty servicemembers, National Guard and Reserve personnel, veterans, and military spouses who are interested in starting or growing a small business.

The SBA funds 20 VBOC centers across the U.S. and in Hawaii. We appreciate Representative Al Lawson's invitation today to introduce you to the VBOC's mission and how we use technology to educate our core clients in the basics and best practices of business ownership and to help them succeed in today's business environment. Please review the collateral I have provided for VBOC impact.

VBOC's primary mission is to conduct entrepreneurial development training dealing specifically with key issues of self-employment, meaning owning and succeeding in a business of their own. Usually, servicemembers meet the VBOC during their transition from military service in a training program called Boots to Business. This is a 2-day training workshop to introduce our target audience, transitioning military, spouses, and veterans, to the idea of entrepreneurship.

Our second core mission is business counseling. Our business counselors and SBA resource partners, including small business development centers, SCORE, and the women's business center, help our clients in assessing their entrepreneurial needs and requirements. We help them validate business concepts through extensive market research, set up a viable business plan to be executed using a variety of online tools and SBA resources, help them prepare loan packages as needed, connect them with outside resources like lenders to launch and grow a successful business of their own in the civilian world.

Research is an essential element of the process, and VBOCs provide more than just industry specific data. Our clients are often high tech warriors. They are familiar with state-of-the-art technology, weapons systems and the like. But what they don't know is how to deploy those skills in a civilian business arena. Their business concept may be what they learned in military service, but oftentimes, servicemembers choose to go into a completely unrelated field turning their swords into proverbial plow shares.

But no matter what their choice, VBOCs are there to guide them through this entrepreneurial maze from understanding the ownership options, direct ownership or a franchise, to understanding who their customers will be, what options they have in organizing and running their businesses, getting funded, and becoming operational and competitive and cash flow positive. This is our mission.

Your interest is in the role technology and online business tools play in today's business arena. For us, it begins with the delivery of training and business counseling. VBOCs, working with other SBA resource partners, can target entrepreneurial training projects and counseling sessions tailored exclusively to address the needs and concerns of the veteran entrepreneur with a wealth of online tools.

VBOCs help our clients identify their plan with feasibility studies, business plan assistance, reviews of financial statements, and assisting with strategic development as with such needs as identifying markets. From franchising to international marketing, from electronic sales with Square and small business recordkeeping like QuickBooks, to the nuances of international trade and government contracting, all of these resources are now online tools we can use every day to help your constituents and our clients.

You know, not long ago, we were limited to face-to-face meetings and hard cover books. But now, thanks to the rapid pace of technology and online learning, we can Skype, use webinars, and employ online resources to help our clients in a day. Technology has made a significant impact on our productivity and effectiveness as a government-funded entity.

The SBA Offices of Veteran Business Development maintain online access to ever-changing materials. For deployed servicemembers who don't have access to military installation, the Department of Defense provides Joint Knowledge Online, or JKO, for continuous career development and joint knowledge readiness for personnel, including combat commands, combat support agencies abroad. Without these, our servicemembers may be left behind.

Websites are also critical no-cost resources for our civilian and military clients. SBA.gov is a website and learning tool with a wealth of information for all aspects of business from start to growth. It is well organized, easy to understand, and it is a learning center with over 50 topics anyone can view as often as they like. Like Vil, who, when she returns home from Afghanistan, will open that coffee shop and bakery, and spouses like Torrance, who are keeping the home fires burning and running a home-based business of their own. Both need online tools like the SBA website and ours, VBOC.org, for resources they need to move ahead, websites every business owner will need to get their business off the ground, from the IRS to domains for the Secretary of State's

offices and local resources. Having them available electronically can help our constituents, and it saves operational costs.

Market research is critical, and assessing feasibility of one's idea and creating a business plan is viable today. The days of pouring over books in the library are long gone. Today's warriors expect access to data from their smartphone and tablets. The days of being tethered to the restraints of libraries and outdated retails are over.

Like many small businesses and government agencies from the local to the Federal, we use technology to manage operations, track activities, and use this data to expand our reach and create our efficacy. Our organization uses an electronic client management system called Neoserra. Through this system, we can track performance and communicate with our clients, as well as allow them to set up their online training.

In VBOC 2.0, the SBA's Office of Veteran Business Development promotes two new online business platforms: LivePlan and GrowthWheel. The goal is to facilitate the flow of information and track the assistance a client can receive from multiple SBA resources. Not only can we counsel the client in realtime, we can share and cocounsel and track clients with our SBA resource partners. For example, if a client was referred by a VBOC to a women's business center, this platform will allow us to track the referral and work together seamlessly to help that client. Then if the same client was referred to a lender and that referral resulted in a loan, we can track that too.

I could continue, but you understand the importance of technology and online communication and how it is essential for elected officials like you and government agencies like ours to embrace it. Information and business now move at the speed of light, and technology that our Nation has helped pioneer and our servicemembers have helped to defend in the past, future, and the present will help us as entrepreneurs and warriors who are converting to entrepreneurs.

I thank you for this opportunity and welcome any questions.

Chairwoman RADEWAGEN. Thank you, Mr. Peacock.

I now recognize myself for 5 minutes of questions.

There is a small business development center located at the American Samoa Community College; however, there are no women's business centers, SCORE chapter locations, or veterans business outreach centers within the territories. How are each of your programs using technology to reach clients who are located in areas without brick and mortar training locations? Ms. Bailey?

Ms. BAILEY. So I will say I believe we did have a women's business center in American Samoa at one point. And I want to say that one of the challenges for some of the women's business centers has been this issue of long-term sustainability, and it is one of the issues that the AWBC is directly addressing through a recent grant we got from JPMorgan Chase where we are studying best practices in organizational management and development in program delivery so that we can help those organizations be more sustainable in the long term. I am not personally familiar with what programs might be available online to clients in American Samoa.

Chairwoman RADEWAGEN. Thank you.

Mr. Daugherty?

Mr. DAUGHERTY. Yes. Thank you. We make very active use of interactive video capabilities. They are in our offices across the State, including in very rural areas of North Carolina. We actually are also finalizing an arrangement with cooperative extension, which in our State has 100 offices, one in each county. Very accessible to utilize the capabilities of that much more fully.

It is mostly used, I might say, not for the internal intake with a client, but for the relationships with specialists on staff in procurement, in technology, commercialization, those kinds of areas, where we have more limited staff, but we can make very good use out of technology to interact with clients.

Chairwoman RADEWAGEN. Ms. Weston Pollack?

Ms. WESTON POLLACK. Thank you for the question. Yes, SCORE does not have a physical presence in American Samoa, but we do feel that a number of our virtual resources can definitely fill a gap in the meantime. We have over 450 video mentors that are available through Google Hangouts and Skype. Thousands of our mentors also use email and phone, so that is another way that we can communicate across the Nation.

With over 10,000 volunteers in this connected network, we do know that we have the ability to bring in our mentors and co-mentor or have a wealth of resources available to serve the people in American Samoa. We also have 350 online workshops that are available, and those have been highly successful. And we do have the thousands of resources on our website to help facilitate those discussions and get the people the answers that they need for whatever their business needs are.

Chairwoman RADEWAGEN. Thank you.

Mr. Peacock?

Mr. PEACOCK. We provide the Boots to Business training to every military base, CONUS and no CONUS. And anywhere that there would be a military base, we have an actual physical presence. We cover Guam and Hawaii, and with technology, they have the access of being able to reach out to SBA websites and other resource partners to get training and consulting. But we would like to have a physical presence to cover every place.

Chairwoman RADEWAGEN. Thank you. And as a followup, what type of marketing strategies are you using to ensure that people in areas without training locations near them know these programs are available?

Ms. BAILEY. You know, I am glad you asked that. That was exactly what my next point was going to be. Many of the organizations have limited marketing budgets. And so if you are trying to provide services in an area where you don't have a physical presence, you lack that kind of word-of-mouth tool that is so important to so many centers.

So many of us do, I think probably all of us use social media for marketing, but we also use, you know, when you have a physical location, especially trying to reach out to small businesses, the kinds of networking, in-person networking kinds of activities that we do are really invaluable to getting into that small business market.

So I think probably, you know, in terms of cost effectiveness, it really is the online kind of marketing, but you have to know to tar-

get a community in order to be successful in that community. And, frankly, a lot of women's business centers just don't have the budgets to do that.

Chairwoman RADEWAGEN. Mr. Daugherty?

Mr. DAUGHERTY. I think there are three primary ways to get reach into the communities. Number one is, we are a 35-year old program, and we have relationships, in-depth relationships in communities, all 100 counties, chambers of commerce, regional economic development organizations. They have our number and email address memorized. They are a great convenor of small groups as we have topics we want to bring to attention. We publish a lot of things that are online and in print copy about issues of importance to small companies. Huge distributions in State business magazines and chamber of commerce publications all across the State. So it is a combination of print, online material, and personalized interaction.

I might say that we have a tier system of counties. You don't want to be a Tier I county in our State. That means you are at the bottom in terms of economics, and regrettably, we have got two dozen of those. Those are high impact priority counties for us. Each center that serves that region better have a lot of clients in those counties, because that is where it really makes a difference, and we track it and score them.

Chairwoman RADEWAGEN. Ms. Weston Pollack?

Ms. WESTON POLLACK. Thank you for the question. I think there are really two main factors to helping get the word out about SCORE and have more people use our services. Online presence is critical. We need to be where our clients and potential clients are, and we do that through social media, through our web presence using a search engine optimization strategy. We have over 5 million visitors to our website, and that increases by at least 10 percent each year by adding content that people are looking for to help their businesses.

We then push that out, of course, through social media, through limited advertising, and we really do focus on geotargeting for areas that we know can most benefit from these resources. Of course, partnerships are important as well. Like my colleagues at this table, we know that in order to reach those people, we need to form these partnerships and have a relationship.

I mentioned our widget in our testimony, and what that does is allows partners to promote SCORE mentoring without having to really lift a finger and get people to mentoring more quickly. We just recently formed a partnership with the U.S. Department of Agriculture to reach rural, you know, entrepreneurs and farmers, and we look for more partnerships like that to spread the word to their audiences and people who can benefit from SCORE services. So we will continue to focus on that.

Chairwoman RADEWAGEN. Mr. Peacock?

Mr. PEACOCK. Well, as you know, veterans can be anywhere. And no matter where they are, we provide services to them and through the use of online media, specifically Facebook, where we do provide content every day. I notice that there are some visitors from the American Samoa islands, as well as everywhere else, that have access to contacting me, if they choose to, or just reading best

practices provided by the SBA or somewhere else where I get content. So that makes me feel better that we are actually reaching out. And if someone were to call me from that particular area, I would help them, and I don't think my leadership would have any trouble with that.

Chairwoman RADEWAGEN. Thank you.

Now I have a question for Ms. Bailey. Nationally, throughout all WBCs, what are the most common training programs offered on technology, and how have these programs benefited WBC clients?

Ms. BAILEY. So I think most of us integrate those programs, you know, into our core training programs. Several WBCs do provide specific training workshops. They tend to be a longer term training. My own program, our CORE training program, is a 14-week, 54-hour business planning program. So there is a large section on technology about the, you know, importance of a website, social media presence, all the things that we have talked about.

For our ongoing consulting program where we work with established businesses, this is continually part of their ongoing training, I would say. The representatives from SCORE stated their survey outcomes about the need for knowledge around technology, and that certainly is a big need. I would say the other biggest need that our clients have is really for continuing education on business finance.

Chairwoman RADEWAGEN. Mr. Daugherty, throughout your testimony, you discuss the importance of small businesses embracing technology in order to remain competitive and succeed in the marketplace. What current training opportunities do SBDCs and SBTDCs offer to small businesses on the various uses and forms of technology they may need to be successful?

Mr. DAUGHERTY. I have got a red light so—what we use is we use partner channels for outreach and educational programs. We are blessed by having a 58-community college system in our State. We have 100 counties, so a few counties are served by the college. They do enormous amounts of continuing education and training, and we have a couple of standard products focused on technology adoption, opportunities, and pitfalls that are routinely offered through those. Those are likely to be offered three or four times per quarter in each of the community colleges. It is a great way to get reach.

And they are really a grassroots community-focused training resource. That is where the local mom-and-pop store is likely to go to get continuing education. They are not going to the university campus. So it gives us really good reach. And we are constantly monitoring with our own clients what is working for them so that we flavor the training opportunity with the experience of the users of the training.

Chairwoman RADEWAGEN. I have got a question for Mr. Brent Peacock. In your testimony, you mentioned that an extensive technological background is common among your clients, as many of them have been trained in complex military systems. What strategies are VBOCs using to translate this knowledge and skill into beneficial business strategies?

Mr. PEACOCK. Thank you. Oftentimes, the technology that they deploy are far more advanced than anything that we are using in

the civilian marketplace. But to be able to help them to understand the need for technology in their business is important and how to kind of adapt that technology to business practices.

One of the things that we find with working with military members, especially those who are newly separating, is trying to slow them down and get them to focus on understanding their market. And that kind of technology or that kind of understanding is based on technology to do research and find out who their customers really are and find out who their competition is.

So as they come to us with great technological expertise, we are very fortunate that they understand systems, that they can do many things in combat that are technical, and so it is not like maybe it was before. You know that you have a technologically advanced clientele, and you try to meet them at that same level by meeting with them and speaking with them in a technologically advanced way.

Chairwoman RADEWAGEN. And, Ms. Weston Pollack, your testimony references the SCORE core values, one of which is experience matters. How has volunteer experience benefited your clients with regard to mentoring on technology-related issues?

Ms. WESTON POLLACK. Thank you for that question. We have over 10,000 volunteers that serve our clients throughout the country, and we are really proud of what we have looked at in terms of our performance and impact on the economy.

One of the ways we measure how our volunteers are impacting our clients is our net promoter score. That measures how happy people are with our services and if they are willing to recommend score. Last year, in fiscal year 2016, SCORE's NPS was 82.26. And just for context sake, 50 is considered excellent and 70 is considered world class. So we see that our volunteers are providing a high-quality service to our clients.

We do have a learning management system for our volunteers. They, like our clients, are interested in continuing education and learning and growing and staying on top of business trends. That system has 23 modules, and our volunteers do take advantage of that to make sure that they stay on top of the technology trend to be able to best inform and advise the clients that they see.

Chairwoman RADEWAGEN. Thank you.

Ms. Bailey, your testimony notes that WBCs usually share best practices related to training and counseling through the AWBC conference once a year. Are there any formal means of information sharing between centers outside of the annual conference? And as a followup, do you believe that formalized information sharing could benefit WBCs by minimizing duplication of efforts?

Ms. BAILEY. Absolutely. I am going to address the second part first. One of the challenges with the WBC program is that every WBC is different. They really evolve to meet the unique needs of their own communities. And so as you can imagine, that makes it difficult to kind of standardize the kinds of trainings. Regardless of that, particularly for our new WBCs or new WBC directors, we find that there is just a real thirst for curriculum, for best practices around organizational management, standard operating procedures, board development, fundraising, all of those issues that are really critical to running a sustainable center.

So we do have—we have a monthly newsletter in which we highlight best practices. And then we have, on our website, we have a resource area where we have, for instance, forms and documents and procedures that are free to our members to download. So, yeah, that is a critical part. And one of the things we are trying to accomplish through the grant that we have from JPMorgan Chase is a way to better share and replicate some of those best practices.

Chairwoman RADEWAGEN. Okay. And, Mr. Daugherty, as the State director of the North Carolina SBTDC system, you oversee multiple training locations throughout the State. How are best practices or successful training strategies shared within your State? And as a followup, beyond the North Carolina SBTDC system, what type of information-sharing strategies do you use to work with other SBDCs?

Mr. DAUGHERTY. Our SBTDC is a pretty integrated system. We are highly interactive. We have two to three major training activities a year for all professional staff. We have a professional development committee that monitors programs that have worked well from one recent center to another and recommend adoption of those and deployment throughout our system.

I think a good example of cross-sharing of ideas among States is that we have a very active group of States in the southeast. The State directors and associates meet twice a year. It is not complaining about Washington. It is not complaining about our host. It is entirely focused on how do we do our job better? Who has got a great program? Who has got a great way of reaching clients and having an impact? And that has resulted in a lot of transfer of programmatic ideas from one State to the other.

We have also looked at that as a platform for training of our own staffs regionally, certified economic development finance professional courses, very intense. You need to have multiple States in order to get a big enough class. That is a good example of pulling together regionally a group, and it has worked really well in terms of just cross-fertilization on a day-to-day basis with your colleagues.

Chairwoman RADEWAGEN. Thank you.

Ms. Weston Pollack, the SCORE Association's administrative use of technology is quite extensive. Your testimony lists the use of metrics collection software, a learning management system, and client relationship management software, amongst others. How has SCORE found these forms of technology beneficial both administratively and to clients?

Ms. WESTON POLLACK. Well, thank you for the question. They are tremendously beneficial. One, it allows us to gather more feedback and data than we ever have before. Several years ago, we did make the decision to be data driven, and we knew that we needed to learn more from our clients to better serve them and help them have a better experience. So as we gather that data, we are able to be more nimble and agile and serve them, again, wherever they are and however they would like to be served.

When we see that there is something in the data that is telling us they may not be as happy with our service, we can address it very quickly. As opposed to waiting and, you know, maybe hearing about it on Facebook or something like that, we can address it

right away, and that is one of the great things of having this reporting.

Our reporting can also dig down to the individual volunteer level, so we can see how engaged a volunteer is, how engaged they are with each of their clients, and then gather best practices from those mentors that are performing and help those who may need some extra training. And we do regularly use those to make sure that we are continuously improving our operations.

Chairwoman RADEWAGEN. Thank you.

Mr. Peacock, you spoke briefly about SBA's Office of Veterans Business Development Initiative, VBOC 2.0, which allows for increased flow of information between VBOCs and the other SBA ED programs to track client referrals. How is this system expected to work? Will all ED programs be required to participate? And what challenges, if any, do you anticipate with the implementation of this program, given its size and scope? And how are VBOCs actively working to mitigate these issues in advance?

Mr. PEACOCK. We think that there really shouldn't be any problems. What it is going to allow us to do is to provide best practices with all of our resource partners and to allow sharing.

One thing about VBOCs is we are centrally located. I cover the entire State of Florida. But if there is an SBDC in Orlando and a client is trying to buy a restaurant or something, the best practice is to find counseling that is local, because the best counseling is local. So maybe the SBDC or women's business center SCORE chapter might know of a realtor or a banker or somebody who knows local rules and laws, so we can refer to them and that way we can track all that together. As our main drive is to be there at the boots on the ground when that veteran is separating, to teach the Boots to Business program and also to share some of the counseling duties with our resource partner network and not to create something that is already being done, but to be able to share best practices with the other VBOCs and the other resource partners statewide.

And the new platforms that we are introducing will allow that type of co-counseling, which I think is going to be really beneficial to tracking and keeping up with and assisting that client in the best way. And we have to remember, it really is all about that veteran, that military spouse, that active duty servicemember who wants to exit military service and be as productive in civilian life as he or she was in the military service. So by bringing in all the other resource partners, we are really helping them. And I think that is the key to what we are doing, and I think my colleagues will agree.

Chairwoman RADEWAGEN. Okay. Thank you.

Ms. Bailey, you discussed the importance of AWBC or WBC partnerships with outside companies such as Intuit or Mastercard as a critical way of adopting technology into training curricula. What does the process of establishing a partnership like this look like? And are these partnerships common among WBCs nationwide?

Ms. BAILEY. So the partnerships that AWBC has created benefit all of our WBCs. So, for instance, with Intuit, they provide our WBCs with free licenses for QuickBooks and the training cur-

riculum so that they can train their clients how to use QuickBooks. So it is a great benefit to all of the WBCs.

Mastercard created webinars called Master Your Card. So it helps our clients, especially retail clients who need to look at how to accept credit cards, how to negotiate, you know, the best deals with merchant services and things to really kind of understand that whole process and the importance of it accepting credit.

Constant Contact, again, they provide free email, bulk email services to all of our WBCs so that they can send out up to 10,000 free emails every month. So this is really important for the newsletters that each of our centers do on their own, as well as the other kinds of, you know, communications and program content that each center uses.

So we are always looking for relationships that we can negotiate on behalf of all the WBCs, because as you can imagine, many WBCs don't have access to those resources, you know, in their area. So as the AWBC, if we can do that on their behalf, then that is a benefit to all. Some of them can also use some of those products, the value of some of those products to make some of their in kind match.

Chairwoman RADEWAGEN. Mr. Daugherty, America's SBDC administers the peer-based national accreditation program for SBDCs on behalf of the Small Business Administration. Is there any aspect of this accreditation process that requires SBDCs to use technology administratively or to offer technological training to its clients?

Mr. DAUGHERTY. Good question. Thank you. The accreditation process is an incredibly rich opportunity for SBDCs to continuously improve their operations. That is really the intent. National standards, expectations with respect to type and quality of services that are provided. And it is a peer-driven process, so you go through review every 5 years with multiple team members looking at your operations against a set of standards. So it is not just coming in and saying, I don't like that, I do like this. But there are standards.

What that process does is it oftentimes unearths really unique, interesting initiatives being tried in one State that need to be replicated in other States. And those get communicated first among the accreditation committee, which is quite a large number of States that participate. And it gives our association opportunities then to communicate about some of the rich findings that are unique in the accreditation review process. And it is a talking point for State directors. We are committed to that process, and the best way to benefit from it is learn from what other people are doing and adopt, steal, replicate programmatic activities. That is the American way.

Chairwoman RADEWAGEN. Thank you.

Ms. Weston Pollack, the SCORE Association website offers access to numerous live and recorded webinars in addition to 50 courses on demand. What is the benefit to offering these online training opportunities? And what did the process of developing this digital training infrastructure look like?

Ms. WESTON POLLACK. Thank you for that question. You know, it took us years to develop this, but I really do feel we have a high quality, best practice webinar program in place today. When

we started in 2012, we were seeing only a few hundred attendees. And as I mentioned in my testimony, we now see over 120,000 attendees who take advantage of these webinars.

Some of the benefits to the clients are that many people today prefer to learn virtually. They are busy, especially business owners. They can't necessarily leave their business and attend a 3-hour workshop, but they can sit there at 1 a.m., when their brains are going, and take advantage of an on-demand webinar about a specific topic that they are interested in. So we do make sure that we cover all of those topics that they tell us they need. We survey after each webinar to ask them what other topics they would want, and then continue to hone our curriculum based on that feedback.

We use mentors who have that expertise to deliver some of that content. We also have corporate partners in areas like Intuit or Mastercard that have expertise in those areas, and we ask them to be guest presenters. And then, of course, we use that as a program to cross-sell our mentoring services. And I am pleased to say that 28 percent of the people in general who attend a webinar then go and seek a mentor.

So we really do see it as something to reach them, get them to start thinking about whatever it is to help their business, and then to go seek out a SCORE mentor or another person who can help them in their business.

We share them out through email. We promote them on social media, and we do leverage our relationship with the SBA to promote our webinars as well to get this great reach. And, again, I am really pleased that those who do take advantage of our webinars are highly engaged. We do an annual survey, as I mentioned, and our mentoring clients see 4.15 to 4.3 engagement, and our webinar numbers are pretty high up there as well.

Chairwoman RADEWAGEN. And, Mr. Peacock, what are some examples of ways in which VBOCs have used webinars or a combination of online resources, in Skype or email, to successfully reach clients that are not geographically located near a center?

Mr. PEACOCK. Thank you. We are allowed to use Skype or telephone or other technology to spend hours talking with clients. We have clients who are interested in government contracting, for instance, and I have a colleague who has an expertise basis in that. And I have seen him spend hours on either Skype or telephone just explaining the process of how to register in the system for award management, who to see, who not to see, how to identify your NAICS codes, and all these kinds of things like this. And he will be doing it for half a day. And that person might be in Tampa. And yet what they learn is as valuable as if they were sitting right in their office.

I used to say a lot of times when I would go out and do workshops, you know, don't have to come and see me. Those days are over. I am not that much to look at, and our coffee is pretty good, but it is not worth your time to drive up there. I will spend the entire day on the phone with you, if that is what you need, or Skype, or through a series of emails back and forth. Oftentimes, I will have an opening telephone or Skype conversation to kind of introduce what they are looking for and how we can help them, and then I will give them an assignment. Email, this is what I want

to you do before the 15th of next month. You know, let's say that they are buying a retail space, identify the price of it, have a business valuation done, and contact these three lenders. And then I will call you back.

The next month. Okay. You have done that, let's start looking at what you have to do to be operational. Get up with the Department of Commerce, or whatever you need to do, to get the certifications and step them through. And after a while they will go, you know what, I am running a business. And it is kind of funny, because it is done in such incremental steps that you don't notice it. And it is the old take a bite of the elephant, one bite at a time, if you like eating elephants. And that is the best way to do it. One bite at a time so it is not so overwhelming.

And one thing with veterans and military people is they do have the tendency to charge and take the hill right now. And often I would say, whoa, buddy, you can't do this by Thursday. This is going to take months. This is going to take some time. And I am going to help you. And as time goes by, as I said, they realize, we did it. And my response is, no, sir. You did it. I am glad I was there to help.

Chairwoman RADEWAGEN. Okay. Well, I would like to thank each of the witnesses for being here today and for the great work you do for our country's developing small businesses.

It is clear that the SBAs entrepreneurial development programs are making great strides towards adapting their training and counseling programs to reflect small businesses' increased reliance on technology.

This Committee recognizes the challenges that each of your programs face and applauds your continued efforts to offer your clients with the resources they need to be successful.

Now I ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

Without objection, so ordered. We are adjourned.

[Whereupon, at 11:09 a.m., the subcommittee was adjourned.]

A S S O C I A T I O N   O F
WOMEN'S BUSINESS CENTERS

Testimony of

Marsha Bailey

**on behalf of the
Association of Women's Business Centers**

to the

U.S. House of Representatives Small Business
Subcommittee on Health and Technology:

*Tech Talks: How SBA Entrepreneurial Development
Programs Have Evolved with Technology*

September 14, 2017

Testimony of Marsha Bailey: *Tech Talks: How SBA Entrepreneurial Development Programs Have Evolved with Technology*

Good morning. Chairwoman Radewagen, Ranking Member Lawson, and distinguished Members of the Subcommittee, thank you for the opportunity to testify before you today. My name is Marsha Bailey, and I am Chair of the Association of Women's Business Centers as well as the founder, president and CEO of Women's Economic Ventures, a women's business center located in California.

The Association of Women's Business Centers (AWBC) supports the national network of Women's Business Centers (WBCs) like mine by providing mentoring, programming, and advocacy with the goal of improving services to women entrepreneurs. It is fortunate we hold this hearing today as AWBC is currently convening its 2017 Leadership Conference here in Washington—an annual opportunity to share best practices and strengthen the WBC program.

As you know, the WBC program is a public-private partnership with more than 25 years of success in providing training, counseling, mentoring, and access to capital to women entrepreneurs across the country. Our network reaches into communities—urban and rural alike—to assist America's job creators in launching and growing their own businesses.

Centers like Women's Economic Ventures (WEV) are focused on being an effective and efficient resource for one of the fastest growing sectors of the economy. The program's collective efforts leave an enormous footprint of successful business owners and job creators. In fiscal year 2016, our centers reached more than 145,000 clients and conducted over 93,000 hours of counseling and over 15,000 training sessions in over 35 languages. This translated into more than 17,000 new businesses.[1] In 2015, the most recent data available, WBCs assisted with nearly $429 million in private capital infusion and last year helped to secure nearly $40 million in government contracts for women-owned businesses, ultimately creating nearly 25,000 jobs.[2]

While not the focus of today's testimony, AWBC and center directors across the country applaud this Committee for advancing legislation modernizing the WBC program and for your continued support of federal funding for women entrepreneurs.

Today's topic is a timely one. As technology has proliferated over the decades, WBCs have worked to leverage these advancements to expand our reach and ensure our entrepreneurs are prepared for a 21st century economy. In that sense, the dedicated staff at WBCs view technology in three ways: we use technology to enhance our

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[1] Fiscal year 2016 data provided to AWBC on request by SBA and to be formally published in the FY18 Budget Justification to Congress. Language details found in SBA OED 2015 Report, p. 36 (see footnote 2).

[2] US Small Business Administration. *Office of Entrepreneurial Development 2015 Year in Review,* p. 39. Available online at https://www.sba.gov/sites/default/files/resources_articles/2015_OED_Year_In_Review.pdf. Hereafter SBA OED 2015 Report. Federal contracting data provided by SBA via Entrepreneurial Development Management Information System (EDMIS).

trainings and reach into the community, we educate entrepreneurs on how to leverage technology in conjunction with their business plans, and finally, we use technology administratively to operate more efficiently and collect client data to measure our impact and effectiveness.

I will use the rest of my time today to talk about how some of our centers across the country have used evolving technology to the benefit of entrepreneurs. I cannot overstate, however, the importance of in-person, people-to-people interactions in the context of training and counseling. We have found that clients overwhelmingly prefer in-person training because of the accountability, camaraderie, and support systems that are created in the classroom. In one of WEV's own programs, Thrive in Five, we ensure that consulting begins in-person to establish a relationship that will be critical to an open dialogue about strengthening the business.

Nonetheless, advancements in technology have allowed our training and counseling programs to evolve and to reach those that may not otherwise be able to utilize our in-person services. Given the limitations in the size of the program due to funding constraints, some clients of WBCs lie several hundred miles away from their nearest women's business center. This is where technology such as webinars allow us to provide our services to many more individuals than in the past. Technology allowing for distance-learning fills a gap in needs in rural areas in particular, where in-person services are simply not an option. Consulting clients who meet with a business advisor regularly through WEV's long-term Thrive in Five program, may use tools such as Skype to meet with their advisor once the relationship has been established. Some WBCs have established computer labs, both stationary and mobile, which are particularly important for rural areas where access to broadband is not always available. One example of this is REI Women's Business Center in Oklahoma, which uses a mobile computer laboratory to provide QuickBooks training to clients across the state.

Not only do WBCs use technology to reach rural clients and for teaching and training purposes, but we also spend a good amount of time teaching the use of technology to our clients. A basic example is WEV's partnership with other local adult education and job training programs to help clients improve their computer skills. There are so many tools out there to help small business owners and it is the job of WBCs to bring those to the attention of local entrepreneurs and to help train them in the use of those tools.

WEV uses a proprietary curriculum for our business training program which is revised every two years. We continue to update training content related to technology, e.g. the critical importance of having a website, social media presence, online sales (when relevant) and payment systems, point of sales and customer relationship management tools. Our consulting program for existing businesses requires clients to use a bookkeeping system such as QuickBooks so that financial reports can be reviewed regularly by business advisors.

Many WBCs, use off-the-shelf products such as LivePlan online business planning software, DreamBuilder, CoreFour, Kauffman

FastTrac, and FDIC's MoneySmart curriculum. WEV is considering Palo Alto software's LivePlan as a complement to our curriculum and commercial products are updated regularly to reflect the latest advancements in technology.

Notably, WBC clients represent a broad socio-economic spectrum. Some of them don't have computers at home or email addresses. A few years ago, WEV required all clients to have email addresses and we integrated assignments into our curriculum that required participants to go online to complete assignments. We have also created online study/support groups through Facebook. We use our own Facebook account to promote client business openings, milestones, and events.

At the national level, AWBC has a partnership with Intuit, which provides access to QuickBooks training and software through WBCs. Similarly, AWBC partnered with email service Constant Contact, which provides free bulk email services to WBCs. AWBC also has a partnership with MasterCard to help provide business owners with the knowledge to choose and negotiate the best technology options for accepting credit cards through their "Master Your Card" webinar series.

Both through our association and at individual centers like my own, these partnerships are critical ways to adopt the latest technology into our curricula. Our adoption of technology is also critical for center operations. Technology allows us to minimize administrative requirements and focus energy on training and counseling. Moreover, data collection has been simplified allowing the WBC program to quantify its impact more accurately than ever.

Despite all the new technologies to support our internal requirements, the paperwork burden on individual centers is needlessly exacerbated. AWBC hopes to work with this Committee to identify and eliminate unnecessary administrative requirements that limit the ability of centers like mine to focus on entrepreneurs.

The advent of the internet, email, and cell phones more than a decade ago ensured that all businesses would need to change. I am proud to say that WBCs have adopted new technology for the betterment of the entrepreneurs that rely on us. The use of virtual access to centers, the training of technology to benefit business owners, and the internal modernization of our administrative systems are three ways the WBC program has evolved with technology.

While these elements are important to the program's past and future success, I must stress that the driver of our impact is our people. The dedicated and knowledgeable staff at centers across the country have assisted business and job creation in innumerable ways. Women's Economic Ventures and our national advocate, the Association of Women's Business Centers, are confident that our continued embrace of technology in conjunction with our collective commitment to serve entrepreneurs will keep the program thriving for years to come.

Thank you again for the opportunity to testify today, I am pleased to answer any of your questions.

Testimony of Scott R. Daugherty, Assistant Vice Chancellor and Executive Director
of the North Carolina Small Business and Technology Development Center
Before the US House Small Business Committee, Subcommittee on Health & Technology
Thursday, September 14, 2017
10:00am

It is my pleasure to be with you today. I'm Scott Daugherty, the Assistant Vice Chancellor for Economic Development at NC State University and the State Director of the North Carolina SBTDC. I'm here on behalf of the Association of Small Business Development Centers (ASBDC) as a member and former Chairman of the Board. I'm also here in my SBTDC capacity, as State Director of the North Carolina Small Business & Technology Development Center.

The ASBDC, as you may know, is a membership based organization representing the 63 SBDCs funded by the SBA in collaboration with state and local partners. It advocates on behalf of the Small Business Administration's SBDC program. It also administers the broadly recognized and highly regarded peer based national accreditation program for SBDCs on behalf of the SBA.

The North Carolina SBTDC was launched as an inter-institutional program of the 16 campus University of North Carolina System in 1984. It was the first "T" focused SBDC in the country and has played a leadership and training role for other SBDCs seeking "T" accreditation. The SBTDC has 16 offices across the state staffed by 75 full-time professionals and supported by over 300 graduate and professional students and senior undergraduates each year.

Today, I'd like to talk about what SBDCs are doing to help small businesses adopt technology to support their businesses. I'll talk first about what we know about technology adoption trends and benefits. Then, I'll discuss what we see as the technologies that are necessary for broader adoption by small businesses. Finally, I'll close with comments on a few major challenges and concerns that result from increasing areas of technology.

Small Business Technology Adoption Trends

A survey of over 2,000 small businesses, commissioned by Google and conducted by Deloitte (2017), indicates that there are growth and employment dividends associated with higher levels of digital engagement, regardless of size or age of business, industry or geography.

Considering companies with 250 employees or less, they identified four levels of digital engagement and provided estimates of the number of companies associated with that level.

- **Basic Level**: (20% of surveyed small businesses). Companies use only basic tools such as an email address with no website or social media presence.
- **Intermediate Level**: (30% of surveyed small businesses). Companies have a simple website that uses basic online marketing tools, online directories, or a third party marketplace.
- **High Level**: (30% of surveyed small businesses). These businesses will have a more advanced website that might include mobile or e-commerce capabilities and will be engaged with multiple social media options and online marketing channels.
- **Advanced Level**: (20% of surveyed small businesses). These companies have sophisticated digital tools such as data analytics and mobile apps.

Figure 1: Representative characteristics of US small businesses at each level of digital engagement

Basic	Intermediate	High	Advanced
• Business only has a business email address • Marketing activity focused on traditional advertising methods (e.g. post) • No business website or social media presence • Unlikely to use digital tools for internal purposes.	• Business with a simple website with no e-commerce or booking capabilities • May be listed on online directories or third party marketplace platforms • Limited social media presence • Makes use of basic online marketing tools (e.g. email advertising)	• Business has an advanced website, e.g. one that is mobile-responsive or has e-commerce capabilities • Engaged through multiple different social media channels • Greater use of online marketing methods (e.g. webpage ad banners, social media advertising) • Utilizes digital tools internally, such as video conferencing or cloud software	• Business uses data from its website to analyze customer trends and inform business decisions • More likely to have a mobile app to enable customer engagement • Uses sophisticated online marketing tools such as search engine strategies and video advertising

Source: Deloitte Access Economics (2017)

According to this research, there are measurable growth and employment dividends associated with each engagement level. When comparing the 20% at basic level of digital engagement to the 20% considered advanced, they found that "advanced" firms achieved the following.

- Earned **2 times as much revenue per employee**.
- Experienced **revenue growth** over the previous year that was nearly **4 times** as high.
- Almost **3 times as likely to be creating jobs** over the previous year.
- An average **employment growth rate that was more than 6 times as high**
- Were **3 times as likely to have exported**

It is not surprising to find that digital adoption and engagement drive incremental revenues for the SMEs given the rise of the millennial and over-all, digital-savvy consumer. It has also been noted that there is a causal effect: Higher levels of revenue growth may be achieved through digital engagement based upon consumer demand. This may fuel additional growth based on time and resource savings.

Collins, G., O'Mahoney, J., & Ma, S. (2017). *Connected small businesses US.* Deloitte. Available from: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-connected-small-businesses.pdf

In another survey conducted by Wakefield Research of 509 US small business owners, it was revealed that business owners embrace new trends such as the use of cloud-based technologies and the mobile, remote workforce. Even so, in this survey, commissioned by Brother, a maker of office and printer supplies, it was found that 58 percent of small businesses require employees to be present in the office.

However, in this article published **in June 2016, survey respondents (21%) indicated that they would be spending the biggest portions of their IT budgets on cloud-based file sync and share technologies. An additional 28% will spend IT funds on the purchase on mobile devices to accommodate mobile workers.**

This survey indicates the pragmatism of SMEs who are willing to embrace new technologies while maintaining use of the tried and true including printers, faxes, scanners and copiers.

Chaney, P. (2016). *Small businesses adopt new technology but rely on tried-and-true, survey says.* Small Business Trends. Available from: https://smallbiztrends.com/2016/06/technology-adoption-survey.html

Customers are driving the demand for digital interactions. Among recent Microsoft survey respondents, an equal number wanted in-person and digital experiences including website, email and social media. As companies move toward digital engagement, clients become accustomed to the fast response and it becomes an expectation. Of those who responded to this survey, 85% say it is important to respond in a timely manner.

Regardless of generation, seventy-three percent of customers feel it is important to be able to access information about their business interactions online.

Safety and security are imperative as customers increase their comfort levels with sharing personal information. While they prefer to share their information, customers want their information protected. More than half of respondents would be unlikely to do business again with a company that had been a victim of a data breach.

The bottom line is that technology can set your business apart from the competition.

Microsoft (2016). *Survey reveals customers crave digital experiences.* Available at: https://blogs.business.microsoft.com/en-us/2016/12/07/survey-reveals-customers-crave-digital-experiences/

Millennials
Another recent article in Entrepreneur magazine had some interesting and relevant findings. The magazine article emphasizes the top trends for small business. Because millennials were born in the digital age, technology adoption is an expectation for the business they are dealing with. Their expectation is that there will be a 24/7 interaction between brands and their customers. They are also more in tune with work-life balance, social responsibility and business quality and ethics. They have a preference for on-line meetings and webinars, workflow optimization, and project management programs.

Web presence
Internet based technology provides a tremendous benefit to start-ups, but also provides valuable solutions for small businesses in every industry. In fact, the Independent We Stand Campaign reports that 97 percent of Internet users conduct online research on products and services prior to purchase. Even so, nearly half of small business owner's websites are not accessible via mobile and Hibu reports that 45 percent of small businesses don't have a website at all.

Ecommerce
Ecommerce and online storefronts, drive buyers to websites and mobile commerce (or mcommerce) as well as social ecommerce are becoming the most used platforms for researching and purchasing goods and services.

The author predicted that mobile payments in the US alone would generate $142 billion in 2016.

EMV payment security

EMV or "Europay, MasterCard and Visa" is vital to business security in the years ahead. There is an expectation that the security of the small business and their customers will be the top priority. In fact several articles indicate that hacking and cybersecurity are among the most-cited fears of small business owners whether because of the potential damage to their reputations or the financial repercussions they may face.

On-line lending

Many on-line lenders award funding exclusively to small-business startups. This innovative trend is driven by simplicity and convenience as well as speed of delivery of capital and higher levels of customer service.

Business intelligence (BI)

BI software gathers disparate data and translates it into information that a business can use to improve their business. Once solely the purview of large, mega-businesses, simplified solutions are now available for SMEs.

Toren, A. (02 February, 2016). *The top 6 small-business trends on the rise*. Entrepreneur. Available from: https://www.entrepreneur.com/article/270045#

A Huffington Post article reiterates key points also noted in the previous article, citing the technologies most necessary for adoption include:

- The SME business must go mobile. Not only does the website need to accessible from a mobile device, but the customer must also be able to order from their mobile device. In March 2015, when this article was updated, 93 percent of small-business websites did not work on mobile devices.
- In 2013, 15 percent of users paid by phone for something they purchased. Customers want to pay via mobile, and even though the industry is very fragmented, this activity will continue to expand.
- Invest in the best cybersecurity you can afford. Even though most of the data breached in 2013 were directed at the largest companies, the most popular type of attack—point of sale instruction—is one that could also affect small business.
- Being social is no longer simply being friendly on the phone and at the checkout lane. Being social in the age of the millennial will require the SME to meet them where they are located...on Facebook, Twitter, Instagram, LinkedIn and more. Making these sites work for the small business takes times. Many SMEs would benefit from a person who can handle these communications.
- Big Data is for smaller users too.

Sheinbaum, S. (2015). *Technology 2015: 5 things that every small business needs*. HuffPost. Available from: http://www.huffingtonpost.com/stephen-sheinbaum/technology-2015-5-things-b_6458062.html

Another recent study was conducted to investigate the challenges of individual entrepreneurs and small high-growth companies regarding barriers they face. While eleven barriers were identified, those pertaining to technology issues include the following:

- Technology diffusion and adoption: technology diffusion and adoption is more difficult for small business
- New technology implementation is expensive. New equipment costs are a barrier to entry.
- Legal uncertainty: Technology innovations often have associated uncertainty and even potential legal challenges.

This study looked at which factors relate to a successful IT implementation in small businesses, where the adoption rate is traditionally low and the failure rate is high. As indicated in the previous articles, customers appear to be the main drivers for IT adoption. However, five factors are responsible for successful implementation: organization, internal IT resources, external IT resources, supplier and customer relations.

Anonymous. (2015). *Report identifies barriers to the growth of small innovative companies*. Washington: The Small Business Advocate. 34.3 (mar/Apr 2015). Available from: https://search-progquest-com.prox.lib.ncsu.edu/entrepreneurship/printviewfile?accountid=12725

It is not always clear whether companies see new IT as an opportunity or threat. Small business adoption of sophisticated technologies is low, despite the causal successes. Factors that include the decision to adopt include cost benefits, management innovativeness, perception, knowledge, skills, and employee attitudes. It has even been suggested that management's comfort level with technology will heavily influence the successful adoption and implementation. Generally, most difficulties are attributed to a lack of resources (financial, technical, and managerial) that are available to small businesses (Bhagwat and Sharma, 2007).

Other Initiatives for Entrepreneurs and SME business Owners

A recent literature search of the ProQuest Entrepreneurship Database, using a variety of search terms such as "challenges", "technology adoption", "small business owners" and "SMEs", for US companies between 2010 and 2017 elicited more than 1,700 journal articles.

A cursory review of the articles indicated there are some common and general business concerns including some old favorites:
- Times are good for small business.
- The biggest challenge for even the most credit-worthy small business is obtaining financing.
- Succession planning; including retirement planning, sale of business planning, and execution of leadership changes or additions for a growing business are often addressed as concerns for SMEs.
- Human Resource Issues. Planning for growth, managing the myriad of laws and regulations, and navigating benefits, especially health insurance. They long for ways to use technology to manage these processes because they are concerned about compliance with government regulations.
- According to the 2017 State of Small Business Report, small businesses say improving existing customer experience and retention is their top strategy for revenue growth. Recent statistics indicate that only about 25 percent use CRM software, while 40 percent would like improve existing customer experiences and retention.
- They are concerned about technology and security issues including cyberattacks.

- Many SMEs do not have the training, resources or funding to implement technologies that can grow their business, manage and reduce the costs of their processes, or prevent hacks and cyberattacks.
- Fifty percent of SMEs think that the government does not do enough to support small business.

Nguyen, T., Newby, M., & Macaulay, M. (2015). *Information technology adoption in small business: Confirmation of a proposed framework.* Journal of Small Business Management: 53(1), pp. 207-227. Doi: 10.1111/jsbm.12058

Concerns and Recommendations

From our literature review and from our own (and colleagues') direct, extensive client experiences and their challenges, we have several suggestions to pose to the Committee with respect to enhanced small business adoption of online technologies.

First, clearly, there will be a continuing increase in small business adoption of online tools, resources and products to support customer outreach and improved business operations. Much of this will be driven by vendor outreach and engagement with small firms. This is to be expected in our market economy. However, what's also needed is a better informed small business community. This is an area of opportunity for SBA through its lead outreach organization; the SBDCs, to play an increased and more purposeful role in helping small businesses assess their online needs and use technology to help attract and retain customers.

With modest incremental funding support from SBA a national counseling and training outreach initiative could be developed and carried out nationwide through the SBDCS. This would be aimed specifically to assist small companies in the adoption of the key online technologies needed to enhance their business' web presence and support customer growth and retention.

A second area of attention for SBA and its resource partners is for a much more robust small business cybersecurity support initiative aimed, again, specifically at small to mid-sized firms. The recent Equifax debacle makes it abundantly clear that companies large and small are vulnerable. What's needed is a well thought out national training and counseling initiative developed and rolled out through the SBDCs and other SBA resourcing partners to better help small businesses prepare and protect their data.

A final area that warrants some attention by Congress is in the rapidly emerging online business financing being provided through fintech firms. These firms offer financing online with minimal documentation and apparently modest upfront interest rates which rapidly increase as the term of the loan is extended. These firms are particularly attractive to "the online user generation"; but they carry a hefty price tag. This is an area worthy of some further review.

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FOR THE LIFE OF YOUR BUSINESS

Statement to the
Committee on Small Business
United States House of Representatives
Subcommittee on Health and Technology
September 14, 2017

Bridget Weston Pollack
Vice President of Marketing and Communications
SCORE Association

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Chairwoman Aumua Amata Coleman Radewagen, Ranking Member Lawson, and members of the Small Business Subcommittee on Health and Technology, my name is Bridget Weston Pollack and I am the Vice President of Marketing and Communications for SCORE. Thank you for the opportunity to offer testimony updating the subcommittee on how technology is enhancing the United States Small Business Administration (SBA) entrepreneurial development programs, including SCORE, at this hearing, entitled "Tech Talks: How SBA Entrepreneurial Development Programs Have Evolved with Technology." Thank you as well to the SBA for their continued support.

First and foremost, I wish to thank the committee for 53 years of support for SCORE, which directly benefits the small businesses owners that SCORE volunteers serve in their local communities.

Several years ago, SCORE began rooting all of our decisions and strategy in facts and data, and we appreciate the chance to use that data to show how we leverage appropriate forms of technology to serve our clients and volunteers with greater efficiency and effectiveness.

ABOUT SCORE: MISSION, VISION AND VALUES

SCORE is the nation's largest network of volunteer, expert business mentors, with more than 10,000 volunteers across 300 chapters offering free and confidential advice, and free or low-cost educational workshops to current and aspiring small business owners.

A nonprofit resource partner of the SBA, SCORE was founded in 1964 by a group of retired executives, then known as the Service Corps of Retired Executives. In the 1970s, SCORE expanded its services beyond business mentoring, to offer workshops and seminars on a variety of topics related to small business. In 1996, SCORE began to provide small business advice via email through its website. Today, more than 10 million entrepreneurs have been mentored by SCORE or attended SCORE workshops.

SCORE's mission is to foster vibrant small business communities through mentoring and education, and we envision every person having the support necessary to thrive as a small business owner.

SCORE has a strong set of core values, which we define as:
- Clients Matter: Our clients' success is our success.

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- Small Business Matters: Small business is the engine of our national economy through business formation, job creation and wealth building. Small businesses are critical to vibrant communities in our society.
- Giving Back Matters: We give volunteers, stakeholders and sponsors the ability to give back to communities through their support of SCORE. Successful small business owners understand the importance of giving back to their communities.
- Volunteers Matter: SCORE is comprised of volunteer business people helping small business people solve business problems. Volunteers give freely of their time, energy and knowledge to help others.
- Experience Matters: The truest measure of our mission and our service is ensuring that our clients have a positive experience. A volunteer's experience also matters, as their relevant knowledge, wisdom and experience serve our clients through mentoring and education. Finally, the volunteer experience with SCORE matters, and we ensure that volunteers find value and satisfaction while engaged with SCORE.
- Relationships Matter: In relationships, we act with integrity, respect, honesty, purpose, and professionalism. We listen with an open mind, encourage and openly communicate with all people seeking help from SCORE. Personal, long-term relationships are a driver of small business success. Community alliances are critical to the success of SCORE.
- Diversity Matters: We believe in the importance, value and power of diversity – diversity of people and diversity of thought. The diversity of race, gender, ethnicity, geography and experience is important and valuable in SCORE. We strive to achieve diversity of our volunteer corps, staff, board and clients.
- Lifelong Learning Matters: We believe that small business owners who are lifetime learners adapt to change more readily and are more successful. Volunteers who are lifelong learners remain active, and achieve personal satisfaction and growth.

SCORE's IMPACT ON AMERICAN SMALL BUSINESSES

In FY2016, SCORE helped its clients to create 54,072 new businesses and add 78,691 new, non-owner jobs to the American economy. The number of jobs created rises to 130,000 when including contractor jobs in our calculations.

SCORE's services help keep our clients in business. 96% of SCORE's 2016 clients who were in operation for more than one year when they came to SCORE remain in business, while 84% of clients who started or acquired a business while receiving services from SCORE stayed in business. SCORE also helped to grow revenue in 64% of its small business mentoring clients.

SCORE remains the most efficient and effective business formation and job creation engine funded by the federal government. Our cost to create a job is estimated at $133.43, while the cost to create a business is just $194.35. This efficiency in creating jobs and businesses provides a tremendous return on all federal dollars invested, and, in fact, makes money for the American taxpayer.

- In FY2016 alone, SCORE clients returned an estimated $45.75 in new tax revenue to the federal treasury for every $1 appropriated to SCORE. This efficiency far exceeds the

return on investment generated by any other job creation initiative or business creation initiative funded by the federal government.

- SCORE maximizes every dollar received from the federal government, because our 10,000+ mentors and field organizers are all volunteers, with just 25 full-time, paid staff members. These volunteer mentors, many of them small business owners themselves, operate 300 chapters across the U.S.

Other examples of SCORE's powerful impact on American small businesses include:

- In FY2016 SCORE provided 541,526 total chapter services through mentoring, workshops and educational programming, nearly a 9% growth from the previous fiscal year.
- 142,610 unique clients received SCORE mentoring services in FY2016, representing an 11.4% growth in total mentoring sessions.
- SCORE volunteers donated 2.17 million hours to mentoring clients, planning and executing educational workshops, and running their local chapters.

AIDING CLIENTS WITH THEIR TECHNOLOGY NEEDS

Advances in technology allow small businesses to compete more effectively with larger corporations; however, the time and resources it takes to keep up with the constant changes can be daunting to business owners. In 2016, a SCORE study assessing client needs, conducted by third-party vendor Sitewire, revealed that more than a quarter of small businesses owners and startups ranked technology as the area of advice that would be most helpful to their business success. This data helps SCORE prepare and provide the best advice, education and resources to help our clients make the right decisions for the success of their businesses.

Today, SCORE has more than 1,300 mentors who are technology experts in various sub-fields of technology, with more than 450 of these mentors available for virtual mentoring. Because SCORE has this connected network, we have the ability to serve all clients and assist them with their technology questions, no matter where they are located. Furthermore, many SCORE chapters partner with other organizations to provide technology-rich guidance in exactly the area of specialty they need. These partnerships include the Small Business Development Centers, various universities and community colleges, and even small tech companies in local communities.

In addition to technology-focused mentoring, SCORE regularly develops and shares the best and most current technology resources and educational materials via our website and distribution channels, which will be addressed in greater detail later in this testimony. Whatever the channel, SCORE is committed to connecting each client we serve with the most helpful resources for their small business.

USING TECHNOLOGY TO MEASURE SUCCESS

Throughout SCORE's 53 years of operations, our central guiding principle of client satisfaction has remained unchanged. Over the past eight years, SCORE has been able to determine our rate

SCORE ///

of client satisfaction through data-driven, technological measures that focus on service (outputs), as well as quality and impact (outcomes). At the foundation are three key goals and programs: 1) Service Quality Improvement 2) Client Relationship Management and 3) Economic Impact Measurement.

SCORE continues to shift from defining itself as a "volunteer service organization" to a "business organization led by volunteers." It strives to manage chapter operations like a business, and focuses on quality service metrics, including client engagement and Net Promoter Scores (NPS). NPS measures client satisfaction based on the quality of the client-mentor relationship, and willingness to recommend SCORE. The survey is issued electronically after a client's first and fourth mentoring sessions. The results are used to identify and promote best mentoring practices.

Net Promoter Scores indicate that the vast majority of clients are very willing to recommend SCORE services to others. In FY2016, SCORE's NPS climbed to a new all-time high of 82.26, a 1.86% increase from FY2015. FY2017 data is not yet complete, but the number to date already exceeds that score, at 84.14. To provide context, an NPS score of 50 and above is considered excellent, while 70 and above is considered "world class." Zappos has an NPS score of 57, while Southwest Airlines scores in the 60s, and Apple leads the way with 89.[1]

Performance Data: CORE Reporting Metrics

SCORE's intranet, called CORE, helps SCORE to run its business activities more effectively and efficiently in a variety of important ways. In utilizing technological solutions to centralize and simplify administrative tasks, chapters are able to devote more time and focus to serving clients and providing educational services.

Under the direction of the field operations team, a variety of management data and current metrics are collected and made available to chapters and individual volunteers in the Performance Data section of CORE, so that they can accurately understand their performance, make better-informed decisions and serve clients more effectively. This reporting begins at the national level, and narrows down to both the chapter level and individual volunteer level.

Specific reports include:
- Dashboard Report: Allows volunteers to evaluate the performance metrics and client satisfaction rates of their chapters and districts according to the number of unique clients, historic session and workshop data, client return rates and volunteer demographics and certifications.
- Client Impact Survey Data: SCORE's annual measure of customer satisfaction, also available to volunteers in the Performance Data section of CORE, where the data can be sorted according to individual district, chapter and state.
- NPS Scores: Volunteers can access their own personal, up-to-date NPS scores, which measure client satisfaction, while Chapter Chairs can access NPS scores for their chapter members.

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[1] https://npsbenchmarks.com/companies

SCORE *//*

- Volunteer Engagement Survey data: Measures volunteer engagement and satisfaction, both across SCORE nationwide, and at the local chapter level.
- Local workshop reporting: Measures attendance and attendee satisfaction, including a national ranking in comparison to other SCORE chapters.
- Management Information System (MIS) Reports: Provide up-to-date information on total services (both mentoring and workshops) and can also be viewed at the individual level in less than 4 clicks.

TECHNOLOGY AND CLIENT-FACING DISTANCE LEARNING

Believing that we must meet clients "where they are" and provide services when it is most convenient to them, SCORE has developed a comprehensive distance learning program that features webinars, virtual conferences and video mentoring.

Live Webinars & On-Demand Training

The SCORE national office provides ongoing workshops in both live webinar formats and on-demand training housed on the www.score.org website. At least once a week on average, SCORE hosts live webinars in conjunction with SCORE volunteers, sponsors and outside subject matter experts. Designed to complement local workshops provided by SCORE chapters, these webinars cover areas that lack robust workshop programs and reach audience members who cannot easily attend a local workshop or prefer to learn virtually.

Clients attended 119,957 online workshop sessions in FY2016. Of these, 82,422 sessions were accessed through the online archives of more than 460 past workshops, while 30,223 attendees watched 55 webinars live. On average, 28% of those attendees went on to request mentoring services from SCORE. 65 webinars were planned for FY2017, with 41,527 attendees attending the 60 live webinars that have already been held to date.

97.3% of the FY2017 webinar attendees who responded to post-webinar surveys answered affirmatively when asked if the webinar helped them.

National Small Business Week Webinars

For the second year in a row, SCORE was proud to host a series of daily live educational webinars as part of the U.S. Small Business Administration's 2017 National Small Business Week. 21,195 people registered for a webinar, with 7,152 attending live. Topics ranged from small business finance to technology and human resources for small businesses.

Other special programming that SCORE participated in during National Small Business Week included moderation of the Social Media Tips Panel during the kick-off event at the U.S. Institute of Peace and a Twitter chat, described in more detail later in this report.

SCORE

Virtual Conferences

SCORE's Virtual Conference series allows individuals in any geographic location to remotely participate in an online environment that offers the look and feel of an in-person conference event. Combining the educational elements of a conference with the networking and interactive features of a trade show, virtual conferences allow participants to listen to keynote speakers, visit virtual booths to download materials, meet sponsors and mentors, and ask questions and connect with each other via a live-chat feature. Sessions are also recorded and available on demand after the conference.

This series has had three events to date, all sponsored by Verisign. The inaugural Power up Your Small Biz Virtual Conference on May 26, 2016 drew 1,366 unique attendees. The average length of stay in the virtual environment was 4 hours and 10 minutes. The second virtual conference, held on October 27, 2016 on the subject of technology and cybersecurity, drew 1,297 live attendees.

The third virtual conference, held in June 2017, drew 3,200 live attendees (more than double the attendees at our previous two conferences, respectively), out of 9,770 total registrations. These even greater results can be attributed to continuous improvement from the first two conferences, including better use of technology to leverage the full capabilities of the platform, and more refined online marketing strategies. The average attendee visited three sessions, spending at least two hours online with us, for a total of 7,770 unique online workshop views in one day. We also recorded more than 10,000 downloads of the take-home resources available.

Client feedback on the virtual conference series has been almost uniformly positive. 96.55% of post-event survey respondents agreed that the June 2017 conference helped them, while 98.4% of survey respondents said the conferences in May and October of 2016 helped them.

Specific comments from June 2017 conference attendees included:

"This format was awesome. I can't say enough about how the information has been relevant, the speakers very knowledgeable and the use of technology makes everything easy to access."

"SCORE has pulled together great companies that provided valuable information. It was informative and I will use the information I gained to take my business to the next level."

"I've heard about SCORE but never realized just how much information you have and the amount of training. I'm just so impressed."

"Unbelievable source of free useful, practical, up-do-date information!"

Video Mentoring

SCORE has measured its mentoring impact on small businesses for the past eight years. During that time, data has shown that any mentoring increases the likelihood of client success, but has also shown that mentoring in a personal, face-to-face setting drives higher client engagement than mentoring that occurs over email, phone or for those who attend a webinar.

SCORE ///

With the increased availability of video communication, SCORE enlisted the support of the Ewing Marion Kauffman Foundation to develop a video mentoring program and measure its impact on client and volunteer engagement.

The program was designed to expand the reach of SCORE mentoring by serving entrepreneurs who live in remote locations or whose busy schedules require flexibility in attending mentoring sessions outside of normal chapter operational hours. Mentors and clients connected virtually using video chat software such as Google Hangouts, Skype and TeamViewer, with SCORE hypothesizing that such technology would provide the same positive impact as a face-to-face mentoring session, but at greater convenience to our clients.

Video mentoring was promoted to new clients via SCORE email marketing initiatives, SCORE webinars, community partnerships and social media marketing. A three-part Facebook advertising campaign implementing both geo-targeting and reach and frequency tactics ran, on and off, from June to November 2016 and produced 3,580,761 impressions, generating 1,082 program sign-ups.

From May to December 2016, SCORE received 2,554 total video mentoring requests.

Data shows that video mentoring is a more engaging service than any other channel in which SCORE serves clients. Clients reported the highest level of engagement through Client Impact Survey results of 4.30 on a 5-point scale (compared to 4.15 for face-to-face mentoring). NPS scores for mentors from the video mentoring pilot group measured 90.5 on a 100-point scale, compared to an organizational average of 82.

Busy clients appreciated the flexibility and convenience of meeting with their mentors remotely, and the face-to-face nature of the video connection preserved the strength of the mentor-client connection. Clients participating in video mentoring reported higher engagement than other types of mentoring clients, including a control group of clients who received face-to-face mentoring, and a control for mentor variability (with quality defined by NPS score).

One satisfied video mentoring client reported: "I heard of SCORE years ago, but never requested a mentor until about a month ago when I saw a Facebook ad promoting [SCORE's] virtual mentoring availability. I'm already running around like a crazy person, trying to grow my business, so knowing that I didn't have to drive across town to another office and had more flexible options available (not to mention I'm a Millennial, so I love using technology to my advantage), I immediately requested a Mentor after seeing the ad."

Consistent with their clients, SCORE mentors who participated in video mentoring also reported a higher degree of engagement than they did during face-to-face mentoring sessions. This was true for volunteers who were digitally savvy prior to the program, as well as for those who were not digital natives.

The outcomes of the video mentoring project are now the bases of strategic SCORE expansion, including the incorporation of video mentoring training in SCORE's volunteer training and onboarding and the recruitment of more volunteers willing and able to provide service via video.

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Mentoring Widget

In an effort to reach and serve the widest possible audience of small business owners, SCORE created a mentoring widget that lives on our organizational partners' websites. This allows users on these partner sites to request a SCORE mentor without leaving the original site. More than a dozen partners have installed the widget code, including the National Urban League, Her Agenda, Support Warrior Project, the Georgia African-American Chamber of Commerce, and the Association of Immigrant Business Owners. As a result, the score.org national website has seen a correlated increase in referral traffic. The widget also helps to present SCORE branding and services to new audiences without placing any kind of administrative burden on our partner organizations.

TECHNOLOGY AND VOLUNTEER MENTOR LEARNING

Lifelong learning is one of SCORE's officially stated, institutionally-held values, as well as a practical expectation for our volunteer base. We believe that continuous learning drives continuous improvement, which, in turn, drives mentor effectiveness. In this spirit, SCORE volunteers undergo continuing education and training to stay current on industry news and trends, and to continually build on their business knowledge and mentoring skills.

Volunteer learning can take the form of chapter training days and seminars, chapter roundtable forums, webinars, podcasts, courses, reading and independent research.

SLATE Mentoring Methodology

Each year all SCORE volunteers are required to reaffirm their commitment to SCORE's Mentoring Methodology, represented by the acronym SLATE. This online training is mandatory for all active volunteer mentors, and is monitored by SCORE. SLATE stands for:

- Stop and Suspend Judgment
- Listen and Learn
- Assess and Analyze
- Test Ideas and Teach with Tools
- Expectation Setting and Encouraging the Dream

As mentors take the extra time to listen to and counsel their clients using SLATE methodology, they understand each business's unique needs and challenges, resulting in a transformational relationship, as opposed to a merely transactional relationship.

Code of Ethics

Conversations between SCORE mentors and their clients are strictly confidential, with all mentors signing a Code of Ethics and Conduct that addresses the protection of each client's information and business ideas. Each year, all volunteers are also required to read, understand and agree to the Code of Ethics through mandatory online training in the CORE Learning Management System.

As of FY2016, all new volunteers are also required to undergo seven mandatory onboarding modules that introduce SCORE's mission, vision and values. 12,381 volunteers have completed the Code of Ethics training course since its initiation in June 2015, with 2,513 volunteers having completed the course thus far in FY2017.

SCORE monitors the progress and ensures the completion of all new and annual Code of Ethics courses for volunteers.

Learning Management System (LMS)

SCORE's online Learning Management System (LMS) houses volunteer training modules, instructional videos and continuing education materials. The LMS allows SCORE to orchestrate and track course administration and completion, from one standalone training module up to an entire educational track. Once a course or track has been completed, the resulting certifications and/or badges then show up in their volunteer profile in CORE.

The "SCORE Training" of the LMS contains 23 educational modules and accompanying discussion guides. Seven of these are aimed at strengthening the mentoring skills of volunteers, with the ultimate goal of providing stronger service to clients.

The Mentoring Skills modules are:
- Powerful Listening and Questioning
- Facilitation Skills
- Respecting Diversity
- Understanding Generational Divides
- Understanding Communication Styles
- Empathy in Practice
- Tools for Connecting with Clients

Although these modules are relatively new (created between April 2016 and April 2017), 2,648 training sessions have been completed, with more than 1,000 volunteers taking advantage of the training so far.

Volunteer Virtual Conference

As part of the "Lifelong Learning Matters" program, the inaugural Volunteer Virtual Conference was held on March 2, 2017, with nearly 1,000 volunteers attending live educational webinars or accessing the recorded sessions afterwards. Some SCORE chapters held viewing parties to watch the presentations together and facilitate additional discussions.

Special topics included optimizing monthly chapter meetings, developing chapter education and training days, onboarding new volunteers and recruiting subject matter expert mentors.

72% of SCORE chapters (216 total) participated in the live volunteer virtual conference, with 640 unique visitors to the platform, and another 200 participating in groups. Later, the number of viewers exceeded 1,000, as volunteers accessed the conference on-demand.

94.5% of volunteers answered "yes" to the post-event survey question: "Was the conference helpful?" Selected feedback included:
- "Opportunity to learn from others and enjoy the virtual classroom. Thank you." - Irene Dec, Palm Beach SCORE
- "I feel much more confident sending my clients to the SCORE website in search of information. I love how our clients can choose the formats for learning: attend a local seminar, listen to programs that have been recorded, listen to podcasts, read blogs, etc. I feel SCORE has clearly moved into the 21st century of lifelong learning for both the mentors and the clients. I am proud to be a mentor." - Dan Martin, Greater Seattle SCORE

National Leadership Conference App

Each year, more than 400 SCORE mentors playing a key role in chapter, district or regional leadership gather for a national networking and training conference. This National Leadership Conference offers updates from the SCORE national office and training on best practices in mentoring from SCORE staff and keynote speakers. It also creates the opportunity to build a network of SCORE leaders with whom to share experience, resources and discussion of how to overcome challenges.

New this year, the 2017 SCORE National Leadership Convention was enhanced by the Crowd Compass app, powered by Cvent. The app served a number of functions that enriched the conference experience for volunteers. Through the app, attendees were able to view the full conference agenda and interactive map of the conference space, familiarize themselves with speakers and exhibitors, download the presentation slides and accompanying documents and resources, network via virtual business cards and a social media wall, and complete post-presentation survey evaluations. 572 users logged in for a total of 27,900 session views, and users rated the app 4.68 on a 5-point scale.

NATIONAL AND CHAPTER WEBSITES

The score.org national website and individual chapter websites serve clients by offering educational resources such as webinars, workshops, customizable templates and tools, and access to mentoring services.

SCORE.org National Website

The national website at score.org was fully redesigned and launched in June of 2016 with improved design and better functionality for SCORE's audience of current and prospective small business owners. The new website has increased the rate at which clients visiting the website then request a service (either mentoring or a workshop) through improved website design and search capabilities. The website's main navigation prioritizes SCORE's core services (mentoring

and workshops) and provides clearer direction to site visitors utilizing those services. Built-in mobile responsiveness greatly improves the user experience across mobile devices, and enhanced Search Engine Optimization (SEO) capabilities that make it easier for clients to find and access website resources. Educational content on the website is chosen based on the topics and trends that matter to clients, as determined by client feedback on individual articles, resources and post-webinar surveys

In FY2017 thus far, the score.org website has received 5,390,000 site visits from 3,271,017 unique visitors, with 14,928,579 page views with more than one-third of those taking place on a mobile device. All three of these metrics represent major growth compared to website data for FY2016 (prior to the site redesign), when the site received 4,573,943 visits from 2,982,519 unique visitors, for a total of 11,462,312 page views.

8.78% of those website visitors took advantage of a SCORE service, such as mentoring or a workshop. This is markedly higher than the commonly-accepted nonprofit benchmark of 2.04%[2].

Mentoring Profiles

In an effort to connect even more clients with exactly the right mentor, the mentoring pages of score.org were redesigned in 2016, including the mentoring landing page, the mentoring search and request pages, and the mentor profile pages.

Instead of matching mentors and clients by geographic location, as in the case of face-to-face and email mentoring requests, the new mentor profile pages also give clients the option of browsing the nationwide pool of mentors, and the ability to filter their matches according to area of expertise, industry, language spoken, or preferred method of communication. In doing so, the pages make it clearer to the clients how each mentor's background and experience can directly benefit them.

The mentors' profile pages themselves feature a short biography of each mentor that highlights their professional experience, educational background, areas and industries of expertise, a photo, and connected resources and information, including their own clients' success stories or authored webpages. A direct link between these mentor profiles and SCORE's client success stories ensures that each mentor's associated client success stories, also featured on score.org, are automatically displayed on his/her mentor profile.

Currently there are 2,259 live profiles on score.org, and SCORE's long-term goal is to feature every mentor in the online profiles. We believe this is a worthwhile investment based on widespread client demand for this initiative, with our data suggesting that in FY2018, 1,250 clients per month will select a mentor based on a particular volunteer profile.

CORE Calendar

The CORE Calendar provides a centralized scheduling function for mentors and chapter administrators to schedule and manage client appointments. It also includes a feature that allows

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[2] http://hi.blackbaud.com/luminate/2013-luminate-online-benchmark-report.pdf

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clients to schedule mentoring appointments for themselves using a calendar of mentor availability. The scheduling function automatically sends email confirmations of scheduled appointments to the clients and mentors involved, as well as reminder notifications.

Chapter Website Standardization

Believing that our websites present a powerful first impression on both current and prospective clients and volunteers, SCORE redesigned its chapter websites in conjunction with the score.org national website upgrade in July 2016. These website templates create a consistent aesthetic that strengthens brand consistency and complements the national website. All chapter websites have benefited from enhanced SEO, mobile optimization, and search capabilities that better direct clients and volunteers toward the resources they need.

While still maintaining brand consistency, the websites also allow for greater customization at the local level, speaking directly to the needs of local markets. This customization is accomplished via editable content bands, built-in social media sharing icons, a blog, and email newsletter signup functions. Working with other technology partners has also made it easier for chapters to share and promote their local workshops. A Constant Contact workshop Application Programming Interface provides a direct import of chapter workshop data to both the chapter website and the national website, expanding their reach and attracting more clients. The chapter websites are uniquely connected to the national website at score.org, allowing chapters to automatically share national online workshops and resources if they choose, and enabling easier site maintenance.

Google Analytics site tracking information reveals a 29.58% growth in the number of users, an 18.94% growth in the number of page views, and a 13.47% growth in the number of site sessions, when comparing the time period of February 9, 2017–August 31, 2017 to February 9, 2016–August 31, 2016.

In FY2017 year to date, the chapter websites served 2,474,889 visitors over 1,207,303 sessions, with a recorded 4,094,345 page views.

The positive growth in this data demonstrates how the chapter websites have performed better based on this improved functionality, helping more clients to sign up for mentoring and workshops, and helping more volunteers to sign up to be mentors.

TECHNOLOGY AND MARKETING

National Social Media Marketing

SCORE builds awareness of its services through earned and organic media outreach, public service announcements, and online marketing, including search engine optimization and social media. By meeting our audiences in these digital spaces, SCORE remains top of mind and connected with current and prospective clients and volunteers.

Media coverage of SCORE shows a potential exposure of 12.6 billion readers or viewers in FY2016, with an average of 922 media mentions of SCORE per month.

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SCORE connects with small business owners across several social media channels, including Facebook, Twitter, LinkedIn, YouTube, Google+ and Instagram.

- SCORE's Facebook page has more than 45,000 likes and earned 927,461 impressions per month in FY2016, with and an average of 17,497 engagements per month.
- SCORE's Twitter account has more than 39,000 followers, earning a total of 2,668,400 impressions in FY2016, with a potential reach of 25,437,237 from retweets and a potential reach of 64,732,915 from mentions.
- SCORE's YouTube channel has amassed 512,326 total views.

SCORE has also been testing the effectiveness of online advertising to reach new audiences. This year, SCORE produced the fourth American Small Business Championship, sponsored by Sam's Club. SCORE's marketing department was able to increase applications to the Championship by more than 300%, for a total of 1,566 applicants. 67% of this traffic increase can be attributed to Facebook advertising. The entire application and promotional process was completed online, allowing us to reach audiences across the country at the highest possible value for each dollar spent.

Media outreach from the national press release announcing the Championship, the national press release announcing the state-level winners, and local pitching of the state-level winners' success stories in the media and on Twitter produced 289,089,370 impressions, each of them representing a touch point for someone to learn about, or hear more about SCORE.

Twitter Chats

Throughout FY2017, SCORE participated in seven different Twitter chats in collaboration with the SBA partners and other small business influencers, producing a total of 184,722 total impressions. During National Small Business Week, SCORE hosted a Twitter chat that brought together thousands of audience members for a discussion of best tips and practices for small businesses, producing a total of 26,686 impressions for SCORE's tweets.

Email Marketing

SCORE National cross-promotes its mentoring and educational offerings through a strategic email marketing approach. We issue between one and three client-facing email marketing campaigns per week to a list of more than 150,000 subscribers. Campaign examples include an "eNews" newsletter that shares score.org blog posts and online educational resources (155,138 subscribers), webinar invitations and follow-up correspondence (151,246 subscribers), and special project promotions.

Chapter Social Media Pilot

Knowing how important it is to meet our clients where they are, SCORE implemented a Social Media Pilot program in 2016, with the goal of enhancing and integrating chapters' digital

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marketing efforts to improve local awareness of SCORE and achieve chapter goals – namely, increased clients, increased mentor recruitment and stronger workshop attendance.

The pilot centralized social media posting and engagement services for an initial 10 chapters, through the services of a third-party vendor. The purpose was to manage these chapters' online presence, branding, and engagement on Facebook, Twitter, LinkedIn, and Google+. After six months of the initial pilot, positive metrics prompted an expansion of the program to 100 additional chapters.

As of July 2017, chapters involved in the Social Media Pilot saw an 8.9% increase in services, compared to non-pilot chapters, which saw a 2.93% increase in services. Social Media Pilot chapters also saw a 26.55% increase in total website visits, compared to a 13.01% increase in total website visits. There were 293,648 followers collectively, across all pilot chapters' channels.

Going forward in 2017, SCORE will create customized local marketing strategies for each social media pilot chapter, prioritizing local content and cross-marketing across all digital channels to improve SCORE's social media following, both in the local chapter accounts and on the national accounts. If funding allows, our eventual goal would be to expand this program to every SCORE chapter.

Conclusion

SCORE exists to help entrepreneurs achieve their dreams of small business success, in turn strengthening the American economy through job creation. Technology is not new to SCORE, but its constant evolution presents a powerful opportunity for SCORE to continue to serve our clients when and how they want to be served. For this reason, SCORE has successfully integrated technology into every aspect of our business practices. We continue to evaluate the technological landscape to assess what forms of technology will truly make a positive impact on the business success of our clients, making thoughtful decisions and implementing smart investments.

We appreciate the support of this subcommittee, as well as your personal support of SCORE.

I would be pleased to answer any questions you may have, and to provide any additional documentation as requested. Thank you, again, for this opportunity to testify.

Digital Training and Counseling for SBA Entrepreneurial Development Programs, a VBOC Perspective

Good morning, I am Brent Peacock. I am the director of the Veterans Business Outreach Center serving the state of Florida which has one of the largest concentration of military bases and veterans in the US. The Veterans Business Outreach Center or V-BOC is the Small Business Administrations program that provides business training, counseling and SBA resource partner referrals to active duty service members, National Guard & Reserve personnel, veterans, and military spouses interested in starting or growing a small business. The SBA funds 20 V-BOCs centers across the US and in Hawaii. We certainly appreciate Representative Al Lawson's invitation today to introduce you to the V-BOC's mission and how we use technology to educate our core clients in the basics and best practice of business ownership to help them succeed in today's business environment.

VBOCs primary mission is to conduct entrepreneurial development training dealing specifically with the key issues of self-employment, meaning owning and succeeding in a business of their own. Usually service members meet the VBOC during their transition from the military service in a training program called Boot to Business. This is a two-day training workshop to introduce our target audience—transitioning military, spouses and veterans—to the idea of entrepreneurship.

Our second core mission is business counseling. Our business counselors and SBA resource partners including Small Business Development Centers, SCORE volunteer mentors, and Women's Business Centers help our clients in assessing their entrepreneurial needs and requirements. We help them validate their business concept through extensive market research, develop a viable business plan using a variety of online tools and SBA resources, help them prepare business loan packages, as needed, and connect them with the outside resources like lenders to launch and grow a business of their own in the civilian world.

Research is an essential element of this process and VBOC's provide more than just industry specific data. Our clients are very often high tech warriors. They are familiar with state of the art technology, weapons systems and the like. What they don't know is how to deploy their skills in the civilian business arena. Their business concept may use what they know from their military service. But oftentimes, service members choose to go in a completely unrelated field, turning their swords to proverbial plowshares. No matter what their choice, VBOC's are there to guide them through the entrepreneurial maze. From understanding their ownership options—direct ownership or a franchise, to understanding who their customers will be, what options they have in organizing and running their business, getting funded, and becoming operational and competitive and cash flow positive, this is our mission.

Your interest is in the role technology and online business tools play in today's small business arena. For us, it begins with our de-

livery of training and business counseling. VBOC's, working with other SBA resource partners, can target entrepreneurial training projects and counseling sessions tailored specifically to address the needs and concerns of the veteran entrepreneur with a wealth of online tools. VBOCs help our clients with feasibility studies, business plan assessments, reviews of financial statements, and assisting with strategic development such as identifying new markets. From franchising to Internet marketing, from electronic sales with Square and small business record-keeping like QuickBooks, to the nuances of international trade and government contracting, all of these resources are now online tools we can use every day to help your constituents and our clients. Not that long ago, we were limited to face-to-face meetings and hard cover books. Thanks to the rapid pace of technology and online learning, we can Skype, use webinars, and employ online resources to help dozens of clients in a day. Technology has made a significant impact on our productivity and effectiveness as a government funded entity.

The SBA's Office of Veterans Business Development maintains a webpage that allows us, the VBOC and other instructors the ability to access Boots to Business instructor tools and training videos online to stay current with ever-changing materials and resources. The Boots to Business curriculum is also offered online for attendees. They can download the materials before attending class or revisit the materials whenever they wish after class.

For deployed service members who do not have access to a military installation offering transition programs, the Department of Defense (DoD) provides the Joint Knowledge Online resource, J-KO for short, for continuous, career-long development of joint knowledge and readiness for military personnel, including Combatant Commands and Combat Support Agencies abroad. Without online training, these service members might be left behind.

Websites are a critical, no-cost resource for our civilians and military clients. *SBA.gov* is an outstanding website and learning tool. It's a wealth of information on all aspects of business from start to growth, that is well organized and easy to understand. Its Learning Center has over 50 topics that anyone can view whenever and as often as they like. For active duty personnel and busy aspiring entrepreneurs, this flexibility is critical. Think of the troops deployed abroad with ambitions of entrepreneurship when they turn home, like Vil who when she returns from Afghanistan will open that coffee shop and bakery, and spouses like Torrance who are keeping the home fires burning and running a home-based business of their own. Both need online tools like the SBA website and ours, *VBOC.org,* for resources whenever and wherever they want to access them. Our *Florida Start-up Checklist* is a step by step guide on our website for aspiring entrepreneurs in my home state of Florida, a Microsoft Word document with live links to the websites every business owner will need to get their business off the ground, from the IRS to website domain names to the Secretary of State's offices and to local resources. Having these electronic resources not only helps your constituents, it saves operational costs to our organizations. In the past, we would have spent valuable funds on

printing and mailing. Now we can "force multiply" with a website at with greater reach at minimal expense to the tax payers!

Market research is critical in assessing the feasibility of one's idea and in creating a viable business plan. The days of pouring over books in the library are long gone. Today's warriors expect to access data from their smart phone and tablets, untethered from the restraint of library research and outdated intel. The use of data from the U.S. Census, the SBA's Size-Up Tool and online business plan development tools, both commercial and on SBA resource partner websites are valuable technological research methods. Bryan, former Army and now military spouse, is launching an online business. His is a cutting-edge platform but he still needs that data to understand and identify his market, locate and cultivate key resources and partners before he spends a lot of money. All this intel was readily available at no cost through our office, SBA resources and the public library which itself is riding the wave of electronic research tools like Reference USA.

Like many small business, government agencies, from the local to the federal level, use technology to manage operations, tracks activities, and use this data to expand its reach and increase its efficacy. Our organization uses an electronic client management system called Neoserra. Through this client management and performance system, we can track our interactions and communication with our clients, set performance goals, scheduling, and sign up for training events. Using the private sector's best practices, the V-BOC network has just implemented Salesforce, a powerful CRM or Customer Relationship Management system to schedule training events, register and communicate with clients, and input data about attendance and post-training contact.

In V-BOC 2.0's Initiative by the SBA's Office of Veterans Business Development, we will pilot two business plan online platforms, LivePlan & GrowthWheel. The goal is to facilitate the flow of information and track the assistance a client may receive from multiple SBA resources. Not only will we be able to counsel clients remotely in real time, we can share, co-counsel and track clients with other SBA Resource Partners like SCORE, Small Business Development Centers, and Women's Business Centers. For example, if a client was referred by a V-BOC to a Women's Business Center, these platforms will allow us to track that referral and work together seamlessly to help our client. Then, if the same client was referred to a lender, and that referral resulted in the client receiving a business loan, we'll be able to track that outcome too.

Lastly, social media platforms have become an essential means of communicating and delivering information at any time to our increasingly tech savvy clientele. Of course, our websites are a repository of news and information. But we also take advantage of the power of Facebook and Twitter. The SBA and the Office of Veterans Business Development (OVBD) are active on both platforms. The OVBD uses Facebook to promote both national and local events, and cast a spotlight on veteran entrepreneurs with its Success Stories blog. Many V-BOCs use email platforms like Constant Contact, to maintain communication with our widespread clientele.

I could continue but you understand how important technology and online communication has become and how essential it is for elected officials like you and government agencies like ours to embrace it and use it to its fullest potential in service to our constituents.

Information and business now move at the speed of light because of the technology our nation has helped pioneer and that our service men and women have contributed to in years past, today and in the future, both as warriors and as entrepreneurs. I thank you for this opportunity, and welcome any questions.

Submitted, 12 September 2017

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