

**COMMUNITY SUPPORT: ENTREPRENEURIAL
DEVELOPMENT AND BEYOND**

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OVERSIGHT, AND REGULATIONS
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Questions for the Record:	
None.	
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None.	
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None.	

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THURSDAY, APRIL 12, 2018

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
SUBCOMMITTEE ON INVESTIGATIONS, OVERSIGHT, AND
REGULATIONS
Washington, DC.

The Subcommittee met, pursuant to call, at 11:00 a.m., in Room 2360, Rayburn House Office Building, Hon. Trent Kelly [chairman of the Subcommittee] presiding.

Present: Representatives Kelly, Chabot, Marshall, Norman, and Adams.

Chairman KELLY. Good morning. I call today's Subcommittee on Investigations, Oversight, and Regulations hearing to order.

I would like to thank everyone for joining us. The importance of small businesses in supporting the United States economy cannot be overstated. With 29.6 million small business employing 47.8 percent of the workforce, small business success is essential to the economic well-being of both individual communities throughout the country, as well as our Nation overall.

While there are many factors that contribute to the success of a small business, one factor that is often overlooked is the community-small business relationship. This relationship is complex and reciprocal, requiring effort and support from both the community and the small businesses to achieve mutual success. Today's hearing will focus on understanding the community-small business relationship, the resources currently available to foster this important relationship, and areas for resource expansion in the future. When we are talking about the community-small business relationship, all sources of community are important. Some of the most business centric communities are found within the Small Business Administration, or SBA's, Entrepreneurial Development programs. My home state of Mississippi is fortunate to have a Women's Business Center, a Veterans Business Outreach Center, or VBOC, multiple SCORE chapters, and Small Business Development Centers. These entrepreneurial development communities, along with many others, have been integral to the success of Mississippi's 252,000 small businesses.

Why are these and other communities so important? Statistically, a small business owner who is involved in a community and has the support of the community, is significantly more likely to receive patronage, promotion, assistance, and advice from that community. Many small business owners rely on communities, such

the SBA's Entrepreneurial Development programs, to offer them the knowledge and resources they need to be successful. Conversely, many communities rely on the success of small business to survive and thrive. A successful small business provides 3.7 times more direct local economic benefit than a large non-local business. Clearly, understanding and fostering this relationship is vital to not only the small businesses and communities involved, but to the economic well-being of our Nation.

Our witnesses today will speak to their experiences regarding the community-small business relationship, both in terms of the communities found in the SBA's Entrepreneurial Development programs, as well as those found elsewhere. I look forward to hearing their stories and their advice on what Congress can do better to provide small businesses and communities with the resources they need to succeed. I now yield to Ranking Member, Ms. Adams, for her opening statement.

Ms. ADAMS. Thank you, Mr. Chairman, and thank you to all of the witnesses for being here today. Mr. Chairman, thank you for holding this important hearing regarding the SBA resources available in our communities.

The SBA administers a portfolio of Entrepreneurial Development programs, including Small Business Development Centers, Women's Business Centers, the Service Corps of Retired Executives, or SCORE, and Veterans Business Outreach Programs. These initiatives provide aspiring entrepreneurs and existing businesses with invaluable counseling, training, technical assistance, and mentorship. This hearing gives us the opportunity to celebrate the role of SBA resources partners in the diverse ways they serve our country and learn more about how they tailor their offerings to their unique communities.

Whether it is help creating a business plan, navigating the procurement process, marketing a new product, or identifying international trade opportunities, the SBA's Entrepreneurial Development Programs provide an array of services to help small firms navigate regulatory obstacles, grow, and thrive. Entrepreneurs, therefore, significantly benefit from having tools to identify, fiscally plan for, and maintain critical business improvements.

Small business owners located throughout the country, including in underserved rural and inner city communities, also benefit from accessible, affordable technical assistance. This reduces their isolation from buyers and other businesses.

In addition to outreach, hands-on counseling is critical for businesses to obtain information pertinent to their local market and capacities. This is why the SBA Entrepreneurial Development programs are so critical to our local communities. As an example, the Agency's network of Small Business Development Centers is one such program. They operate in nearly 1000 locations across the country, located at colleges, universities, Chambers of Commerce, and local economic development corporations, allowing them to harness local community resources. In a single year, this initiative has helped more than 17,000 entrepreneurs launch new businesses, advised nearly 200,000 clients, provided training sessions for over 260,000 attendees, and helped clients obtain over \$5 billion in fi-

nancing. Clearly, this program is vital, it is a vital part of our Nation's entrepreneurial ecosystem.

The SBA has also undertaken efforts to connect younger entrepreneurs with more experienced businessmen and women through the SCORE program, an expansive network of entrepreneurs, business leaders, and executives who volunteer as mentors to small firms, both in-person and online. SCORE has become one of the federal government's largest volunteer business advisor and mentoring programs with over 11,000 business professionals at over 320 chapters nationwide. By offering advice from real world professionals, SCORE is helping many business owners within all categories of the entrepreneurial community.

Small businesses are as diverse as our Nation and the SBA has entrepreneurial development initiatives targeted at specific demographic groups.

Women's Business Centers, or WBCs, are a critical initiative for female entrepreneurs. WBCs provide in-depth counseling, training, and mentoring to small firms, resulting in substantial economic impact as measured by successful business startups, job creation and retention, and increased company revenues. Women business owners have used this program to develop business plans, obtain financing, and expand their operations. As more women turn to entrepreneurship as a career path, it is critical this initiative remain in place to close those gaps.

And, finally, there are a range of SBA programs targeted at our veterans, most notably the Veterans Business Outreach Centers, which serve over 60,000 clients each year. The VBOC program, along with Boots to Business and other veteran-oriented initiatives, ensure that our service members have the tools they need to go into business for themselves. There are currently 20 VBOCs responsible for ensuring veterans' access to capital through marketing and outreach efforts. Most importantly, they promote veterans for federal procurement opportunities to ensure three percent of federal prime contracts and subcontracts go to service-disabled veteran-owned small businesses.

The SBA programs are key to helping business owners remain competitive in a global market. It is critical that we consider ways to legislatively strengthen SBA Entrepreneurial Development Programs; we do so with our local communities in mind.

Today's hearing will focus on the efforts within each of the SBA programs regarding community outreach. It also gives Members the chance to hear about the challenges they face in developing their networks and assisting local small businesses adapt to a rapidly changing economy.

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

Thank you, Mr. Chairman. I yield back.

Chairman KELLY. I thank the gentlelady. I also want to recognize our full Committee Chair. Chairman Chabot is here and at the hearing. And also I just want to thank our Ranking Member, Ms. Adams. She is such a joy and this is such a great Committee to be on. She is a joy to work with, both in Committee and outside of Committee on legislation that we work together on. And I just think that it is quite an honor to be on a Committee where there

we still like each other in some of these jobs. So I just want to thank our Ranking Member.

And to the panel today, if Committee members have an opening statement prepared, I ask that they submitted for the record. I would like to take a moment to explain the timing lights for you. You each have 5 minutes to deliver your testimony. The light will start out green. When you have 1 minute remaining, it will go to yellow, and when it turns red your time is up. Now, I will give you a little bit of time, by you all have got remember I have got a little military in me, so I may tap you out. So try to adhere to the time limit as much as you can, but if you go a little bit over we will be understanding.

And, with that, our first witness is Mr. Ara Bagdasarian. Mr. Bagdasarian is a CEO and Co-Founder of Omnilert, an emergency alert and notification systems company. In 2011 he authored the book, *The Lemonade Stand* a why-to book for entrepreneurs that later led to his founding of the Lemonhead Council. The Lemonhead Council serves as an advisory board of entrepreneurs, helping entrepreneurs. Mr. Bagdasarian is an active member of his community, serving on the board of a number of organizations, including the George Mason University Enterprise Center and the United Way of the National Capital Area. He is testifying on behalf of America's SBDC, the association that represents America's nationwide network of Small Business Development Centers.

Thank you for joining us today, Mr. Bagdasarian.

I now yield to Chairman Steve Chabot, Chairman of the full Committee to introduce our next witness.

Mr. CHABOT. Thank you very much, Mr. Chairman. And I am very pleased to introduce Derrick Braziel, who is the co-founder and managing director of MORTAR Cincinnati business accelerator in my district, in Cincinnati. The mission of MORTAR is to "enable underserved entrepreneurs and businesses to succeed, creating opportunities to build communities through entrepreneurship". And they really do provide and fight for that mission on a daily basis. Mr. Braziel and his many talented colleagues have created an outstanding organization, which continues to assist in bringing economic growth and opportunity to many of Cincinnati's neighborhoods.

Prior to his time at MORTAR, Mr. Braziel worked as the director of civil projects at Lewis & Clark Co. and the project manager at Strive Together. He also co-founded Dreamapolis, and entrepreneurial development nonprofit located in Indianapolis, Indiana.

He is testifying on behalf of SCORE, the Nation's largest network of volunteer expert business mentors, with more than 10,000 volunteers in 300 chapters across the country.

We thank you very much, Mr. Braziel, for being here today and look forward to visiting you all in the past, both there and here in Washington. And we are looking forward to your testimony.

Thank you. I yield back, Mr. Chairman.

Chairman KELLY. Thank you, Mr. Chairman. Our next witness is Ms. Stephanie Carter. Ms. Carter is the president of SCB Management Consulting, Inc., a public and private sector financial and operation strategy and implementation consultation practice. SCB

Management Consulting is also certified as both a women's business enterprise and a women-owned small business.

Ms. Carter brings 25 years of experience to her current role, having previously worked at companies such as Pricewaterhouse Cooper, CIGNA, and Resources Global Professionals. She is testifying on behalf of the Association of Women's Business Centers, which works to secure entrepreneurial opportunities for women by supporting and sustaining a national network of over 100 Women's Business Centers.

Thank you for being here, Ms. Carter.

I now yield to Ms. Adams to introduce the final witness.

Ms. ADAMS. Thank you, Mr. Chairman. It is my pleasure to introduce Ms. Tamara Bryant, the director for Veterans Business Outreach Center at Fayetteville State University, in my home State.

Ms. Bryant previously owned and operated a trucking company while also holding a position as director of the Small Business Center at Fayetteville Community College. Under her leadership, FTCC's Small Business Center was recognized with the Small Business Center Excellence Award for innovation in programs and services in 2013 and in 2015. During those years she also received Direct of the Year Award. And in 2017, under Ms. Bryant's leadership, FTCC received a national award from the National Association for Community College Entrepreneurship for College of Excellence.

Ms. Bryant earned her degree from Fayetteville State University—she is a Bronco—and her master's degree from Central Michigan University.

Welcome, Ms. Bryant; thank you for being here.

Chairman KELLY. Thank you again to our Ranking Member, Ms. Adams.

And, with that, Mr. Bagdasarian, you are recognized for 5 minutes to deliver your statement. You may begin.

STATEMENTS OF ARA BAGDASARIAN, CEO, OMNILERT; DERRICK BRAZIEL, FOUNDING PARTNER & MANAGING DIRECTOR, MORTAR CINCINNATI; STEPHANIE CARTER, PRESIDENT, SCB MANAGEMENT CONSULTING; TAMARA BRYANT, DIRECTOR, VETERANS BUSINESS OUTREACH CENTER

STATEMENT OF ARA BAGDASARIAN

Mr. BAGDASARIAN. Thank you. I would like to begin by thanking the Congressional Small Business Committee for inviting me to testify today, on behalf of America's Small Business Development Centers, to share a few of my thoughts on the impact of community support for entrepreneurial development.

As a serial entrepreneur, who founded his first enterprise before the age of ten, I believe that the opportunities for small businesses to innovate on a local, national, even global scale, have never been better than they are today. I say this not just because I am an unyielding optimist, but because I cannot think of a time in the whole of human history when such a wealth of resources and technologies were so readily available to anyone with a will and that most precious resource of all: an idea.

I am the co-founder and Chief Executive Officer of Omnilert, the world's first emergency notification system for colleges and university campuses; though our customer base has since expanded to include private enterprise, government, and nonprofits from all across the country. As a company founder, I have developed a keen appreciation for the obstacles and challenges one must endure when embarking upon such a venture. In fact, a few years back, I took it to task to distill my experiences into a book, titled *The Lemonade Stand*, which I co-authored. *The Lemonade Stand* is, simply put, the why-to book on entrepreneurship; a memoir based on my own, real-world experience, revelations, successes, and, of course, failures.

I have also served as a chairman for the Town of Leesburg, Virginia's Economic Development Commission, a post that I held for seven years, and am on numerous local and regional advisory boards, whose purpose are to advocate for entrepreneurship. It is from this vantage point that I have seen the positive returns that result when a community invests in and supports entrepreneurial development.

That is why I was stumped when, ten years ago, I was asked for a Town of Leesburg marketing campaign why the town would be a good destination for entrepreneurs. I am embarrassed to admit that I could not think of a single reason other than the fact that our town was a "quaint, idyllic community". We had all the standard small business resources, a Small Business Development Center, SCORE, and a Chamber of Commerce, however, we did not have a community that was systematically supportive of local entrepreneurship. This realization led to a concerted effort on my part, and that of many others, to start building the infrastructure for an entrepreneurship ecosystem: a shared effort between community partners, both private and public, that was assembled program by program. The fruits of this effort, I believe, have yielded a model that can be replicated in large and small communities across America.

It is through this model, and others like it, that communities suffering from high unemployment or the uprooting of key industry can plant the seeds of entrepreneurship and cultivate the growth of new businesses, through proper education and a supportive, local infrastructure. Much like civic infrastructure, such as highways or the power grid, communities can build and develop infrastructure to harness great ideas that solve problems to power the economy. We have taken significant steps in Loudoun County Virginia to build this ecosystem. And the three core aspects of this infrastructure are: entrepreneurship education. This means learning how to view problems as opportunities, knowing how to develop an idea to something real and tangible, and learning how to fail and how to learn from failure to build a world view that embraces challenges. Secondly, resources. A network of systems and programs that support the planning, creation, launch, and operations of a new venture. And, thirdly, community, which is developed by proactively creating opportunities to connect and discover synergies with one another through events, engagements, and other programs designed exclusively for founders and supporters.

My written testimony outlines some of these key programs that we have implemented for each of these components.

I believe that building the infrastructure to support the development of entrepreneurship is well within the means of every community in America, be it large or small. But the decision to go boldly forward is too often hindered by a fear of change, or a desire to hang on to the industries and ways of the past. Ironically, it was by embracing change that the great American industries of the past and present even came to exist. But in a world that the only constant is change itself, I believe that congress has a purview and responsibility to provide the incentives and support that will help the American entrepreneurs continue to lead the world in innovation and industry. That's why I believe it should advocate for the building for infrastructure for entrepreneurship through championing entrepreneurship education, support programs, and community engagement.

Once this framework is built, an entrepreneurial ecosystem will develop and flourish incrementally. But this must be a deliberate effort requiring deliberate undertaking, requiring the participation of current entrepreneurs, businesses, communities and education leaders; as well as public sector cooperation, advocacy, and resources.

Of course, what works in Leesburg may not work in Oxford, Mississippi or Charlotte, North Carolina. Every community has its own unique strengths and assets, but the ideas I have been grateful to present through my testimony amount to a framework of sorts for communities to empower its most resourceful and motivated to be a catalyst for positive economic and community change. There are thousands of communities around the world filled with smart, passionate individuals with brilliant ideas. We can all advocate for an initiative to develop entrepreneurship in America, and it all starts with the local community level.

I thank the Chairman and Subcommittee members for the opportunity to testify this morning. Thank you.

Chairman KELLY. Thank you, Mr. Bagdasarian. And I now recognize Mr. Braziel for 5 minutes.

STATEMENT OF ARA BRAZIEL

Mr. BRAZIEL. Chairman Chabot, Subcommittee Chairman Kelly, Ranking Member Adams, members of the Subcommittee and members of the full Committee, thank you for inviting me today and for the opportunity to offer testimony on the work of MORTAR, and more specifically, the value of our partnership with SCORE.

Today I would like to share why I believe that MORTAR and our partnership with SCORE, a national nonprofit that mentors aspiring and existing entrepreneurs, represents our best chance for everyone, regardless of background, to achieve full participation in the American dream.

Founded in 2014, MORTAR works to create diverse communities by enabling historically marginalized entrepreneurs to access the resources needed to start and run successful businesses. Utilizing nontraditional methods, we take risks on an entrepreneur's abilities to start and grow businesses where others may not, providing an unparalleled connection to technical assistance, pop-up retail

spaces to test ideas, and flexible “friends and family”-styled micro-loans to grow businesses. Our business academy, for example, which works with mostly low-income, African American entrepreneurs, has a 96 percent graduation rate and is considered a model program across the country.

We exist because we believe that there are minority men and women all across our country, especially in our inner cities, with an undeniable amount of world-changing talent. People like my father, Dennis, who through athletic potential was adopted by his white high school football coach, giving him the opportunity to become the first person in his family to graduate from college, to become a published author, and father three amazing kids; one of them, my twin brother named Desmond Braziel, is serving our country as a Captain in the United States Army.

Another example is MORTAR graduate Means Cameron. Last Friday, I met with Means, the owner of one of America’s hottest clothing brands, Black Owned, and his SCORE counselor, Jim Stahly. And if you are nice to me, I promise to bring you all a t-shirt. They were meeting with me because Means, despite being college educated and the founder of a successful, hip street wear company, needed access to capital to grow his business. To see Jim, a white seasoned business executive, working with Means, an African American millennial entrepreneur from the inner city, seamlessly working through a sophisticated business plan, brought tears to my eyes. Jim’s experience, coupled with Means’ resourcefulness and MORTAR’s resources, will help Means continue to succeed.

The reality is that many people like Means will never have an opportunity for their dreams to be realized without support from organizations like MORTAR and SCORE. Our partnership with SCORE has helped MORTAR graduates to exceed national business averages.

For example, we know that of the 170 graduates of MORTAR’s program, 132 are still in business, with 71 percent engaged in our alumni support network. We estimate that in the past year alone our entrepreneurs have added \$1 million to our regional economy. One graduate, Brian Jackson, is on pace to open Cincinnati’s first black-owned brewery.

The work of MORTAR is just getting started. We recognize that by partnering with organizations like SCORE, great things can happen. In four short years, we have worked together to offer 13 of our accelerated courses in 5 Cincinnati communities, and every graduate has received a mentor from SCORE. We have opened three additional pop-up spaces and SCORE continues to help us evaluate the feasibility of future expansion opportunities. In addition, we are applying our framework in Milwaukee, testing our approach to community and economic development for the first time outside of Cincinnati. We recognize the power in bringing together people of different backgrounds around a common shared passion for entrepreneurship. As a result, we have forged lifetime bonds between people who may have never met otherwise.

Moving forward, our plan is to continue partnering with SCORE, working to teach entrepreneurship in communities where the next Steve Jobs, Kanye West, or Walt Disney may live. We see a coun-

try where with a MORTAR on every inner city corner, where the crazy dreamers who see the world differently will be encouraged, inspired and trained to change the world.

Thank you for again for your time and for allowing me to testify. I am happy to answer any questions.

Chairman KELLY. Thank you, Mr. Braziel. And thank your twin brother for his service to this great Nation. I am always impressed with those who choose to do that.

Ms. Carter, you are now recognized for 5 minutes.

STATEMENT OF STEPHANIE CARTER

Ms. CARTER. Thank you, Chairman Kelly, Ranking Member Adams, and distinguished members of the Subcommittee, for the opportunity to share this testimony with you.

My name is Stephanie Carter, and I am founder and president of SCB Management Consulting, whose core services are program and project management, risk management, strategic planning and business process improvement as a subcontractor for the federal government and private sector organizations.

I am testifying today on behalf of the Association of Women's Business Centers, which supports the national network of 107 WBCs throughout the United States.

As you know, the WBC program is a public-private partnership with 30 years of success in providing training, counseling, mentoring, and access to capital to women entrepreneurs across the country. Women in businesses, like me and SCB.

Today's hearing is a needed discussion. Too often we do not fully recognize the factors at the periphery of traditional business creation, despite their importance. I believe that the community fostered by the WBCs is playing a key role in my success, and its replication can only mean good things for women entrepreneurs nationwide.

Business success is predicated on a host of factors, ranging from the expertise of the business owner, to wisdom of the business plan, to the ability to access capital, to picking the right location or marketing, to hiring the right staff. What is undeniable, however, is that those businesses that have a network of support behind them fare better than those without. In my view, here are a few reasons why.

First, a network allows you to problem solve the early crises of launching and growing a business. Along the way, whether its incorporation or tax questions, to the logistics of office space or your first hire, there are myriad challenges in every business. When you have a network of fellow entrepreneurs you can collectively solve, and even anticipate, many of these issues. Second, a strong community helps identify new opportunities. Every business, whether 5 minutes or 5 generations old, is seeking new opportunities. A community that understands your business and its offerings is incredibly helpful in spotlighting business development. Similarly, it also allows for teaming of entrepreneurs who may collectively offer an innovative solution to the market than individually is not available. Finally, and perhaps the hardest to define but also the most important, a community and network gives you the confidence to

become an entrepreneur and the persistence to thrive after that business is created.

All three of these were true for my business. I launched my business after nearly 20 years in corporate consulting and internal leadership roles. While I had the business, finance, and operations foundation of my Duke MBA and corporate roles, there were many aspects of entrepreneurship that I felt I needed including legal, tax, sales and marketing. I initially enrolled in entrepreneur and business planning courses with the Women's Business Development Center in Center City Philadelphia in early 2016.

Once I was in the Washington DC area, and with the public sector being one of the greatest opportunities for consulting, I embarked on learning as much as I could. I took my first seminar with the WBC in July 2017. During that session, I learned about other WBC courses including the procurement series offered by Prince Georges County and Montgomery County. I started that six-part series in August 2017 because it offered a host of information about accessing the public sector market. The series culminated with a matchmaking session with procurement specialists in November.

I enrolled in the procurement series for the business development information, however, I gained so many relationships that ultimately formed a community of support for my business. The WBC counselor who facilitated the series has become a great ongoing resource for business development opportunities, as well as other information. I forged a partnership with one of the speakers who noticed during my "elevator pitch", that we may have some synergies, and currently pursuing business development opportunities together. I included one of the procurement series participants, who is just starting her consulting business, in a recent bid of mine. Public sector panelists have been very accessible and helpful in gaining a greater understanding of their respective organizations.

It also is not just the network at the WBCs alone that has provided benefit. I learned of other networks at the WBC that I should engage and have expanded my ability to grow my business through them. I learned through the WBC courses that an effective market penetrator for new entrepreneurs such as myself are Woman and Minority certifications. As a newly certified WBE and MBE, I regularly attend informational and matchmaking sessions offered by the certifying agencies. I also attend a variety of forums, including those by the State of Maryland, "Ready, Set, Grow" monthly informational sessions offered by the Governor's Office that also offer the opportunity to meet industry leaders. As a result, I have begun to forge new relationships in the public sector.

One of the first questions I often receive in these networks is "where do you live?" People are consistently shocked that I have traveled from Calvert County, which is in southern Maryland, to Baltimore, Columbia, Northern Virginia, et cetera, to attend an event. However, opportunities for the information and access that I need generally are not offered in Southern Maryland.

My example is not unique. Companies hover around these networks and we must do a better job of creating communities of support in areas that need business growth the most.

Similarly, we must continue to enhance the WBC program at SBA. With jurisdiction over the program, this Committee has the opportunity to make the benefits I have experienced more widespread. The limitations of an outdated authorization are evident in the day-to-day experiences of these centers.

I encourage policymakers to consider legislation that would allow for more flexibility for WBCs, particularly eliminating the many burdens they face and choose not to operate in certain areas.

The role of AWBC, who I am representing here today, should also be leveraged. Through statute, we should build on the best practices of other resource partners and allow for accreditation. Part of this process would ensure that every WBC has the skilled resources to develop communities of support for women business owners.

Finally, Congress should increase the visibility of the WBC program. I encourage this Committee to use its extensive media abilities to talk about WBCs. The more we do that, the larger the community of support becomes.

With the help of Congress, the SBA, and the WBC, I believe we can continue to build a community of support that will allow women entrepreneurs and small business owners around the country to realize their full entrepreneurial potential and contribute significant economic growth and job creation.

Thank you again for this opportunity to testify.

Chairman KELLY. Thank you, Ms. Carter. And I now recognize Ms. Bryant for 5 minutes.

STATEMENT OF TAMARA BRYANT

Ms. BRYANT. Good morning. I would like to thank Ranking Member Alma Adams and Chairman Trent Kelly for the invitation to share with you the Veterans Business Outreach

Center programs and services.

Again, my name is Tamara Bryant. I am the director of the Veterans Business Outreach Center at Fayetteville State University, serving the States of North Carolina, South Carolina, and Kentucky. The Veterans Business Outreach Center, also called VBOC, is one the Small Business Administration's program that provides business training, counseling and SBA resource partner referrals to active duty service members, National Guard and Reserve personnel, veterans, and military spouses interested in starting or growing a small business.

VBOC entrepreneurial program development programs is collaborations of resources and partnerships are critical success factors for VBOC's mission and to help increase the success rate of Veteran-owned businesses.

VBOC is hosted by at Fayetteville State University College of Business and Economics, a historically black college university, and it is known for its support of military-affiliated students through serving large numbers of active duty soldiers, their spouses and families, as well as veterans. This collaboration with FSU is a natural fit for VBOC's target customers. It has allowed VBOC the opportunity to collaborate and partner in the College of Business and Economics Entrepreneurship Programs, such as small business consulting teams. The small business consulting teams are under-

graduate and graduate students, and many of the students are military affiliated, minorities and women, that work closely with our clients to solve business needs in areas of marketing research, feasibility studies, to name a few.

These student engagement opportunities provide the students with real world educational experience, focused on helping small businesses and our clients receive valuable assistance at no charge.

FSU-VBOC is extremely fortunate to have great partnerships with highly valued resource partners. We understand our clients come with a unique technical skill set, impeccable leadership skills, core values, and a mission focused mindset. But often times they may lack business acumen skills or the ability to transfer their military skills into an entrepreneurial career pathway.

FSU-VBOC client base is very diverse, serving over 400 clients this past fiscal year, 47 percent minority and 21 percent women with various needs.

I would like to highlight one successful client for whom VBOC leveraged other resources that yielded the clients' great results. Marcella Eubanks, Army Veteran, 82nd Airborne, owner of Bravery Kids Gym, came to VBOC with her idea of owning an all-inclusive children's gym with a focus on children with special needs. She received assistance with developing her business plan and startup assistance and referral to a local community bank to obtain an SBA loan. She came back to the Center for other services because she viewed the staff at VBOC as a trusted advisor and was willing to work with other agencies. She has been referred to the SBTDC for specialized training in QuickBooks and utilized College of Business and Economics student internships. These referrals have helped her hire six part-time employees and win pitch competitions, improve the business operations and marketing systems.

This is one of many success stories demonstrating FSU-VBOC's collaboration with resource partners and local organizations to deliver desirable outcomes for our clients.

Veteran-owned businesses are the pillars to the American economy. Nearly one in ten businesses are veteran-owned. Veteran women-owned business steadily increase each year. Fifteen percent of business are owned by veteran women. The past fiscal year for VBOC network was marked by very significant levels of outreach, training, and services for veteran-owned and military spouses small businesses. Over 1700 training events were held, 178 businesses created, and 1006 jobs created and retained, 243 prime and subcontracts awarded, and \$8.5 million in SBA loans approved.

Most of the VBOC centers cover multiple states and attend Boots to Business course, all with a budget of \$6 million.

The 22 Veterans Business Outreach Center through its cooperative agreement is committed to ensuring that every service member and military spouse has the resources they need in their communities to start and operate small businesses, achieve post-secondary career success, and strengthen the Nation's economy.

My ask to you is to continue to support VBOC's services to increase the success rate of this highly skilled workforce.

Again, thank you for this opportunity to share and represent the VBOC program, a program that helps our service men and women and veterans who fought, protect, and serve this great Nation.

Thank you.

Chairman KELLY. Thank you, Ms. Bryant. I now recognize myself for 5 minutes of questions.

First of all, Ms. Bryant, I just want to comment. I am a huge supporter of the VBOC. We have one at Mississippi State University and they do such a great job with both our veterans and communities and making sure that we have those small businesses that are veteran-owned. Because we know what is in their heart, we have just got to make sure they have the right tools, and I really appreciate our VBOCs for doing that.

And, Ms. Carter, your testimony mentions a great deal about networking opportunities within a Women's Business Center, WBC. What role does community networking play in encouraging small business creation?

Ms. CARTER. Well, it has provided a tremendous opportunity. So the example I gave where a speaker actually did outreach, but they also encouraged us while we were in those sessions to think about teaming with each other, right. So we are not competitors, we might have many synergies. And so that is exactly what I did. So I was able to do that recently on a bid. I met a woman who had similar experience to me and we might be competitors one day, but right now we are partnering together.

Chairman KELLY. You know, I am an old business guy. I have been out so long I don't even remember what it is, but I know you never have one store in a mall, you have four anchor stores because even though you are competitors you also share a lot and you generate. So I really appreciate your comments on that. And I am proud of what you have been able to accomplish.

Mr. Braziel, you discussed the success of the partnership between SCORE and MORTAR in your testimony. How does this partnership harness the existing knowledge within the community to enable small business success?

Mr. BRAZIEL. I would say that the folks that SCORE are able to offer for our entrepreneurs are invaluable because they bring with them many a times decades of business experience that our entrepreneurs would never have access to without having that relationship with SCORE. I would say that the value of a successful business person is the network that they have. And SCORE brings not just a network of other coaches, but their own personal networks. Our SCORE coaches have provided so many connections just from that initial interaction. So, for us, there is a value in resource exchange that SCORE offers, but it is also the networks that SCORE is able to offer for the entrepreneurs that we are working with.

Chairman KELLY. And once again, I mean it is so important to know where the resources and the things that you need to do that, but it is also important for people to believe in you.

Mr. BRAZIEL. Right.

Chairman KELLY. And to know. As my daddy used to tell me when I was a kid, he said, you know, we are often scared to do things because we are scared of being told no or failing. And my daddy always said you start at no and if you don't do anything you stay there.

So I think all of these organizations do that. I think they help people get off no and to do things and to have at least chance possible of failing, but they encourage them to reach out and chase their ideas.

Mr. Bagdasarian, your testimony refers to the need for strong community to support small business growth and creation. What role do small businesses play in creating strong communities?

Mr. BAGDASARIAN. It plays a very important role, because I believe it takes entrepreneurs to create more entrepreneurs, to encourage, as you mentioned, to provide the resources, connecting the experiences of experienced entrepreneurs, some of the challenges they face. The reality is most startups, most new businesses will fail. It will fail many times. I know in my personal experience, prior to starting Omnilert I had three or four businesses that never took off. And so knowing that, having the confidence to go back and the resilience to go back and try again, try again, because something will fit if you are solving a problem that is not being met in the community. There is an opportunity there.

And it is important also I think there is a cultural factor, building a culture that you can do it, it can be done, versus simply find a good job. But you can do this. And that is probably the biggest obstacle to taking that the first step to starting a business.

Chairman KELLY. Thank you. Ms. Bryant, given the limited number of VBOCs, how do you work with other entrepreneurial development resource partners to ensure that returning veterans find a supportive community?

Ms. BRYANT. Because everybody gave into the FSU, the support that we have in North Carolina has been tremendous and critical. We have been fortunate to have Entrepreneurial Development programs such as SCORE, such as the Women's Business Center, and SBTDC, in that area. We are also fortunate in North Carolina to have another State government program called the Small Business Centers of North Carolina. And so collaboratively together we are able to assist veterans, military spouses in starting and growing small businesses by working together with different developmental programs and getting access to loans and procurement opportunities.

Chairman KELLY. Thank you. And I yield back the balance of my time. And I now recognize our Ranking Member, Ms. Adams, for 5 minutes.

Ms. ADAMS. Thank you, Mr. Chairman, and thank you all for your testimony.

Beyond SBA's business assistance services there are a number of training opportunities and resources available to veteran-owned small businesses, such as partnerships between VBOCs and college campuses. Ms. Bryant, can you explain how effective educational classes can be for entrepreneurs and whether they are an efficient way to supplement other training programs?

Ms. BRYANT. Thank you, Congresswoman, for that question. Yes, another example I would say is one course that is offered like at Fayetteville State University is called our small business management course. With this course it teaches business concepts and strategies and principles on how to operate a successful small business. A lot of times you have minorities and women that are in

those classes. Those classes also are required that they work with a local entrepreneur to assist them with that business need that they have. This allows that student to be exposed to real world examples and be able to apply the knowledge that they learn in the classroom to a real world example of helping that small business.

So that is an example that we give in terms of how class and real world can come together to help small businesses, as well as the student, gain that particular skill set to be able to get the job.

Ms. ADAMS. Great. Thank you very much. I am a strong advocate of HBCU, started the first bipartisan HBCU caucus here, which I co-chair with Congressman Bradley Byrne from Alabama, graduate twice of North Carolina A&T State University, 40 years on the campus of Bennett College.

But, given your position on an HBCU campus, how important is it to coordinate the coordination between government, private industry, educational institutions, and nonprofits in advancing the position of entrepreneurs? And where can Congress better support your efforts?

Ms. BRYANT. I will say to continue to provide access to affordable and accessible education for these students. A lot of time these are minorities and women, and first generational children that are looking to obtain a degree. Having these programs in place will allow them and expose them to opportunities that they would not have before. So having that access to affordable education will assist not only those students, but it will also assist the small businesses where they have a high skill set to be able to continue to grow and sustain their business.

Ms. ADAMS. Thank you. Mr. Braziel, could you please describe the efforts made to recruit volunteers from different backgrounds and how that has impacted the business ownership in your community?

Mr. BRAZIEL. Yes. I would say first and foremost, SCORE has stepped to the plate and provided the lion's share of the volunteering for the entrepreneurs who are going through our program. And that has been an amazing partnership for our organization. I would also say that from that experience many other people who may have maybe been nervous or anxious about working with our entrepreneurs have stepped forward to sometimes even double up to volunteer and provide business support for MORTAR graduates.

I would say, in a lot of ways the MORTAR program and our partnership with SCORE has become an example to our community on how race relations can continue to improve. We have mostly again low income African Americans, and SCORE sometimes can be a little seasoned in white. But our folks are coming together around a shared common objective and the partnership is amazing. We do these surveys at the end of every class and five is a perfect score from a satisfaction perspective, and no survey has gone under 4.6 out of 5. So that initial relationship with SCORE around business coaching has been amazing and acted as a multiplier effect, that now we are seeing someone from our board, who is an African American male, he is now joined SCORE's corps of volunteers and he is now providing business support for other not just graduates of MORTAR's program, but other participants who go through SCORE.

So I would say that MORTAR has provided this great example of what is possible and we are seeing a lot of growth from our volunteers.

Ms. ADAMS. Thank you very much. I have got 38 seconds. Mr. Bagdasarian, some of the obstacles unique to startup, if you can maybe give me one?

Mr. BAGDASARIAN. Fear. Fear is probably the greatest obstacle, not knowing what needs to be done. I have worked with hundreds of entrepreneurs or would-be entrepreneurs over the years and the greatest obstacle is the expectation that I need to write a 500 page business plan and then go out and raise \$15 million of seed capital, and then go get a big office. Just knowing how to take that first step. Like I mentioned, there has never been a better time to start a business than now because there are so many resources that are available today that did not exist 20 years ago.

Ms. ADAMS. Great. Right on time. Thank you, Mr. Chairman. I yield back.

Chairman KELLY. The gentlelady yields back. I now recognize Dr. Marshall from Kansas for 5 minutes of questions.

Mr. MARSHALL. Good morning, everybody. First question would be, to kind of continue, what are the biggest barriers to market, to enter the market? And then what are the biggest reasons for lack of long-term success? So barriers to entering the market to start a small business, and then barriers to keep you from being successful?

And maybe just spend 15 or 20 seconds with each one of you, 2 or 3, right off the top. Maybe start with Ms. Bryant on the far end and then we will come back.

Ms. BRYANT. Some of the barriers that I see a lot of small businesses face is access to capital. A lot of times not knowing what that financial literacy is and what it takes to obtain that capital. Another barrier is not understanding some of the small business skill sets that it takes, especially in our veteran population. They understand and know what it is like being in the military, but translating that military skill set onto an entrepreneurial pathway and understanding those business skills of marketing and sales, and having that technical assistance to be able to help them navigate that system.

Mr. MARSHALL. Ms. Carter, anything to add?

Ms. CARTER. Yes. As I mentioned during my testimony, there are probably many barriers. The ones that come to mind particularly are some skills that you currently don't have. And what is most important is building your business is sales and marketing. So the technical skills that I have been able to gain through the WBC, as well as I have taken sessions with SCORE and SBDC, have been extremely helpful.

The other is access to capital. So one of the things that I continually fall into is, you know, when I bid on something do I have the staff. Well, I can't hire the staff until I have the contracts. So it is this cycle until someone, you know, kind of gives me the opportunity and I am able to do that.

Mr. MARSHALL. Okay.

Mr. BRAZIEL. I would briefly add unconscious bias. I think a lot of times we expect for successful entrepreneurs to look a certain

way, to speak a certain way, to behave a certain way. But a lot of time there are entrepreneurs who are out there who may not understand social norms. So maybe they use slang, or maybe they have misspellings in their business plans. And despite all of those things they still have a viable idea, and if given an opportunity and some access to capital, they could be successful. But until we are able to dismantle some of the biases we have around successful entrepreneurship, those folks will continue to be left behind.

Mr. MARSHALL. Okay.

Mr. BAGDASARIAN. The only thing I would have to add is knowing, understanding the product market fit and understanding that the first idea, the first business that you may take to market, the initial market may not be the market that you ultimately pursue that has the greatest growth. But having the right mentors, having the right advice resource, having that community that provides that support, may provide you with that insight on which direction to take. And that happens all too often.

Mr. MARSHALL. Okay. I am surprised nobody said the cost of healthcare. I think the cost of healthcare would be one of the biggest barriers for someone to leave a job and start a new business.

Talk about the Tax Cuts and Jobs bill. Has the Tax Cuts and Jobs bill, is it impacting any of your businesses? Do you see it going forward impacting it?

Maybe we will start here and go back that way.

Mr. BAGDASARIAN. It has not directly impacted my business. If we were required to distribute funds towards headcount, for example, that maybe more of an incentive to hire people, reinvest those funds back into the business. But it has not made a direct impact into my specific business.

Mr. MARSHALL. Are you a C Corp an LLC or an S Corp?

Mr. BAGDASARIAN. We are an LLC.

Mr. MARSHALL. And you don't think lowering the LLC tax is going to help you any?

Mr. BAGDASARIAN. Well, it certainly helps, but as far as driving new job growth, I don't think it is directly tied to creating new jobs. I think that it certainly helps from a business owner perspective.

Mr. MARSHALL. Okay.

Mr. BAGDASARIAN. I could go into more depth later.

Mr. BRAZIEL. I would briefly add that I think our folks are so far behind that it hasn't directly affected them yet.

Mr. MARSHALL. So decreasing their taxes, giving the \$2000 more, the average salary, in their own pocket, is not impacting them in any way?

Mr. BRAZIEL. In the conversations that I have had with our graduates, they have not communicated that that has been a benefit for them. So it is possible, but I have not had those direct conversations yet.

Mr. MARSHALL. Okay. Ms. Carter?

Ms. CARTER. Because I am so small, I think it may make an incremental business, but not significant at this point, stage in my business.

Mr. MARSHALL. Okay. Ms. Bryant?

Ms. BRYANT. We have had some businesses that have said that the bill have helped and some that said it has not. In regard to have helped, it does help them in regards to being able to put more funds to their business. If that be via being able to purchase additional equipment or hire a new personnel.

Mr. MARSHALL. Yes. I have talked to tens, maybe hundreds of companies that are making capital purchases because they can write it all off. I talked to an accountant where 96 out of 100 of his clients in a small rural Kansas community are seeing significant tax benefits in their own pocket as well. And this American consumer is what drives this economy.

Thank you.

Chairman KELLY. The gentleman yields back. I now recognize Mr. Norman from South Carolina for 5 minutes.

Mr. NORMAN. Thank you, each one of you for taking your time out today. Regulations. I know I am a small business owner. What regulation would you cut if you had the opportunity? And address the workforce. I am having trouble with as you mentioned, Mr. Braziel, people coming to work; they have either never worked before or they don't have the basic skill set to interact with people. How do we address that?

Mr. BAGDASARIAN. Well, typically, the regulations that my business encounters are really industry specific, specifically with telecommunications, because we work with cellular providers, and they are really specific to that. So in the context of this discussion I really don't have any specifics to share with you.

Mr. BRAZIEL. I would say the Jobs Act has been a great start to open the flow of capital for entrepreneurs. But I would say that, again, what we are looking for from the threshold to have people even able to access those initial resources can be very challenging for people that are coming from a different culture.

I would also argue that even though somebody may not speak or behave based upon traditional social norms, they still, in my opinion, could run successful businesses.

I like to often give this example of when I go to my local Kroger down the street I get asked all the time if I want a ride. And in my opinion that same idea could have been translated into an Uber, it is ride sharing. However, there is other access to technology or capital, or whatever it might be, to start that kind of a business. So I would say that if we can do more to unlock the flow of capital for those kinds of entrepreneurs, the better.

Mr. NORMAN. Let me follow up with this, now how would you do that? I mean when you go for a loan at a bank you have got to have—they have shareholders too. How would you say to do that?

Mr. BRAZIEL. Sure. Let us say you are my uncle, which would be an honor, and it was Thanksgiving, and I said could you loan me \$500. I doubt that you would ask me for my credit score, for collateral, for some of these other things, because you know me and you know my track record. You would hopefully give me a loan. I think the same thing could apply to how we offer access to capital for disadvantaged entrepreneurs, just to give them a leg up. Maybe it is lower amounts of capital, but we can lower collateral, interest

rates, et cetera, to still give them an opportunity to at least test their business ideas.

Ms. CARTER. With respect to the workforce, I think as a small business owner we have tremendous opportunities when we can. So I actually just recently formed a nonprofit organization, called the Vendor Community Partnership, to try to address the crime in downtown Baltimore. There is a tremendous problem with joblessness. I believe it starts with education and opportunities. So the nonprofit has formed a partnership with the Downtown Partnership of Baltimore and those large business—we created a preferred vendor list of small businesses. Those small businesses get on the list if they hire at least one person from these underserved communities. We are partnering with some nonprofits who will help with the job training, preparing, you know, many people who want to work but just haven't had the opportunity. So they will be prepared to work, they will show up every day, and they will be productive citizens. And we believe that that is also going to, you know, have a positive impact on the crime and overall allow people to contribute to their families.

Ms. BRYANT. In regards to the lack of the workforce as well, I agree. I think we need to continue to work with the local high schools, the community colleges, the universities, and collaborate with the business industries, and to find out what are those skill sets that they are looking for, continue to implement more programs in the high schools and community colleges with the 21st century skills that are lacking from interpersonal skills, those things that are lacking the workforce. To be able to assist them and help those small businesses obtain and retain those students. I think education and exposure is the key to be able to try and recruit and train highly skilled employees.

Mr. NORMAN. Yes. And I think you all in your role, when you go into these schools, high schools particularly, we ought to stress we have customers to please now. There is a sense of not understanding that you have got a boss, you have got customers you have to sell your product to. And there is a certain responsibility that comes with that.

Thank you all. I yield back, Mr. Chairman.

Chairman KELLY. Thank you. And I just want to thank all four panel members. You know, one thing you didn't mention, Mr. Braziel, you kind of hit on it, is role models are so important, to see successful people. And I look at the panel that I have got sitting in front of me, and I know, as Chairman Chabot likes to say, all 30 people watching C-SPAN right now can—but, you know, it is important, each of you represent role models that people can look up to and they believe they can do it right. And I go back to believing you can succeed is the very first step and all those other things before they can even fall into place.

And I would like to thank everyone for joining us today. The community-small business relationship is a vital factor in not only the success of the individual community and small businesses, but also in the growth of the United States economy overall.

I would particularly like to thank our witnesses.

I do want to mention, Congressman Velázquez, the Ranking Member, is coming. I am already in the middle of closing and I am

going to close. But I hope you all will stay around and talk to her. She is quite a phenomenal team player on this Committee. And I have got to get to another Committee and I know Ms. Adams does too, but I do ask that you stay around and please take the opportunity to talk to her because she is a phenomenal member of this Committee.

I would particularly like to thank our witnesses for their testimony. I appreciate each of your insights into this relationship and what Congress can do to further foster this relationship going forward.

Now, I ask unanimous consent that members have five legislative days to submit statements and supporting materials for the record. Without objection, so ordered.

We are adjourned.

[Whereupon, at 12:04 p.m., the Subcommittee was adjourned.]

APPENDIX

Testimony of Mr. Ara Bagdasarian

Co-Founder & CEO Omnilert, LLC

Co-Author “The Lemonade Stand” Book

“Community Support: Entrepreneurial Development and Beyond.”

Before The Committee on Small Business

Subcommittee on Investigations, Oversight, and Regulations

I would like to begin by thanking the Congressional Small Business Committee for inviting me to testify today, on behalf of America’s Small Business Development Centers, to share a few of my thoughts on the impact of community support for entrepreneurial development on local communities and economies. As a serial entrepreneur who founded his first enterprise before the age of 10, a neighborhood lawn and gardening service called “KidCo,” I believe that the opportunities for small businesses to innovate on a local, national—even *global* scale—to be sure, there are challenges to be faced and overcome—but because I cannot think of a time in the whole of human history when such a wealth of resources and technologies were so readily available to anyone with a will and that most precious resource of all: an *idea*.

I am the co-founder and Chief Executive Officer of Omnilert, LLC, the world’s first emergency notification system for college and university campuses; though our customer base has since expanded to include private enterprise, government, and nonprofits from all across the country. As a company founder, I have developed a keen appreciation for the obstacles and challenges one must endure when embarking upon such a venture.

In fact, a few years back, I took it to task to distill my experiences into a book, titled “The Lemonade Stand,” which I co-authored. “The Lemonade Stand” is, simply put, the why-to-book on entrepreneurship; A memoir. Based my own, real-world experience, revelations, successes, and, of course, *failures*.

I have also served as the Chairman for the Town of Leesburg, Virginia’s, Economic Development Commission; a post that I held for 7 years. And I am on numerous local and regional advisory boards, whose purpose are to advocate for entrepreneurship. It is from this vantage point that I have seen the positive returns that result when a community invests in and supports entrepreneurial development.

That’s why I was stumped when, 10 years ago, I was asked, for a Town of Leesburg marketing campaign, why the town would be a good destination for entrepreneurs. I’m embarrassed to admit that I could not think of a single reason other than the fact that our town was a “quaint, idyllic community”. We had all the stand-

ard small business resources—SBDC, SCORE, and a Chamber of Commerce—,however, we did not have a *community* that was systematically supportive of local *entrepreneurism*.

This realization led to a concerted effort on my part, and that of many others, to start building the infrastructure for an entrepreneurship ecosystem: A shared effort between community partners—both private and public—that was assembled program by program. The fruits of this effort, I believe, have yielded a model that can be replicated in large and small communities across America.

It is through this model—and others like it—that communities suffering from high unemployment or the uprooting of key industry can plant the seeds of entrepreneurship and cultivate the growth of new businesses—through proper education and a supportive, local infrastructure.

Much like civic infrastructure—such as highways or the power grid—communities can build and develop infrastructure to harness great ideas that solve problems to power the economy. We have taken significant steps in Loudoun County Virginia to build this ecosystem. The three pillars of this infrastructure are: entrepreneurship education, resources, and community. Here are some of the key programs developed as part of our plan—though it is, by no means, a comprehensive list:

I. Entrepreneurship Education

The foundation for developing a community support system for entrepreneurship is education. The objective is to develop the entrepreneur mindset or perspective. This means viewing problems as opportunities, knowing how to develop an idea into something tangible, learning how to fail and how to learn from failure to build a world view that embraces challenges. A few of the programs implemented in Loudoun County to support Entrepreneurship Education include:

- **School Curricula (Lemon Lessons, IncubatorEdu) -**

In 2011 we introduced one of the country's first Entrepreneurship Education curricula to several high school business programs. The Lemon Lessons curriculum, based on the why-to-book on entrepreneurship that I co-authored ("The Lemonade Stand") supplemented the overall business and marketing curricula. Today, there are a number of Entrepreneurship Education curricula designed for high schools and higher education is offering major studies in entrepreneurship. They encompass hands-on skill development including speaking, listening, and writing while developing critical thinking skills and analysis. I recently had the privilege of teaching an entrepreneurship course at Shenandoah University which also has a Loudoun campus.

- **Step Up Loudoun/Loudoun Youth -** As entrepreneurship is based on problems in need of a solution, this program started in 2013 by Loudoun Youth Inc., challenges high school students to identify an issue and create a plan to address the issue, and most importantly, implementing the plan. Students

learn the lifecycle of developing ideas into real products or programs and are supported by business leaders during the process. [Link to Program](#)

- **Young Entrepreneurs Academy** - A program initiated through the Loudoun Chamber of Commerce and Small Business Development Center was in 2016 to provide a 7-month extracurricular program that teaches middle and high school students the fundamentals of entrepreneurship. In addition to learning the core principles, students work on their own start-up business or program. Students are then paired with an experienced entrepreneur to mentor for several months to develop their new venture and prepare for a pitch event. [Link to Program](#)

- **Academies of Loudoun** - To further fortify the educational foundation for entrepreneurship, in fall 2018 a new magnet high school which focuses on Science, Technology, Engineering, and Math with a pathway in Entrepreneurship is opening. Again, the key is to teach the entrepreneur mindset and creating tangible solutions from challenges. Opportunities to innovate surface when entrepreneurship is overlaid with Science, Technology, Engineering, and Math. [Link to Program](#)

II. Support Programs

A network of systems and programs to support the planning, creation, launch, and operations of a new venture. In Loudoun we have a number of programs that help entrepreneurs take new businesses to market:

- **Small Business Development Center** - The Loudoun SBDC has been the primary source of support for small business since 1988. The SBDC provides counseling on the mechanics of starting and launching a business. Frequent seminars provide an additional educational resource for individuals interested in learning what is required to start a business, fundamentals of small business marketing, sales, accounting, and operations. The SBDC manages a network of experienced entrepreneurs and professionals who advise clients at no cost. One-on-one advising has proven to be an invaluable tool for countless entrepreneurs I have encountered. Over the years, I have utilized the counseling services to help vet new ideas, structure partnerships, and various other operational assistance. [Link to Program](#)

- **George Mason University Enterprise Center (MEC)** - In 2011, this small business incubator was established through a partnership between the Town of Leesburg, Loudoun County, and George Mason University. The facility and programs are operated by George Mason University acts as a “one stop shop” for many of the county’s entrepreneurship programs. In addition to providing shared office space to 46 startup members, meeting rooms, and training space, the MEC is the home of the Loudoun Small Business Development Center, SCORE, and Town of Leesburg Department of Economic Development. This unique destination frequently inspires collaboration with it’s

entrepreneur members, and I have frequently jumped into a whiteboard session to brainstorm ideas with other incubator members. [Link to Program](#)

- **Loudoun Lemonhead Council** - In 2012 a group of seasoned entrepreneurs formed an organization to share their experiences by acting as a sounding board for emerging entrepreneurs. At meetings, presenting entrepreneurs pitch their new venture, share their challenges, and discuss opportunities. Connections are frequently made into professional networks, plus ongoing support and mentorship continues following the session. Also, “Lemonhead” entrepreneurs are invited to share their story as guest speakers in high school classes. As a member, I frequently meet and advise a number of entrepreneurs who have presented at Council meetings. [Link to Program](#)

- **SCORE** - In 2013, this program which provides experienced mentors to advise entrepreneurs opened a Loudoun Chapter to serve our growing community. This group of vetted advisors share their experience with specific domains. I utilized SCORE to help with the legal structure of an early venture, and continue to use SCORE advisors for various perspectives. [Link to Program](#)

- **1 Million Cups (1MC)** - A program started by the Kauffman Foundation where entrepreneurs pitch their idea to an open group of entrepreneurs was introduced to our community in 2013. This facilitates open discussion, insight, and feedback to help develop new business ventures. 1MC meets weekly at the George Mason Enterprise Center. This brings the entrepreneurship community together to foster a dynamic of collaboration and collective support. In many cases, startups present to the Lemonhead Council for a deeper dive after they present at 1MC. [Link to Program](#)

- **Economic Development (County and Local)** - As a testament to our community’s support of entrepreneurial development. In April 2015 Loudoun County’s Department of Economic Development hired a dedicated Small Business and Entrepreneurship Manager. This Manager serves as a central point of contact for entrepreneurs, connects them with resources, and creates synergies between entrepreneurial partners. Both Loudoun County and Town of Leesburg advocate for and are key partners in building community support for entrepreneurial development. [Link to Program](#)

III. Community

Finally, fostering a collaborative community of entrepreneurs, investors, mentors, educators, and community leaders to live and thrive within this ecosystem must be a very deliberate effort. *Community* is developed by *proactively* creating opportunities to connect; and discovering synergies with one another through events, engagements, and other programs designed exclusively for founders and supporters.

In Loudoun, we started 5 years ago with a monthly founders-only networking event, and now have a number of MeetUp groups, guest speakers, happy hours, and pitch events. This helps cross-pollinate relationships between complimentary startups and entrepreneurs. Unlike typical business networking events, ‘entrepreneur networking events’ do not encourage the participation of those soliciting professional services. They tend to be more collaborative and *supportive* in nature. Often new innovations emerge through collaborations and partnerships.

After 7 years of development, we have a growing entrepreneurial community functioning within an ecosystem supported by a solid infrastructure.

Conclusion

I believe that building the infrastructure to support the development of entrepreneurship is well within the means of every community in America—be it large or small. But the decision to go boldly forward is too often hindered by a fear of change; or a desire to hang on to the industries and ways of the past.

Ironically, it was by embracing change that the great American industries of the past—and present—even came to exist. But in a world where the only constant is change itself, I believe that Congress has the purview and responsibility to provide the incentives and support that will help American entrepreneurs continue to lead the world in innovation and industry. That is why I believe it should advocate for the building of infrastructure for entrepreneurship through championing entrepreneurship education, support programs, and community engagement.

Once this framework is built, an entrepreneurial ecosystem will develop and flourish incrementally. But this must be a deliberate undertaking, requiring the participation of current entrepreneurs, businesses, communities and education leaders; as well as public sector cooperation, advocacy, and resources.

Of course, what works in Leesburg may not work in Oxford, Mississippi or Charlotte, NC. Every community has its own unique strengths and assets. But the ideas I’ve been grateful to present to you here today amount to a blueprint, of sorts, for communities to empower its most resourceful and motivated to be a catalyst for positive economic and community change. There are thousands of communities around the country filled with smart, passionate individuals with brilliant ideas. All that is needed is the blueprint.

Derrick Braziel
Managing Director
MORTAR

Statement to the Committee on Small Business
United States House of Representatives
Subcommittee on Investigations, Oversight, and Regulations
“Community Support: Entrepreneurial Development and Beyond”
April 12, 2018

Chairman Chabot, Ranking Member Velázquez, Subcommittee Chairman Kelly, Ranking Member Adams, members of the subcommittee and members of the full committee: Thank you for inviting me today and for the opportunity to offer testimony on the work of MORTAR and more specifically, the value of our partnership with SCORE.

When I was in college, I was introduced to a quote by Author Stephen Gould. Mr. Gould said that he was, “less interested in the weight and convolutions of Einstein’s brain than in the near certainty that people of equal talent have lived and died in cotton fields and sweatshops.”

Founded in 2014, MORTAR works to create diverse communities by enabling historically marginalized entrepreneurs to access the resources needed to start and run successful businesses. We exist because we believe that there are minority men and women all across our country—especially in our inner cities—with an undeniable amount of world-changing talent. People like my father, who through athletic potential was adopted by his white high school football coach, giving him the opportunity to become the first person in his family to graduate from college, become a published author and father three amazing kids, one of which, my twin brother named Desmond Braziel, who serves our country as a Captain in the United States Army.

For the past four years, MORTAR has worked in Cincinnati to uncover latent entrepreneurial talent operating under the surface over our urban neighborhoods. We believe that any entrepreneur can thrive—when equipped with the right resources and hustle.

Our strategy is a practical solution to a common problem for minorities across the country—it’s very difficult to access the resources needed to start and grow businesses. Further, with the rapid gentrification of neighborhoods, many indigenous entrepreneurs are not connected to opportunities to prevent displacement while increasing engagement.

Utilizing non-traditional methods, we take risks on an entrepreneur’s abilities to start and grow businesses where others may not, providing an unparalleled connection to technical assistance, pop-up retail spaces to test ideas, and flexible, “friends and family”-

styled micro-loans to grow businesses. Our business academy, for example, which works with mostly low-income, African-American entrepreneurs, has a 96% graduation rate and is considered a model program across the country.

Our innovative work provides a critical piece of our Cincinnati's startup ecosystem, showing what's possible when people work together towards a common goal, elevating Cincinnati into a national conversation around diversity and inclusion. Every day, MORTAR shows Cincinnatians and other communities what's possible when you invest in previously underestimated entrepreneurs.

Unfortunately, Cincinnati suffers from chronic economic inequality, as over 75% of African-American families live in poverty and 17.1% of African-Americans are looking for work. The Kauffman index ranked Cincinnati 32 out of 40 in terms of entrepreneurial opportunity. Forbes ranked Cincinnati 50th out of 52 cities in terms of economic opportunity for minorities, and the Urban League listed Cincinnati at 73rd out of 77 cities in terms of economic mobility for African-Americans.

Within these sobering statistics are minority entrepreneurs with talent who could make a tangible impact in our region if given the opportunity.

Take Means Cameron, for example. Last Friday, I met with Means, the owner of one of America's hottest clothing brands, Black Owned, and his SCORE mentor, Jim Stahly. They were meeting with me because Means, despite being college educated and the founder of a successful, hip streetwear company, needed access to capital.

To see Jim, a seasoned business executive, working with Means, an early-thirties entrepreneur from the inner city, seamlessly work together through a sophisticated business plan brought tears to my eyes. Jim's experience, coupled with Means' resourcefulness and MORTAR's resources, will help Means continue to succeed.

The reality is that many people like Means will never have an opportunity for their dreams to be realized.

Luckily, I have the opportunity to make a positive impact on entrepreneurs like Means every day.

Central to our work is our partnership with SCORE. Any person, whether you intend to be an artist, plumber, entrepreneur or politician, needs to have a support system in place if you want to succeed. According to the U.S. Small Business Administration, small business owners who receive three or more hours of mentoring report higher revenues and increased growth.

SCORE is the nation's largest network of volunteer, expert business mentors, with 10,000 volunteer mentors nationwide providing free small business mentoring sessions, workshops and educational services to clients. Since 1964, SCORE has helped more than 10 million aspiring entrepreneurs to start or grow a business. In 2017, SCORE mentors volunteered 3.6+ million hours to help create 54,506 small businesses and 61,534 non-owner jobs.

SCORE has filled a critical gap for MORTAR entrepreneurs, offering their time and expertise to support and cultivate the dreams of our high-potential, under-resourced entrepreneurs. Since day one, SCORE has provided a mentor for every single one of MORTAR's 170 graduates. In the beginning, I was nervous—how would this organization of seasoned, mostly white professionals interact with our graduates? Well, I can say with certainty that our partnership with SCORE, and the resources they provide, has made our entrepreneurial community one of the strongest in the country.

SCORE has also stepped in to support MORTAR, helping us evaluate our own business model along with opportunities to expand our footprint in Cincinnati and beyond.

Our partnership with SCORE has been instrumental to our growth—we've recently expanded to five communities in Cincinnati, and opened three additional pop-up spaces there. We plan to pilot our new curriculum with partners in Milwaukee, and we recognize that working with SCORE is an indispensable component of our success. We recognize the power in bringing together people of different backgrounds around a common, shared passion for entrepreneurship. As a result, we've forged lifetime bonds between people who may have never met otherwise.

The experience of MORTAR entrepreneurs connecting with SCORE mirrors that of my father, who, through the generosity of my grandfather, forever changed his trajectory and that of my family.

At the end of the day, our hope is that our approach—in close partnership with SCORE—will catalyze the creation of local ecosystems where entrepreneurs of all backgrounds and colors can not only participate, but also transfer economic opportunity and ownership to future generations.

Our partnership with SCORE has helped MORTAR graduates to exceed the national business averages. For example, we know that of the 170 graduates of MORTAR's program, 132 are still in business, with 71% engaged in our alumni support network. We estimate that in the past year alone, our entrepreneurs have added \$1 million to our regional economy. One graduate, Brian Jackson, is on pace to open Cincinnati's first black-owned brewery.

It's been proven that MORTAR graduates—despite coming from disadvantaged backgrounds—are staying in business longer, creating more jobs and real economic change for individuals and communities in our region. The impact of our work has been featured in publications such as *Forbes*, *NBC Nightly News*, the *Stanford Social Innovation Review*, *Politico Magazine* and others.

The work of MORTAR is just getting started. We recognize that by partnering with organizations like SCORE, great things can happen. Our plan is to continue working to teach entrepreneurship in communities where the next Steve Jobs, Kanye West or Walt Disney may live. We see a world where with a MORTAR on every inner city corner, where the crazy dreamers who see the world differently will be encouraged, inspired and trained to change the world.

Thank you for again for your support and for allowing me to testify. I am happy to answer any questions.



Testimony of

Stephanie Carter

on behalf of the

Association of Women's Business Centers to the

U.S. House of Representatives

Committee on Small Business

Subcommittee on Investigations, Oversight, and Regulations

Community Support:

Entrepreneurial Development and Beyond

April 12, 2018

Testimony of Stephanie Carter: *Community Support: Entrepreneurial Development and Beyond*

Thank you, Chairman Kelly, Ranking Member Adams and distinguished Members of the Subcommittee, for the opportunity to share this testimony with you. My name is Stephanie Carter, and I am founder and President of SCB Management Consulting. SCB resolves complex business challenges and develops tailored solutions for corporate executives, public sector organizations, and business owners. SCB's core services are program and project management, risk management, strategic planning and business process improvement.

I am testifying today on behalf of the Association of Women's Business Centers (AWBC), which supports the national network of Women's Business Centers (WBCs) by providing training, mentoring, programming, and advocacy with the goal of improving services to women entrepreneurs. The AWBC's membership includes all of the 107 WBCs throughout the United States.

As you know, the Women's Business Center program is a public-private partnership with 30 years of success in providing training, counseling, mentoring, and access to capital to women entrepreneurs across the country. Women and business like me and SCB.

Before I begin, let me thank the subcommittee for holding this hearing today. Understanding the challenges of launching and growing a business is difficult, and too often we do not fully recognize the factors at the periphery of traditional business creation—despite their importance. I fully believe that the community fostered by the WBC played a key role in my success, and its replication can only mean good things for women entrepreneurs nationwide.

Strength in Numbers

Business success is predicated on a host of factors, ranging from the expertise of the business owner, to wisdom of the business plan, to the ability to access capital, to picking the right location or marketing, to hiring the right staff. When a business succeeds or fails, there are so many variables to point to as a driver of where an entrepreneur made or did not make it.

What is undeniable, however, is that those businesses that have a network of support behind them fare better than those without. In my view, here are a few reasons why this is.

First, a network allows you to problem solve the early crises of launching and growing a business. Along the way, whether its incorporation or tax questions, to the logistics of office space or your first hire, they are myriad challenges in every business. When you have a network of fellow entrepreneurs you can collectively solve—and even anticipate—many of these issues.

Second, a strong community helps identify new opportunities. Every business, whether five minutes or 5 generations old, is seeking new opportunities. A community that understand your business

and its offerings is incredibly helpful in spotlighting business development. Similarly, it also allows for teaming of entrepreneurs who may collectively offer an innovative solution to the market than individually is not available.

Finally, and perhaps the hardest to define but also the most important, a community and network gives you the confidence to become an entrepreneur and the persistence to thrive after your business is created.

For these reasons, developing communities of support around women entrepreneurs should be considered critical. The potential of the nation's 11 million women business owners thrives only when the challenges of business can be addressed through sufficient access to counsel.

The Role of Women's Business Centers in Fostering Community

The network of 150 women's business centers service locations across the country spend each day unlocking this potential—and addressing those challenges. The WBC program plays a different role to each of the two million women who have walked through our doors, but in so doing, has created a community of two million women entrepreneurs.

A study of WBC clients done by the Center for Women's Business Research found that, aside from general business management information, gaining financial management skills, and learning about the legal aspects of organizing a business, what the clients valued highly from their experience in the center was finding a community of other women with whom to build relationships. Unlike a "transactional" short-term course—after which a prospective business owner is on their own—women's business centers provide a venue for ongoing learning and relationship-building.

Simply put, the WBC's role is the glue of the women's entrepreneurial ecosystem. In communities that have WBCs, entrepreneurs of all kinds are developing the skills and confidence to launch or grow their business.

How WBCs and Community Support Helped SCB

I launched my business after nearly twenty years in corporate consulting and internal leadership roles. While I had the business, finance and operations foundation of my MBA and corporate roles, there were many aspects of entrepreneurship that I felt I needed including legal, tax, sales and marketing.

I began enrolling in Entrepreneur and Business Planning Courses with the Women's Business Development Center in Center City Philadelphia and the SBDC in Baltimore in early 2016.

Once I was in the Washington DC area, and with the public sector being one of the greatest opportunities for consulting, I embarked on learning as much as I could to help me directly penetrate the market and begin to grow my business. I took my first seminar with the WBC in July 2017 "Orientation to Small Business Resources-Montgomery County." During that session I learned

about other WBC courses including the Procurement Series offered by Prince Georges County and Montgomery County. I started that six-part series in August 2017 because it offered a host of information about accessing the public sector market. The series culminated with a matchmaking session with procurement specialists in November.

I enrolled in the Procurement Series for the business development information, however, gained several relationships that ultimately formed a community of support for my business:

- The WBC counselor who facilitated the series has become a great ongoing resources for business development opportunities as well as other information I may need including securing office space.
- I forged a partnership with one of the speakers who noticed during my 'elevator pitch' that we may have some synergies, and currently pursuing business development opportunities together.
- I included one of the Procurement Series participants who is just starting her consulting business, in a recent bid.
- Public sector panelists have been very accessible and helpful in gaining a greater understanding of their respective organizations.

It also is not just the network at the WBCs alone that has provided benefit. I learned of other networks at the WBC that I should engage and have expanded my ability to grow my business through them. There is an exponential impact of the initial network supplied by the WBC.

I learned through the WBC courses that an effective market penetrator for new entrepreneurs such as myself are Woman Business Enterprise (WBE) and Minority Business Enterprise (MBE) certifications. I began the process in 2017 and now certified in all qualifying categories. As a newly certified WBE and MBE, I regularly attend informational and matchmaking sessions offered by the certifying agencies.

I also attend a variety of forums such as Pre-Bid Conferences, Economic Forums, and State of Maryland "Ready, Set, Grow" monthly informational sessions offered by the Governor's Office that also offer the opportunity to meet industry leaders. As a result, I have begun to forge new relationships in the public sector. Some of these relationships are leading to immediate collaborations while others are laying the foundation for long-term mutual relationships.

I am also a member of the DC Chapters of the Financial Executives International (FEI) and the Risk and Insurance Management Society (RIMS). I was previously with other business organizations, however, have generally found daytime chapter meetings are not conducive to my subcontracting engagements.

Furhtering Community Support

One of the first questions I often review in these networks is “where do you live?” People are consistently shocked that I have traveled from Calvert County to Baltimore, Columbia, Northern Virginia, etc. to attend an event. However, opportunities for the information and access that I need generally are not offered in Southern Maryland.

My example is not unique. Companies hover around these networks and we must do a better job of creating communities of support in areas that need business growth the most.

Similarly, we must continue to enhance the WBC program at SBA. With jurisdiction over the program, this Committee has the opportunity to make the benefits I have experienced more widespread. The limitations of an outdated authorization are evident in the day-to-day experiences of these centers.

I encourage policymakers to consider legislation that would allow for more flexibility for WBCs—particularly eliminating the many burdens they face and choose not to operate in certain areas.

The role of AWBC, who I am representing here today, should also be leveraged. Through statute, we should build on the best practices of other resource partners and allow for accreditation. Part of this process would ensure that every WBC has the skilled resources to develop communities of support for women business owners.

Finally, Congress should increase the visibility of the WBC program. I encourage this Committee to use its’ extensive media abilities to talk about WBCs. The more we do that, the larger the community of support becomes.

The commitment of this Committee to the WBC program deserves recognition as Congress is working to enhance WBC’s role in fostering a positive environment for women entrepreneurs. We are grateful to Committee Chairman Chabot, Ranking Member Velazquez and Representatives Knight and Lawson for introducing legislation to re-authorize the program. Representative Stephanie Murphy, too, championed the program and restored to the FY2018 WBC funding the additional \$1 million in appropriations included in FY2017.

These actions make the WBC’s role in the broader women’s business community profound. I am excited that they will continue their work and continue to support the growth of women’s entrepreneurship and the community of support created by this important program.

Conclusion

In closing, I appreciate the opportunity to celebrate the unstoppable community of women-owned businesses and the impact they are having on our nation’s economy and to update this subcommittee on the role that community played in my success. Many challenges remain for women-owned businesses, but we have only begun to tap the potential of this economic powerhouse.

With the help of the Congress, the SBA, and the WBC Program, I believe we can continue to build a community of support that will allow women entrepreneurs and small business owners around the country to realize their full entrepreneurial potential and contribute significantly to economic growth and job creation.

Thank you again for this opportunity to testify.



Testimony of Tamara Bryant

on behalf of

Fayetteville State University-Veterans Business Outreach Center

U.S. House of Representatives

Committee on Small Business

Community Support: Entrepreneurial Development and Beyond

April 12, 2018

Community Support: Entrepreneurial Development and Beyond, a VBOC Perspective

Good morning, I am Tamara Bryant. I am the director of the Veterans Business Outreach Center at Fayetteville State University serving the states of North Carolina, South Carolina, and Kentucky. The Veterans Business Outreach Center or VBOC is the Small Business Administration's 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 has 20 organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC) across the mainland US and one in Hawaii. I would like to thank Ranking Member Alma Adams and Chairman Trent Kelly Representative for the invitation today to share with you VBOC's entrepreneurial development programs, a collaboration of resources and partnerships to help build stronger entrepreneurial communities and to increase the success rate of Veteran-owned businesses.

VBOC's core competencies are entrepreneurial development training designed to deliver interactive and experiential workshops that give the attendee the opportunity to walk away with tangible outcomes and takeaways they can immediately employ in their business. One major point of entry to VBOC services is during the active duty service member's transition out process in a training called Boots to Business. This is a two-day training workshop conducted at military branches that introduces our target audience to the idea of entrepreneurship. The training is taught by VBOC and other SBA resource partners including Small Business Development Centers, SCORE and Women's Business Centers. Last fiscal year, Fayetteville State University's VBOC conducted 68 training sessions. The 20-VBOC's as a whole conducted 607 training sessions across the country. Our second core competency is business counseling that assists clients with evaluating the feasibility of a business concept and turns it into an actionable plan, start-up assistance/expansion, business planning, loan package assistance, and more. Third, is our resource referral program, VBOC works closely with other SBA resources partners across the U.S. when a specific area of expertise or greater assistance is needed. For instance, if a client needs to get a Veterans Administration (VA) certification as a VOSB or SDVOSB we will refer the client to the Procurement Technical Assistance Center who are certified to do VA certifications. The entrepreneurial development training, collaboration of resources and community support are critical success factors for VBOC's mission which I will elaborate on.

Fayetteville State University Veterans Business Outreach Center (FSU-VBOC), since its inception in 2010, is committed to assisting veterans, transitioning soldiers, active duty, guard, reservist, and spouses to start, purchase or grow a small business. FSU VBOC is located in North Carolina with a total population of 790,000 Veterans who reside in each of the 100 counties across the state. Close proximity to the largest Army Installation, Fort Bragg-home of the

82nd Airborne. VBOC is hosted at Fayetteville State University's (FSU), College of Business and Economics, a Historically Black College University (HBCU). FSU is a constituent member of the University of the North Carolina System, and it is known for its support of military-affiliated students through serving large numbers of active duty soldiers, their spouses and families, as well as veterans. The college has over 6,200 students with almost 25 percent of that population being the military community. This collaboration with FSU is a natural fit for VBOC's target customers and mission. It has allowed VBOC the opportunity to collaborate/participate in the College of Business and Economics entrepreneurship programs such as small business consultant teams. The small business consultant teams are undergraduate or graduate students (many of the students are military affiliated, minorities and women) that work closely with our clients to solve business needs in areas of marketing research, feasibility studies, and financial analysis, and to help them pursue new opportunities. These student engagement opportunities provide the students with real-world practicum educational experience focused on helping small businesses and our clients receive valuable assistance at no charge. In addition to collaborating with CBE, we conduct government and corporate procurement training to better position the target audience to compete for all levels of contracting, and judge entrepreneurial pitch competitions, to name a few undertakings. This collaboration allows VBOC to promote and market our services to military students and alumni, provide our clients access to student internships, provide government procurement technical training/plans rooms, workshops/seminars taught by awarded winning entrepreneurial professors, as well as, access to state-of-the-art classrooms and technologies.

FSU-VBOC is extremely fortunate to have great partnerships with highly valued resource partners to help service our clients in an exemplary manner. VBOC's network offers invaluable services and programs for our veterans and military community, however, we do have our challenges for example, not having centers in each state, which leaves several VBOC's to cover multiple states. Therefore, it is critical for the VBOC's to leverage other resource partners to assist their client's needs. We understand our clients come with a unique technical skill set, impeccable leadership skills, core values, and a mission-focused mindset but often they may lack the business acumen skills or the ability to transfer their military skills into an entrepreneurial career pathway. VBOC's entrepreneurial development training, business counseling and referral services address those needs with the assistance of SBA Resource Partners, local/state agencies and community support which becomes an added-value to their clients. It is imperative that we know and understand the population of our target customers and the available resources to meet the client needs and manage and exceed their expectations. FSU-VBOC client base is very diverse serving over 1,400 clients this past fiscal year, 47% minority and 21% women with various needs in access to capital, securing government contracts/certifications, business plan development and access to human capital. Having a clear understanding of who we serve and what their needs are allows VBOC to leverage the right

resources and provide in-depth counseling that results in impactful outcomes. I will be highlighting two successful clients for whom VBOC leveraged other resources that yielded the clients' great results.

Marcella Eubanks, Army Veteran owner of Bravery Kids Gym, came to VBOC with her idea of owning an all-inclusive children's gym with a focus on children with special needs. She received assistance with developing her business plan/start-up assistance and referral to a local community bank to obtain funding. She came back to the center for other services because she viewed the staff at VBOC as a trusted advisor and was willing to work with other agencies. She's been referred to the Syracuse University V-WISE pitch competitions, SBTDC for specialized training in QuickBooks and utilized CBE student internships. These referrals have helped her win pitch competitions, hire 6 part-time employees and improve the business' operational and marketing systems.

Robert Fletcher, Army Veteran owner of Bob's Smokin' Southern BBQ Sauce, attended VBOC's annual Entrepreneurial Bootcamp for Service Disabled Veterans. The week-long training provides a learning and development opportunity for veterans and spouses who are interested in starting a business. Robert's idea of his famous barbecue sauce concept started in the boot camp. He later worked closely with the VBOC staff to form the business. Robert was also introduced to one of VBOC's core strategic partners the North Carolina Veterans Business Association (NC Vet Biz). Its mission is to support, educate and connect all veterans in commerce in North Carolina with resources to become successful in business. The association assisted Robert with additional distribution channels to get his sauce to the market. The training, counseling and partnership assisted Mr. Fletcher in operating nationally with sauces now in over 200 stores, as well as being offered expansion internationally to Australia, Germany, and Okinawa. He will soon be a part of a Netflix documentary scheduled to begin production in late 2018. These are two of many success stories demonstrating FSU-VBOC collaborations with resource partners, and local organizations to deliver desirable outcomes for their clients. FSU-VBOC's impact on the US economy's during the past fiscal year includes: contributing to 41 businesses started, 537 jobs created and retained, 2.2 million loans acquired, and 1.3 million contracts awarded with the assistance of great partnerships and community support.

Veteran-Owned businesses are the pillars of the American economy. Nearly 1 in 10 businesses are veteran-owned, generating approximately 1.1 billion of the nation's total sales per year. These businesses hire 5.03 million people per year, and have an annual payroll of \$195 Billion (data collected by the Office of Veterans Business Development). Veteran-owned businesses are found across diverse industries with the above average representation in finance/insurance, transportation/warehouse, construction, and agriculture/forestry/fishing. The State of North Carolina sees growth in these industry sectors as well. FSU-VBOC partnered with NC Department of Agriculture, USDA and NC Department of Veterans and Military Affairs to host annual Veterans in Agriculture summit

to promote, support and expose more Veterans to the agriculture industry. Veteran women-owned businesses steadily increase each year, (15.2% of businesses are owned by veteran women). To continue the steady increase, VBOC co-hosted "A New Mission: Military Women as Entrepreneurs Conference" with the Women's Business Center of N.C. across the state. VBOC's recognized the challenges these veterans faced as business owners in obtaining access to capital and government/corporate procurement. To assist our clients with these critical needs FSU-VBOC partnered with the North Carolina Veterans Business Association to provide veterans and the military community with access to more procurement opportunities, removing barriers to entry and networking opportunities. The past fiscal year for the VBOC network was marked by very significant levels of outreach, training, and services for veteran-owned and military spouses' small businesses. Over 1,700 training events held, 178 businesses created, and 1,006 jobs created and retained, 243 prime and subcontractors awarded, and 8.5 million dollars in SBA loans approved. Starting May 1st, the award expands the existing VBOC network from 20 to 22 centers across the nation, ensuring 100 percent geographic coverage. Each of the 22 awardees displays proven commitment and continued excellence in providing comprehensive entrepreneurial services to the veteran and military community. Most of the VBOC centers cover multiple states and attend every Boots to Business course, all with a budget of \$6,000,000. The 22 Veterans Business Outreach Center through its cooperative agreement is committed to ensuring that every service member and military spouse has the resources they need in their local communities to start and operate small businesses, achieve post-service career success, and strengthen the Nation's economy. My ask is for your continued support of VBOC services to increase the success rate of business ownership with this highly skilled workforce. Again, thank you for this opportunity to share and represent the VBOC network-a program that helps our service men and women, and Veterans who fought, protected and served this GREAT NATION!

Submitted, 10 April 2018

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