

U.S. SMALL BUSINESS ADMINISTRATION

ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS

Thursday, February 17, 2011

9:00 a.m.

Eisenhower Conference Room
Small Business Administration Building
Washington, D.C.

PARTICIPANTS:

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William D. Elmore

Marylyn R. Harris

Scott Henry

Daryl A. Hill

Terry D. Hill

Billy C. Jenkins

Devin Jopp

Courtney D. Lynch

Patrick J. Mackrell

Ron M. Miller

Jody Raskind

Albert R. Renteria

Rod Salsbury

Jim Shephard

Cheryl Simms

Jean Smith

Carol Walker

Stephen H. White

Tim Winter

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1 P R O C E E D I N G S

2 MR. ELMORE: Okay, why don't we go ahead and get
3 started? There is a number of sort of administrative things
4 to go over pretty quickly this morning, as we start.

5 First off, for those of you that are new, if you
6 haven't been here for a meeting before and you -- comes a
7 time in the day when you need to use the restroom, it's
8 through the door, through the glass doors. For men it's to
9 the right; for women, it's to the left. And you won't get
10 back down this hall without a pass. So, typically what we do
11 is, if you need to take a restroom break or go outside for
12 some reason, just come get my pass, and that will get you in
13 and out.

14 Jeff is not going to be able to join us today. He
15 contacted myself and Courtney, who is your vice chair, and it
16 really came down to -- without getting into a lot of his
17 business detail -- he was able to purchase another
18 helicopter, but the helicopter wasn't as airworthy as he
19 thought, and it affected a very critical contract that he's
20 on, because he had to do a lot of maintenance to get this
21 thing flying.

22 So, he really couldn't not perform on his contract

1 with his business. And he was feeling really bad about that.

2 And my advice -- and Courtney's as well -- was, AJeff,
3 what's most important is your family and your business. This
4 advisory committee comes after that. So take care of
5 business.@ So that's what he's doing.

6 So, Courtney will act as chair today. Ana Ma, our
7 chief of staff, will come in probably in about 5 or 10
8 minutes to greet you, say hello, and if you have any quick
9 questions for her, please feel free. She is usually not so
10 shy about answering.

11 We have a recorder, as usual. So, for those of you
12 who are new, please try to remember to identify yourself or
13 speak into one of the microphones, because this is recorded,
14 and it's on the record.

15 I just remembered what else I needed to say. I
16 would like to do a quick intro since we have, I believe,
17 Cheryl, three new members.

18 MS. SIMMS: We have -- yes.

19 MR. ELMORE: And since the new members are not
20 known to the existing members, and the existing members are
21 not known to the new ones, perhaps a very quick introduction
22 around the table.

1 And I am going to express one apology to you,
2 before somebody asks me about it. Right now -- and we're not
3 on the record yet -- or are we? Are we on the record?

4 THE REPORTER: We are.

5 MR. ELMORE: Okay. The recent revisions of the SBA
6 web page are still a work in transition. So if you have
7 looked for the advisory committee or other information on the
8 SBA website and didn't find it, you're not the only one. We
9 are working diligently to try to continue the revision to the
10 new web approach that will have all of the veterans' business
11 development programs and information back available up for
12 anybody who looks for them and wants to use them. But right
13 now, it's not.

14 I won't give you my editorial comment about this
15 web revision, I will just leave it at that. It will be
16 fixed.

17 So, with that, Pat, maybe we'll start with you, if
18 you don't mind, on a quick intro.

19 MR. MACKRELL: Sure. I'm Pat Mackrell from New
20 York. I work at a company called New York Business
21 Development Corporation, which is the largest SBA lender in
22 New York State, with offices throughout New York State.

1 MR. WHITE: Steve White. We have two companies.
2 One, I do bank marketing programs -- sometimes, that's why
3 I'm sitting next to Pat -- and also as a founder of the
4 Veterans Business Network.

5 MR. SALSBURY: Rod Salsbury, CEO of Staktron. We
6 provide unified and collaborative solutions for federal
7 enterprise.

8 MS. HARRIS: Marylyn Harris from Houston, Ex-Army
9 nurse; Owner of Harrland Health Care Consulting and the new
10 Women Veterans Business Center, a non-profit out of Houston.

11 MR. HILL: Daryl Hill. I run a company called Live
12 Patriot. It's for connecting veterans online with business
13 owners. Its utilization -- its concept is to help, as a
14 community, come together globally.

15 MS. LYNCH: Courtney Lynch. I'm a founding partner
16 of a leadership development consulting firm called Lead Star.
17 So I'm a veteran small business owner.

18 MR. ELMORE: Bill Elmore, associate administrator.
19 I think you all know me.

20 MR. JENKINS: Bill Jenkins, veteran procurement
21 liaison.

22 MS. CHAMBERS: I'm Jill Chambers, I'm a retired

1 Army colonel of about 18 months, CEO of a business titled
2 This Able Vet. We do a lot of communications work with
3 veterans who are having issues with invisible wounds, and
4 actually now partnering with entrepreneur boot camp for
5 veterans, and doing some communication work for them,
6 especially with this women's program coming up.

7 MR. HILL: I'm Terry Hill, I run a public relations
8 and marketing company of the same name, Terry Hill
9 Communications, and I just started less than a year ago. And
10 before that, I was with the Franchise Association running a
11 program called Vet Friend that helped -- over 10 years helped
12 about 2,000 veterans get in the franchise business. And we
13 have 400 companies participating in that program now.

14 MR. RENTERIA: Albert Renteria, own business for
15 the past 10 years, enjoy 2 federal contracts and Fort Bragg
16 and Eglin.

17 MR. MILLER: Ron Miller, Miller Consulting.
18 Started out with the VVLPs with Bill, Steve, and a bunch of
19 other folks many, many years ago, and I own a small
20 consulting business. Very small.

21 MR. ELMORE: Good. All right. Well, welcome.
22 Obviously, there are lots more behind those quick

1 introductions. So those who haven't met or chatted with each
2 other, you should take the chance sometime today, because
3 there is a lot of interesting work going on around this table
4 with the people that are here.

5 But I want to make a special point to say thank you
6 to Terry, because franchising is something that I have had an
7 interest in and have done some work in with veterans now for
8 better than 20 years. And I think he brings that background
9 that we haven't had here, as this task force. And it is an
10 important arena for our community. So I'm looking forward to
11 your participation and your feedback, and some of the things
12 I have already asked you to help me do, outside of this
13 circle. So thank you.

14 MR. HILL: Thank you very much.

15 MR. ELMORE: With that, I am just going to sort of
16 go into -- since the focus of today's meeting is
17 entrepreneurial counseling and training, and many of you have
18 some rudimentary overview of many of the SBA programs in that
19 regard, and they will be here before you today, as will
20 Department of Labor. So I'm going to touch primarily on some
21 of the bigger issues that my office has been working on, not
22 just inside SBA, but across government, and also some of the

1 programs that my office specifically manages and has
2 responsibility for.

3 So, the first I will start -- and I am starting
4 here because it's the one I understand the least, but in the
5 end it may turn out to be one of the most important efforts
6 that the Administration has undertaken, and it's called
7 Start-Up America Partnership.

8 Now, this is a new public-private initiative out of
9 the White House -- I'm not here to give you a sales pitch on
10 it. But Kauffman Foundation and Case Foundation and a number
11 of significant not-for-profits around the country have come
12 together, at the request of the White House, to try to build
13 out a range of services and resources to support successful
14 entrepreneurship and start-ups in America. It's primarily a
15 private initiative.

16 And I will tell you that, while I wasn't there, I
17 did watch the announcement of this that our administrator
18 participated in. And she specifically referenced the high
19 rate of self-employment that veterans enjoy and earn through
20 their own self-employment and entrepreneurship efforts.

21 I will tell you -- sort of the true confession side
22 -- I'm not sure that there is going to be a lot of focus on

1 veterans in this. I think the focus is more broadly on
2 entrepreneurship, and not specific segments of the veterans'
3 community, other than by market niche. But I think it's an
4 area that the committee should pay some attention to.

5 And perhaps, as you develop your recommendations
6 for this year, if you don't think that there is a veterans
7 participation at an appropriate level in this effort, don't
8 be afraid to suggest or articulate that because your report
9 does not only go to the administrator, but it does go to the
10 White House, and this is a White House initiative.

11 So, unless people have questions about that -- and
12 I can try to answer them -- I won't get into a lot of detail
13 about that. It was just -- I will mention it was just
14 launched on January 31st, and it's gotten a fair amount of
15 play, not only administratively but out in the public arena.

16 The second piece that I will touch on -- and I only
17 have -- actually, I have four more copies of this in my
18 office, so I'm going to pass this around and ask people to
19 take a look at it. It's available online if you want to make
20 a copy. But the printed copies are pretty hard to come by.
21 And this is another report that was just issued, and SBA was
22 asked to sit on an inter-agency task force created by the

1 National Security Council. And we were asked to sit on that
2 inter-agency task force by the White House -- in fact, this
3 initiative was created by the White House -- and the report
4 that they just issued is titled, A Strengthening our Military
5 Families: Meeting America's Commitment.@

6 Okay. Now, 16 cabinet agencies and, lo and behold,
7 SBA. Now we weren't an original member of this, because it
8 was all cabinet agencies. I think what happened was, when we
9 announced our program initiatives on Veterans Day, people in
10 the White House and people at some of these other agencies
11 suddenly discovered SBA actually not only has programs, but
12 has had programs for this community now for a number of
13 years, from Patriot Express to some of the EVV programs and
14 some other efforts, as well.

15 So, I put a paperclip on the page where our
16 programs -- actually, two of our programs -- are mentioned in
17 this report that went to the President, went to the First
18 Lady, went to the vice president, went to Dr. Biden, the vice
19 president's wife. And we have been asked now to continue to
20 participate in the meetings going forward.

21 And I was at one of those meetings yesterday
22 afternoon at the White House, and I will pass these around.

1 I don't have many copies of this, but please look at it.
2 This is what was provided to 16 cabinet agencies yesterday at
3 a White House meeting about some of the programs and services
4 that we have and are providing to this community.

5 And I will give you a little insight, so you kind
6 of understand where SBA typically fits in the hierarchy. A
7 woman from OMB mentioned that the Administration's commitment
8 to military families in transition and the services and
9 programs available to them is about \$10 billion a year, and
10 they specifically mentioned SBA as one of the 4 agencies, and
11 they said that our part of that \$10 billion is \$3 million.
12 So it -- to me it was a note that I made to myself, because
13 at our interagency task force meeting that I have next week
14 I'm going to reference that same point.

15 Here we are, talking about economic opportunity for
16 veterans in a \$10 billion a year arena, and at this point our
17 commitment is \$3 million. Now I don't say that to trash SBA,
18 because \$3 million is a lot more than we had a couple of
19 years ago. But I don't think it's still adequate for what
20 the community could benefit from, and honestly, what our
21 country could benefit from, if our community was supported,
22 that I think we all probably agree could be done.

1 So, look that stuff over. If you want copies of
2 any of those materials, let us know, we will run them out and
3 print them. I have, literally, been running around this
4 morning, trying to put stuff together, because this White
5 House meeting yesterday pretty much took me off of what was
6 my ongoing task.

7 Third piece. In the same brochure, or this same
8 booklet I passed around are now the four programs that we are
9 doing to some degree with the University of Syracuse and the
10 other universities that are part of the Syracuse consortium.

11

12 Now, I'm not going to get into a lot of detail
13 about that, other than -- and I think most of you heard about
14 this -- we have basic numbers that the EBV program has
15 produced now for the last -- it's now in its fifth year, and
16 it has now grown to a seventh university at Louisiana State
17 University. And Louisiana State University is going to break
18 the mold. All of the EBV programs have been during the
19 summer at the host universities. Louisiana State University
20 is going to be in the winter. So, EBV itself has begun to
21 change a little bit.

22 Now, out of EBV comes a program called EBV

1 Families. And Syracuse University delivered the first round
2 of that training over Veterans Day week this last fall.
3 Jill, you were there for part of that, weren't you? For the
4 whole thing. And basically, EBV Families is for the
5 caregiver of significantly disabled veterans. So it's not,
6 per se, for the veteran. It's really for the family that's
7 taking care of that veteran with significant disabilities,
8 and providing them the same sort of entrepreneurial expertise
9 that EBV provides.

10 That program is getting a lot of attention. I
11 think Wal-Mart and others have already made donations, pretty
12 significant donations, to help grow that program. And I
13 think the EBV families -- and I can't tell you how many
14 campuses it will expand to, but I think it's going to expand
15 to a number of other campuses, as well.

16 The other two new programs that I think we talked
17 about last fall are the Operation Endure and Grow, which is a
18 completely online system designed specifically for National
19 Guard and Reserve component members who are small businesses
20 -- excuse me, who are small business owners -- or were small
21 business owners before they got activated, or, as they come
22 back, they want to explore and pursue entrepreneurship as

1 their vocation.

2 So, Endure and Grow and is a spin-off of EBV, and
3 it is specifically focused on those Reserve and Guard members
4 and their families. So we're not going to train just the
5 small business owner, we're going to train the spouse, the
6 adult children, any immediate family member that that service
7 member considers important or critical to the ongoing success
8 of their small business, whether it's a start-up or an
9 existing business.

10 To me -- and I'm probably most enamored with that
11 because -- those who know me well know that I have been
12 working in this town for almost 10 years -- about what
13 happens when a National Guard member gets activated and they
14 were a small business owner.

15 And I don't think our government services and
16 resources and response has been nearly adequate for an issue
17 that we know dates at least back to when World War II
18 veterans were being activated for service in Korea. And we
19 recognized in 1951 -- the Senate Select Committee's report
20 about small business in 1951 that talks about the damage that
21 occurs to a small business owner if they're in the Reserves
22 when they get activated. So it's a long-festering issue that

1 I think DoD, SBA, to a degree, and other parts of our
2 government have not done an adequate job with. So my hat is
3 off to Syracuse, and the people putting that program
4 together.

5 The fourth is VWISE, which is specifically targeted
6 to women veterans. There is going to be seven rounds of sort
7 of a combination of online preparation, actually location-
8 specific training, and then a combination of ongoing support
9 services and mentoring by other women and, I assume, other
10 men, small business owners. And the first round to this
11 training is going to occur in San Antonio, Texas in May of
12 this year. It's going to have a high profile, probably lots
13 of political support. The second round of that training will
14 be delivered in Baltimore, Maryland, in September of this
15 year.

16 And then there are other locations over the next
17 couple of years, including Seattle, San Diego, probably
18 Denver -- or Kansas City, I'm not sure which of those two
19 will be chosen yet -- and down in the southeast, as well. So
20 it's a high-profile women veteran entrepreneur training
21 program that really fits kind of with the mold of the
22 increasing role that women play in the service, that women

1 play in the world of veterans, and that women play in the
2 world of entrepreneurship.

3 And my personal hope out of that is, not that just
4 we enable women entrepreneurs as veterans, but that we also
5 build bridges between the veterans entrepreneur community and
6 the women's business community, because there has been a
7 tendency in the past for sometimes, rhetorically, for us to
8 get at odds because people don't necessarily understand the
9 commonalities, and they tend to highlight the differences.

10 So I am hoping that this program is going to build
11 up and strengthen the veterans' business community with the
12 women's business community, not just the veterans' women's
13 business community.

14 So, those programs are now started. Those
15 agreements are in place. The funding is in place. And the
16 agreements with Syracuse on those last two programs is in its
17 first year, and, assuming performance is achieved -- and I
18 have no reason to believe it won't be -- it will be renewed
19 for two more years.

20 If I get into something and you guys want detail
21 from me on this, stop me or ask me after I stop.

22 Now, part of the purpose -- actually, the primary

1 purpose -- of today's meetings is entrepreneurial counseling
2 and training.

3 Oh, hello, Ana.

4 MS. MA: Hello.

5 MR. ELMORE: Let me introduce Ana Ma.

6 MS. MA: I am on the record.

7 MR. ELMORE: Yes.

8 MS. MA: I'm late.

9 MR. ELMORE: Ana Ma is our chief of staff, and I
10 want her to come down and say hello. Please.

11 MS. MA: Absolutely. Good morning, everybody.
12 Thank you for having me. And we're very happy to host you
13 again here at SBA. As you saw this past week, it's been an
14 interesting week here in Washington. The President kind of
15 has released his budget, and there are a lot of hot topics
16 going on. But here at SBA, we have pretty proud of the fact
17 that we have been able to roll out a lot of programs, and we
18 keep doing so while watching our budget.

19 And, more than anything else, knowing that the vets
20 are at the forefront, along with the underserved communities,
21 along with -- we're trying to serve everybody, and we do --
22 and working with our resource partners, SCORE and the small

1 business development centers and the vet centers and the
2 women's business centers. So, it's been a long week already,
3 but at the same time we're very happy to host you.

4 And I just wanted to make sure to introduce Sean
5 Cortopassi, who actually serves as the office of the
6 administrator, one of the many hands, one of the very able
7 hands. But I am pretty proud to say, you know, he was
8 telling me he's a Navy brat himself, and he has served in the
9 Navy. But his father broke the line because his grandfather
10 and his great-grandfather served in the Army. So it's a
11 bipartisan service branch family here, so -- which is good.

12 But I am here, happy to answer some -- any
13 questions, as much as I can, or as much as I can rely on Bill
14 on doing so, and to welcome you. Thank you.

15 MR. ELMORE: Any B

16 MS. MA: And I know I owe Courtney a call.

17 MR. ELMORE: Let me -- if there is no questions, I
18 will share with you kind of how we work with Ana, as the
19 chief of staff. And this is new to this Administration. Did
20 not happen in the last Administration.

21 She meets with me and Dick Snyder, our deputy,
22 regularly. And we have straightforward, completely honest

1 dialogue about everything from budget needs in my office to
2 programs that we're pursuing to programs that we're
3 considering. And I am grateful for that, and I haven't said
4 that to you, so I wanted to do it here, publicly.

5 And she is not the only person in the
6 administrator's office we have this regular discussion and
7 dialogue with, and I am grateful for that, as well. And Sean
8 is a part of that, as a still relatively new member of the
9 administrator's staff, but also as a Navy veteran. It gives
10 us somebody up there that doesn't mind if occasionally I fall
11 back into my barracks language. I try not to with Ana B

12 MS. MA: I need a translator.

13 MR. ELMORE: But Sean and I occasionally say a
14 couple things to each other that people might take offense
15 with if they aren't veterans.

16 So, anyway, with that, any questions? Please.

17 MS. HARRIS: I have a comment.

18 MS. MA: Yes, ma'am.

19 MS. HARRIS: My name is Marylyn Harris. I am from
20 Houston. And I recently found out on Tuesday that we are,
21 for the first time, getting a women's business center. And I
22 am so excited.

1 I have started a start-up company. It's called the
2 Women Veterans Business Center, and we will be working with
3 the women's business center. What I wanted to ask is what
4 can we look forward to, in terms of -- I've never been to a
5 WBC starting in a city.

6 MS. MA: Well, I think this is one of our first
7 ourselves, actually, for this Administration. We have been
8 spending a lot of time in basically being able to afford as
9 much as we can on helping small business -- women's business
10 centers to be able to keep them stable.

11 MS. HARRIS: Yes.

12 MS. MA: So that has taken us two years. So now
13 we're, like, looking at where the needs may be. And we're
14 very excited about going to Houston. Houston is one of my
15 favorite cities.

16 MS. HARRIS: Yes, yes.

17 MS. MA: I spent a lot of time there, and we know
18 that the community is ripe for a center.

19 MS. HARRIS: It is ripe, yes.

20 MS. MA: And so, for example, a couple of weeks ago
21 we had announced the opportunity for women to become -- to
22 have a self-certified program for contracting. And so we're

1 pretty proud of that. And, actually, self-certifying -- we
2 have a link on our website. You basically go in, load up
3 your information, load up your documents, and it doesn't take
4 that long. Basically, we're processing many, many of these
5 applications, just because we are seeing a huge B

6 MS. HARRIS: This is on the SBA website?

7 MS. MA: This is SBA, an SBA program.

8 MS. HARRIS: Okay, okay.

9 MS. MA: And Bill will be happy to get you more
10 information on that. We will send that out. But it just
11 became available this past February 4th, actually.

12 MS. HARRIS: Okay.

13 MS. MA: So for us, the start-up is a lot of hard
14 work. It's all about linkages to the veterans community, to
15 the women's community, to the underserved communities, et
16 cetera. And we're looking forward to your help.

17 MS. HARRIS: Yes.

18 MS. MA: So, if you don't mind, I'm going to
19 forward your name over to Ana Harvey, who I'm sure you have
20 chit-chatted with.

21 MS. HARRIS: Yes, I've talked with her.

22 MS. MA: And so she's done a great job leading

1 that.

2 MS. HARRIS: Thank you. Please do.

3 MS. MA: As much as Bill is doing a great job in
4 keeping me straight.

5 MS. HARRIS: We're excited to have it. We are so
6 excited to have one.

7 MS. MA: Oh, that's terrific. Thank you. And then
8 again, you know, my hat is off to Bill and Dick. You know,
9 they actually have taught me a lot, and they have had a lot
10 of experience here at SBA. And as a newbie coming in back in
11 2009, you know, you never know where the land mines are. And
12 Bill and Dick have been very straight on that for me, so I
13 appreciate that. And they know I have an open door policy.
14 So I appreciate that.

15 All right. Thank you, everybody. I know that you
16 guys have a lot of work to do, and -- but I appreciate the
17 five minutes of testifying.

18 (Laughter.)

19 MR. ELMORE: Thank you, Ana.

20 MS. MA: Have a great meeting, and let us know what
21 we can do.

22 MR. ELMORE: Let me go ahead and get started again.

1 What you have in front of you that I just passed
2 around is data that Kim McClellan in my office has been
3 compiling. So, basically, what we're doing is we are going
4 back and we're trying to grab all of the data that we have
5 been able to produce, as an office, and that our other
6 primary entrepreneurial development programs have produced,
7 when it comes to veterans, going back to 2001.

8 And we are also trying to chart these out so that
9 it's a little more decipherable in the context of charts.
10 But I looked at the charts this morning, and I'm not sure
11 they're completely accurate yet. So I didn't bring those to
12 you. But when we get them done we will forward them.

13 Now, one of the things that you will note as you
14 look at this data is that -- I believe it was 2006, and maybe
15 that's not on here. Oh, it is. It's on the second page.
16 Starting in 2006, we had been able -- and it took us about 3
17 years to do this -- to change the data reporting forms inside
18 SBA so that we no longer just report veterans' status, we
19 also report on service-disabled vets, Reserve, active service
20 members. So we're now getting data that breaks out those
21 communities in our broader veterans data.

22 And I apologize. I thought I brought you that data

1 for all of our centers. Apparently I didn't. But I can get
2 that to you if you want that. So if you want to know how
3 many Reserve and National Guard members the SBDC counseled
4 last year, we now have that data in my office. I just didn't
5 bring the right sheet.

6 I provided this to you because, as we talk about
7 entrepreneurial training -- i.e. business counseling and
8 training by the primary SBA programs -- this gives you some
9 information about how much they have been performing, or how
10 much they haven't been performing.

11 I can tell you that, from my perspective, the
12 amount of counseling and training that my office is able to
13 provide on a fairly limited budget, I think, shines better
14 than most of what we get from our primary technical
15 assistance partners. Doesn't make them bad, it just means
16 that every SBDC in the country doesn't understand how to
17 reach into and engage with the veterans' community. And I
18 know in Arkansas, Ron, you have done a lot of work with our
19 SBDC there, and they're doing a bang-up job.

20 Now, in states where there may not be a Ron Miller
21 or a Pat Mackrell or a Steve White, we may not be doing as
22 good a job, so we still have a ways to go. So I think our

1 representative from our office of entrepreneurial development
2 that oversees SBDCs and SCORE and women's business centers,
3 if you have questions or if you have suggestions on how to
4 improve or how they might do a better job of engaging and
5 supporting our community, don't be afraid to ask that, or
6 don't be afraid to provide those kinds of insights.

7 So, if -- I know this is a lot to absorb. If you
8 have questions as the day goes along, or after this meeting
9 is done, let me know if you want more data. We also have
10 similar data in my office on our loan programs, and we're
11 trying to get into that kind of data on our government
12 contracting programs as well, but that's a bigger challenge,
13 because there are millions of actions every year in the
14 federal procurement arena. But we're working to develop that
15 kind of data, as well, in the same kind of format.

16 Now, a couple of other things I will mention. And
17 I would like to, if you don't mind, take a chance before I'm
18 done and talk through your annual report. But there is a
19 couple of other things that are happening that you should
20 know about.

21 One is the same law that required we establish the
22 interagency task force on veteran small business development

1 also required the Agency to conduct a study in the gaps in
2 the availability of our veteran business outreach centers.
3 And we know, even though we've grown from 5 locations to 8
4 and 16 over the last year, year-and-a-half, that there is
5 obvious huge gaps in the availability of those centers.

6 So, that study has now been completed in draft
7 form. I can't share it with you yet, because it isn't yet in
8 the hands of all of my leaders yet. But that draft is in the
9 hands of my leadership. And once it's completed, we'll share
10 it with you. And I think it's identified for us in a number
11 of ways, primarily geographically, compared to the veterans
12 and Reserve and Guard and spouse population, where the
13 largest gaps are in the delivery of services from our
14 centers. And the purpose behind that study was to drive the
15 allocation of resources and political decision-making.

16 So, while it isn't here yet, I will share it with
17 you probably by the next meeting. And it may have some
18 significant influence on the growth or non-growth of our
19 veteran business outreach center program, specifically.

20 But I think if it leads to no broader allocations
21 to our centers, it may lead to some better oversight on our
22 other primary technical assistance partners, because if we're

1 not going to grow veteran-specific centers, we need to ensure
2 that we grow SBDC and SCORE and women's business centers'
3 focus and attention on our veterans and their families. So,
4 that's coming.

5 MR. MACKRELL: Bill, can I ask a B

6 MR. ELMORE: Yes, sir.

7 MR. MACKRELL: Did you have a chance to take a look
8 at the budget proposal and see how that impacts on the
9 funding that's going to be available through the SBDC for the
10 technical assistance providers?

11 MR. ELMORE: I have, to a degree. I haven't
12 focused specifically on SBDC. If you read the -- sort of how
13 it's being spun right now, the President's 2012 budget
14 request leads to, on paper, a 45 percent reduction in SBA,
15 including -- I believe it was -- a \$10 million reduction in
16 the SBDC overall budget. Don't hold me to that, but I think
17 it was \$10 million.

18 The reality is that the Recovery Act put a huge
19 amount of money into SBA that, typically, we don't have. And
20 most of those funds flowed through SBA out to support and
21 subsidize the 90 percent guarantees for loans.

22 So, on paper, it appears to be a significant

1 reduction. In fact, as an agency, compared to what was our
2 sort of central operational side in 2010, it's about a 1
3 percent reduction. In today's budget climate, that's not a
4 big deal. Now, any loss of funds -- because I think the
5 Agency -- those that know me well know this -- the Agency is
6 drastically underfunded for our role and responsibility in
7 the American economy. So I think, you know, as an overall
8 approach, we're way underfunded, historically.

9 But back to the SBDC question. I think we can all
10 rest assured that the Association of Small Business
11 Development Centers is not going to be shy about making sure
12 that their friends in Congress understand that SBDC is one of
13 the programs targeted for reduction in this broad-based
14 reduction of SBA.

15 What effect it might have on veterans services
16 specifically, I honestly don't know. The new program in the
17 SBDC network, which is those veterans assistance grants that
18 goes to Arkansas and New York and some other states, has been
19 renewed for this year, I believe. And I have not heard any
20 hint that that's not going to continue.

21 MS. HARRIS: What did those B

22 MR. ELMORE: I knew you were going to ask me that,

1 and that's why I tried to dance around it. It's the veterans
2 assistance and services grants, I believe they're called.

3 MS. HARRIS: And they're within the SBDC?

4 MR. ELMORE: They're within the SBDC network, and
5 it goes through the SBDC program office. It started a couple
6 of years ago. My office actually helped design the program
7 at the request of the SBDC program office. And we also
8 played a role in helping to evaluate the first round of -- at
9 their request.

10 MS. HARRIS: Only in certain states?

11 MR. ELMORE: Only in certain states, 10 locations.

12 MS. HARRIS: Okay.

13 MR. ELMORE: And in each location, I believe it's
14 \$100,000. And the primary focus is to bring the SBDC to an
15 online system, so that any veteran or Reservist that's
16 eligible for SBDC services -- typically, an SBDC network is
17 by state, but that's not always the case; Texas and
18 California are separate. But Arkansas is a statewide system,
19 Missouri is a statewide system.

20 So, in Arkansas -- and you may want to touch on
21 this, Ron -- they put together a really robust online system,
22 a delivery system, an access system, and I think,

1 increasingly, a community of people who are working with
2 veteran and Reserve and Guard and family members across the
3 state of Arkansas with SBDC and other services.

4 So, Pat, that's a long answer.

5 MR. MACKRELL: Certainly the way the press is
6 blowing it around, it certainly doesn't make -- compare the
7 link to the Stimulus Act and the Jobs Act funding. That was
8 pretty massive B

9 MR. ELMORE: Well, I probably shouldn't say this,
10 but I think it's safe because the record of this won't be up
11 for a little while. We're not entirely displeased with the
12 way it's being spun in the media.

13 MR. MACKRELL: Right.

14 MR. ELMORE: Because a lot of other agencies are
15 taking more drastic cuts in the discussions.

16 MR. MACKRELL: Right.

17 MR. ELMORE: So we don't want to go out with a
18 headline that says, you know, DoD cut 14 percent of the
19 whatever it is, and SBA is only 1 percent.

20 MR. MACKRELL: Right. I think it's the best of
21 both worlds, for sure.

22 MR. ELMORE: Yes, exactly. So like I say, we're

1 not entirely displeased that that's how the media, so far,
2 has played it.

3 MR. MACKRELL: Thanks, Bill.

4 MR. ELMORE: So, I think I had touched on the GAP
5 study.

6 Advocacy, as well -- who I did not bring in front
7 of you -- but Advocacy has a new report coming out soon, and
8 they're finally getting to what I think is perhaps the most
9 critical question. And it's not going to answer it entirely,
10 but basically, the question they have asked in this latest
11 research is what is it about military service that leads to
12 this high propensity of entrepreneurship in the veterans
13 community? And it's not limited only to veterans. I think
14 it probably includes spouses and perhaps Reserve and National
15 Guard members, as well.

16 So, we all kind of dance around that question, and
17 I finally was able to help convince advocacy to conduct some
18 research that begins to ask that question in a way that's
19 empirical. So, when that information comes out it will be
20 interesting. It's not going to give us the entire answer,
21 but it's going to give us a lot more to understand about what
22 it is about military service that leads to entrepreneurship

1 in our veterans' community.

2 Last thing -- actually two things. I am going to
3 share with you a little bit of where I think we're going, at
4 least as a discussion, in this interagency task force on
5 veteran small business development. Courtney has been
6 appointed to one of the subcommittees.

7 I am not sure if you and Jim have had a lot of
8 dialogue yet.

9 But I can tell you that there are some pretty --
10 we're not being shy about the things that we're trying to
11 propose and push in front of the task force to try to secure
12 the task force's support and, through that, to try then to
13 get those recommendations to the White House.

14 The piece that I am focused primarily on is what I
15 would call the development of a national entrepreneur
16 training initiative targeted specifically to veterans,
17 Reserve, and Guard members and their spouses, and perhaps
18 even including active service members and their spouses.

19 It would be modeled -- it's sort of a high-bred
20 combination of the veterans business outreach centers, the
21 EBV program, and the old vet entrepreneur training program
22 that Steve White and I -- and I think Ron Miller -- all

1 participated in some 20, 25 years ago. And we knew 25 years
2 ago it worked. And it really was sort of an early not-online
3 version of EBV that many of us worked on back in the 1980s
4 and into the 1990s.

5 There is going to be a cost associated with it,
6 which, in today's budget environment, is a big challenge.
7 But -- and this was my personal discussion with our deputy
8 administrator when she asked me where will the money come
9 from -- I said, AIf the Administration thinks it's important
10 enough, they will identify some way to provide the funds to
11 this kind of a program, especially given, I think, what the
12 effect and impact might be if we really built a nationwide
13 system of locally-enabled and locally responsible EBV-like
14 programs that were not limited only to disabled veterans.@"

15 It's really about high-end academia. It's really
16 about the private community of successful veterans stepping
17 in to help with the kind of mentoring and guidance that they
18 can provide better than probably anybody. And it's really
19 about the entrepreneurs in our community who make the
20 commitment to go through a program like that, because I think
21 it can be a significant accelerator.

22 So, that's the part that I am developing. I will

1 be presenting that next Friday -- not tomorrow, the next
2 Friday -- the 25th, at the next interagency meeting.

3 When we first scheduled this meeting for the 17th,
4 we thought that next task force meeting was going to be
5 tomorrow. So we had tried to do this so that you all could
6 be here and perhaps hang over for part of that, as well. But
7 because of the travel schedule, she wasn't available
8 tomorrow. So that interagency task force meeting will be
9 next Friday.

10 Now, my little veterans entrepreneur training
11 program -- and I say Alittle,@ because it's little in
12 comparison to some of the other ideas that were fermenting.

13 And I won't get into a lot of detail, but we have
14 pieces in there that we think will lead directly to veterans
15 employment opportunity by federal contractors, that would:
16 change access to capital, not just Patriot Express but
17 improvements to Patriot Express that would be tied back to
18 graduating from one of these entrepreneur training programs;
19 changes to the GI Bill that would enable and support
20 entrepreneurship; changes to the licensing process across
21 America, state by state, so that people who are trained in
22 DoD skills would have a more transferrable ability to take

1 those skills and essentially accrue credit in private
2 licensing and certification that happens at the state level
3 in the civilian economy; and two or three other big ticket
4 items like that, that we think can be, in a collective sense,
5 a game-changer for how our country -- and this
6 Administration, but primarily our country -- engages in
7 supporting successful veteran entrepreneurship, and through
8 that, self-employment creation.

9 Because I am at a point now where I think the
10 largest generator of jobs for veterans is veterans who create
11 their own jobs. I don't think there is another part of our
12 community or economy that would come near matching that. Not
13 everybody agrees with me on that, because not everybody
14 recognizes self-employment and business start-up as the tool
15 that I think it is in the American economy, but that's the
16 point that I have taken.

17 So, that's sort of where we're going with the
18 interagency task force. The political strategy, if you will,
19 is that we're trying to present this broad context with some
20 specific elements to the task force next week, and with the
21 hope that the task force will support to my administrator who
22 then, if she supports, this would go forward to the White

1 House immediately.

2 Now, I think we will at least get into the annual
3 report that goes to the President, but that's next September.

4 And I don't think the economy and I do not think our
5 community can afford to wait that long.

6 MS. HARRIS: Mr. Elmore, Marylyn Harris again. Is
7 the VA involved in these dialogues?

8 MR. ELMORE: Yes.

9 MS. HARRIS: I ask this specifically because I was
10 a participant in VA vote rehab for disabled veterans like
11 myself. I opted to take the education piece, where I went
12 back and got my master's in business administration.

13 However, there is another piece under chapter XXXI
14 for self-employment, for veterans that have the capacity and
15 desire to be self-employed. That is not being utilized where
16 I am. I have asked for that. I have -- speak to that,
17 please.

18 MR. ELMORE: It's been a long push to get VA to
19 engage aggressively in self-employment as an option in VA
20 vocational rehabilitation. You're right, they have authority
21 that is constrained by statute, I would argue. They
22 understand that. VA is part of this interagency task force.

1
2 VA was part of the meeting that I was at from the
3 National Security Council yesterday at the White House, where
4 we talked about the EBV model specifically, and passed out
5 these same materials. One of the VA folks actually
6 approached me after the meeting, and I also was asked by VA
7 voc rehab to serve on the screening committee for what's
8 called VAI2, which is a high-tech initiative that VA has put
9 a couple of billion dollars in. And through that initiative,
10 they have recently announced that online and a real-time
11 small business incubator to support disabled veterans small
12 business B

13 MS. HARRIS: And IT?

14 MR. ELMORE: Through IT, but it was VA voc rehab
15 asked me to serve on that screening committee for them to
16 help choose who the successful bidders were to come in with
17 ideas -- not just programs, but ideas.

18 So, I think VA voc rehab recognizes -- and I think
19 VA, and Labor, and others increasingly recognize -- not just
20 the self-employment potential of our community, but, through
21 that, the employment potential of other veterans of our
22 community.

1 So I can't solve sort of how VA is approaching the
2 VA voc rehab, but I can tell you that they're cognizant of
3 this emerging world of veteran entrepreneurship, and I see
4 signs that they're beginning to engage that pretty seriously.

5 MS. HARRIS: Good.

6 MR. ELMORE: So I'm hopeful, because that's been a
7 long deal.

8 MS. HARRIS: It has.

9 MR. ELMORE: I have been talking to VA about this
10 for 20 years.

11 MS. HARRIS: Me too.

12 MR. ELMORE: Ron, you've probably had similar
13 discussions back in your VBLP days. Steve, you may have had
14 those same kind of discussions. So, it's not new, but I
15 think it's on its way, finally.

16 MS. HARRIS: Good, good.

17 MR. ELMORE: Yes, sir.

18 MR. HILL: Daryl Hill. I deal with the same
19 frustration as Marylyn is actually speaking of, and I called
20 the VA and I talked to three or four different people, trying
21 to get through who the right contact person was, and left
22 messages, never get any return phone calls about that

1 program.

2 Is there a way that we can maybe go from your
3 website at the SBA Vets over to theirs, where we submit an
4 application? Something that keeps somebody accountable along
5 the way, so they actually know, hey, these veterans are
6 reaching out for help, but they're not getting anything back?

7 MR. ELMORE: I don't know that we can do it as sort
8 of a troubleshooter for VA.

9 But I can tell you one of the other pieces that I
10 didn't mention in the interagency task force -- and we have a
11 call tomorrow -- is we're exploring the creation of a one-
12 stop government-wide website that would have all of the
13 entrepreneurial resources available from SBA, VA, DoD, DoL,
14 Commerce, Department of Agriculture, Education, and others,
15 whoever makes sense, so that any veteran or Reservist or
16 family member looking for information about programs would
17 have a direct link to all the programs available across the
18 entire spectrum of what government provides.

19 Now, that's a big undertaking. Everybody in this
20 town thinks a webpage is the final answer, so there is too
21 many web pages as the final answer, and it just leads to
22 confusion. So there is always challenges.

1 But I think one of the things we could do, for
2 example, is we could always ask VA voc rehab to come and make
3 a presentation to this committee.

4 MS. HARRIS: That would be great.

5 MR. ELMORE: That's happened in the past.

6 MS. HARRIS: Yes.

7 MR. ELMORE: And if you want us to do that, we can
8 do that. We have Labor with today, for example. And, in
9 fact, I think I'm getting into his time, so B

10 MR. HILL: Just a brief -- maybe I didn't explain
11 myself. I contacted them. I get no phone calls back.

12 MR. ELMORE: Contact me. And if we need to create
13 a dialogue with you, or perhaps you and Marylyn with some of
14 the leadership in VA voc rehab, I can help make that happen.

15 MS. HARRIS: I would like to request that they come
16 to our next meeting.

17 MR. ELMORE: Okay. Well, follow up, as a committee
18 B

19 MS. HARRIS: Sure.

20 MR. ELMORE: -- or just contact me after the
21 meeting.

22 MS. HARRIS: Okay.

1 MR. ELMORE: And if we want to try to put that in
2 motion, we will do that.

3 MR. HILL: And I share Daryl's frustration, because
4 I had the same problem. Just nothing.

5 MR. HILL: Yes. It's not a question of what the
6 information is, it's a question of B

7 MR. ELMORE: And let me tell you -- and I say this
8 in all deference to my friends at VA -- I will share with you
9 what I think I ran into as I've worked with VA voc rehab now
10 in varying ways for 30-plus years, and that is that there is
11 sort of a body-count-driven system. And they have a big job.
12 They have about 100,000 disabled vets a year in voc rehab,
13 and only about 50,000 of them continue through the program.
14 There is significant drop-out.

15 So, what happens is that -- in the past more than
16 now -- the VA voc rehab counselors that I personally knew
17 didn't understand how to quantify self-employment as a
18 vocation. Getting somebody a job in a pet shop somewhere is
19 different --

20 MS. HARRIS: Yes.

21 MR. ELMORE: -- than supporting somebody to create
22 a small business. How do you gauge whether or not that's a

1 successful vocational rehabilitation? And I think that's the
2 challenge they face.

3 So they have added an institutional thing that they
4 have been going through now for the last probably four or
5 five years, with people in the field -- and I've trained voc
6 rehab counselors twice, myself, at their request -- about
7 self-employment.

8 So, I think the growing recognition of
9 entrepreneurship and the growing exposure to veterans'
10 entrepreneurship in that system is bringing them our way.
11 But they still have impediments, and a lot of that is
12 structural. And a lot of it is a lot of the old-line
13 counselors that are kind of scared to be in a position where
14 they don't know if they can take credit for helping somebody
15 accrue the skills they need to start their own small
16 business.

17 MR. RENTERIA: If I may -- Al Renteria -- you hit
18 the nail on the head, as I have not had that problem, and
19 only because you have to know how to navigate that system.
20 And I applied for my self-employment 10 years after
21 retirement 12-year program in March, and December I got
22 approved.

1 But you were right. The voc rehab guys aren't
2 familiar with that. They're familiar with job placement.
3 February 2010 is when the VA said, Let's emphasize on self-
4 employment.@

5 I like to think that the link here, based on this
6 training, your self-employment is a working capital up to
7 \$25,000 locally, and up to 100 regionally. And I think, if
8 we can incorporate this -- I think the question is, how do we
9 apply this VA program into your outreach program? Because
10 I'm using that program now. I am funded \$25,000 and take
11 some business extended courses. That's working capital.
12 Don't cost me a penny, but it's earned benefit.

13 I think the VBOC guys, or the outreach guys, or the
14 EBV guys, if we're not asking those participants -- and there
15 is over 4,000 participants -- how many of those guys are
16 using their self-employment?

17 And the VBOC is designed to meet a veteran's needs.
18 So what we fail to do is express our true needs, and that is
19 to have dignity and more funding.

20 But I have not experienced that. But then again, I
21 have been navigating for quite some time. How can we merge
22 this working capital into these existing programs?

1 MR. ELMORE: I think there is a couple of ways to
2 do it. The ongoing training -- and I'm going to take it back
3 to this interagency task force, because this is the same
4 basic discussion we're having there.

5 If there is support for the basic idea of an
6 entrepreneur training program across the country -- whether
7 or not the GI Bill supports it, that's a whole other question
8 -- but VA voc rehab would be one of the feeders into that
9 entrepreneur training program, so that it wouldn't just be
10 SBA.

11 MS. HARRIS: Right.

12 MR. ELMORE: It would be people coming through the
13 transition assistance program, it would be people out of the
14 wounded warrior program. It would be people out of Reserve
15 affairs and Yellow Ribbon Reintegration program. It would be
16 people out of VA voc rehab. It would be, potentially,
17 disabled veterans or other veterans trying to participate in
18 the federal marketplace.

19 So, it might be from all the federal agencies
20 saying, Hey, there is a program here in@ -- you're from
21 Omaha? AHere is a local program in Omaha that is delivered
22 in Omaha that is supported by the Omaha community, not just

1 the federal side, but the private side.@

2 And that's the basic design that I am working on,
3 is how to marry local ownership, local resources, local
4 academia with local veterans, disabled veterans, Reserve
5 component members, and their families, so that if they are
6 able to make the cut -- because it's competitive to get in to
7 EBV, not everybody gets in B

8 MS. HARRIS: Yes, yes.

9 MR. ELMORE: It should be competitive. You have to
10 make a personal commitment to go through one of these
11 valuable slots. But if you make that commitment and you go
12 through -- and I think anybody -- because we've got, what,
13 three EBV graduates here? The value that that kind of
14 concentrated and focused effort gives you I consider an
15 accelerator.

16 You know, it really sort of launches you and gets
17 you past the AI'mnot sure, should I, what about, I don't
18 even know what to think about, as an entrepreneur,@ and it
19 gives you all of that in a way that says if you're dead-on
20 serious about this, you can get on your way.

21 And that would include VA voc rehab as one of the -
22 - and this is what I -- in my model, this is what I have

1 suggested, is local committees that would be managed by SBA,
2 but VA, DoD, DoL would all be part of these local committees
3 through local federal executive orders, to make sure that
4 everybody hears about the program, and everybody has an
5 opportunity to feed candidates into the program.

6 And if you don't get into the program, the other
7 side of the model is the ongoing assistance from a local
8 veteran's business center, so that even if you don't make the
9 cut this time, maybe you do next year. But you still get the
10 ongoing assistance of our local counselors and trainers.

11 So, that's the basic concept and idea. I just
12 didn't want to pass it around yet until we've gone through
13 sort of the political steps. Otherwise, it could be the best
14 idea in the world, and if I step on the wrong political toes,
15 then we never have a dialogue about the program, we have a
16 dialogue about toes. And that's how this town works, and I
17 think we all understand that.

18 So, with that, we're at 10:00. Tim Winter, right?

19 Oh, I'm sorry -- yes, 15-minute break. Okay, okay, sorry.
20 So we're scheduled for a 15-minute break. The coffee is
21 made, and I think we actually have cups. If you want to take
22 your break, please do now. If you're going to use the

1 restrooms, take one of these, it will prop the door open.

2 And then we will start again with -- Tim Winter
3 will be here to talk about the transition assistance program
4 and the work that Labor is doing there.

5 (A brief recess was taken.)

6 MR. ELMORE: Why don't we go ahead and get started?

7 All right. Tim, you ready, sir?

8 MR. WINTER: Yes, I am.

9 MR. ELMORE: All right. With us is Tim Winter, who
10 is -- and I probably have your title wrong -- veterans
11 transition program lead. And correct me if I misstate that.

12 And I think this is a sort of a response to the presentation
13 from Secretary Jefferson, I believe, at the last meeting.
14 And the committee was really interested in the whole TAP
15 piece. So, please, proceed.

16 MR. WINTER: Certainly. You're close enough on the
17 title and what not.

18 Again, I'm Tim Winter. I'm the transition
19 assistance program lead over at Department of Labor and the
20 Veterans Employment and Training Service, and I work for
21 Assistant Secretary Jefferson. And he asked me to come over
22 today and just give you all an update on what we're doing, or

1 starting to do, with our transition assistance program of the
2 employment workshop, which is what the Department of Labor
3 vets is responsible for.

4 I'm not going to assume a lot of things. I will
5 assume that you don't know what TAP is, or do you have your
6 notions of what it is, but I just want to give you some
7 background on it, so that everyone has got a pretty good idea
8 of what TAP is.

9 Transition Assistance Program was codified in the
10 National Defense Appropriations Act of 1991, and it was in
11 response to the drawdown of the military at that time. TAP
12 is a partnership between Department of Labor, Department of
13 Defense, Veterans Affairs, and Homeland Security, and then we
14 also have an additional one here that we recently included,
15 and I will talk about that in just a second.

16 TAP is a five-part process. A lot of times when
17 people say TAP, they may think of one particular part of that
18 process. If they're talking to Department of Labor, they're
19 generally thinking of the employment workshop. But it is
20 actually a five-part process.

21 It has the pre-separation counseling, which is the
22 responsibility of Department of Defense, and that is the only

1 mandatory portion of the program. One of the services has
2 made everything else mandatory -- that would be the Marine
3 Corps -- but other than that particular part, the rest is
4 optional.

5 You have the TAP employment workshop, which is what
6 Department of Labor is responsible for. You have the VA
7 benefits briefing -- obviously the VA is responsible for
8 that. VA is also responsible for providing a disabled TAP,
9 and that is a two-hour briefing about the benefits available
10 through voc rehab and those programs within the VA. And
11 that's for service members who have, or think they may have,
12 a service-connected disability when they leave the service.

13 And then, the fifth part is closing that loop when
14 they go back for one-on-one counseling with the transition
15 people within each service. And each service has their TAP
16 program managers, or TAP program area, and it may be called a
17 different thing within each service. Army has ACAP, or Army
18 Career Alumni Program. The Navy and Marine Corps have TAMP,
19 Transition Assistance and Management Program. And the Air
20 Force has TAP, and also the Coast Guard has TAP, as well.

21 And again, it's a partnership, and it is
22 coordinated through the TAP Steering Committee. And here you

1 can see the members of that steering committee: again, the
2 Department of Labor, primarily the veterans employment and
3 training service; the Department of Defense, and that's both
4 at the Secretary of Defense level -- they've changed it now,
5 but I think it's Assistant Secretary of Defense for Wounded
6 Warrior Care and Transition Policy is the office that it
7 falls under there.

8 And, in addition to that, we have representatives -
9 - each of the services, TAP program managers from the
10 headquarters level, participate in that as well.

11 We have representatives from the VA, from both
12 sides of the house, the VHA and VBA, and also Homeland
13 Security. And Homeland Security is involved because of the
14 Coast Guard. Coast Guard members are eligible for TAP, and
15 we do provide TAP to those individuals, as well.

16 Just recently we added the office of personnel
17 management, as well. That was in response to the veterans
18 hiring initiative that came about by the President's
19 executive order. And so we just recently -- in fact, our
20 last steering committee meeting, which took place last week -
21 - made it official by voting to have them become part of the
22 steering committee. So again, the idea is focusing on the

1 hiring of veterans within the federal government.

2 Now, the Department of Labor, again, is responsible
3 for the TAP employment workshop. And this is just some
4 background information on it. It's a two-and-a-half day
5 workshop. In some cases it's a three-day workshop. But the
6 primary one is a two-and-a-half day workshop. And it covers
7 a number of topics, but career assessment, job search, resume
8 writing, interviewing, negotiating, those type of things.
9 Also, making them aware of other resources available for
10 their job search and for their transition.

11 We conduct them worldwide, wherever service members
12 are separated from the service. Right now it's at about 270
13 installations worldwide that we provide workshops at, about
14 220 here within the United States, and another 50 or so
15 overseas, as well.

16 And again, you can see what our averages are. We
17 do about 4,000 -- actually, it's more than that, but you
18 know, 4,500 workshops a year to roughly 135,000 service
19 members and their spouses.

20 MR. SALSBURY: I have a question for you.

21 MR. WINTER: Yes, sir.

22 MR. SALSBURY: My name is Rod Salsbury. Is there a

1 metric that shows the success of -- or let's say a service
2 member has been separated, let's say, six months or what have
3 you -- show where they are, did they get a job, or were they
4 able to use your program successfully, or anything like that?

5 MR. WINTER: That is one of the glaring weaknesses
6 within our program, is that we do not have outcome goals, and
7 never has had outcome goals. It's been strictly an output-
8 basis B in other words, how many people attended.

9 And when I talk about the redesign, I will discuss
10 that a little bit, because that's one thing that we're
11 planning on changing, is actually being able to measure the
12 effectiveness of the employment workshop, as well as the rest
13 of TAP, also. But at this point, no, there is no metric that
14 would be able to report that.

15 MR. WHITE: I thought there was 300,000 people
16 transitioning out of the service a year. Is this B

17 MR. WINTER: DoD a couple years ago, they were
18 using -- I think they were using, like, 210,000 that
19 transitioned. They were -- they decided they were using kind
20 of dirty numbers, because the numbers they were including --
21 when Department of Defense says someone transitioned, it
22 could be sometimes people who have died, people who have left

1 one service and joined another, people who have separated
2 before they're TAP-eligible.

3 So in other words, they're in attrition from
4 recruit training, something like that, which would not --
5 they would not be TAP-eligible. So they have revised their
6 numbers down to -- it's right around 150,000 active duty and
7 then about another 110,000 Reserve and National Guard who
8 demobilize over B

9 MR. WHITE: Oh, so that doesn't -- the 135,000
10 doesn't count the Guard and Reserves?

11 MR. WINTER: Right, that's the active duty B

12 MR. WHITE: But they are -- but Guard and Reserves
13 are eligible now for the TAP B

14 MR. WINTER: Yes. Yes, they are.

15 MR. WHITE: Good enough. Thanks.

16 MR. ELMORE: I think spouses as well, aren't they?

17 MR. WINTER: Yes. Spouses have always been
18 eligible to attend. Unfortunately, that's one of the things
19 that we still need and are working -- especially this year,
20 I'm trying to crack that -- is getting more spouses involved
21 in the workshop itself.

22 I think everyone knows that that can be a retention

1 tool in itself, if the spouse attends with the service
2 member, and --

3 (Laughter.)

4 MR. WINTER: -- make it known to them that you're
5 absolutely not ready to get out yet.

6 (Laughter.)

7 MR. WINTER: Services do realize that the
8 transition assistance program is a retention tool, as well,
9 if they are exposed to it early enough in the separation
10 process, so they can make that decision that, AI'm really not
11 ready to get out yet.@ So -- okay.

12 We provide workshops by use of facilitators, and
13 they come from a number of different sources. We provide
14 state grant funding to the states, to where they can -- their
15 state workforce people, the disabled veteran outreach program
16 specialists and the local veterans employment reps can have,
17 as an ancillary duty, the facilitation of TAP workshops
18 within their area.

19 Right now, about two-thirds of our workshops within
20 the United States are conducted by DVOPs and LVERs, by state
21 workforce agency people. And that's paid for through the
22 Jobs for Veterans state grants program.

1 We also use contracted staff. Our overseas
2 workshops are done 100 percent by contracted staff. And that
3 also provides for spousal employment, because the vast
4 majority of their facilitators are military spouses, and --
5 who provide the facilitation overseas.

6 We also use vets federal staff now and then, mainly
7 as back-up facilitators, but we will use them if we need
8 them. And then all of the facilitators are required to go
9 through the facilitator training at the National Veterans
10 Training Institute, currently out in Denver.

11 Again, some of the numbers: 157,000 separate
12 active duty from the military each year, and that's
13 separation and retirement; plus another roughly 110,000
14 Army Reserve, National Guard and Reserve demobilize each
15 year.

16 About 80 percent of the active duty transitioning
17 service members attend the TAP employment workshop B

18 MR. ELMORE: Can I ask you a question, Tim?

19 MR. WINTER: Yes.

20 MR. ELMORE: I sit on the Yellow Ribbons National
21 Advisory Board, and I am wondering if there is any
22 coordination at the TAP seminar level to the local Yellow

1 Ribbon reintegration events.

2 MR. WINTER: There is. It's kind of state-
3 dependent.

4 MR. ELMORE: Is it?

5 MR. WINTER: A lot of it depends on the interaction
6 between our -- Vets has directors at the state level, both
7 the DVET, director of veterans employment and training -- and
8 it's federal positions -- and one of their duties is to have
9 a close relationship with the Reserve and Guard units within
10 their state.

11 And we have, on many occasions, gone out to the
12 adjutant generals of the states and -- because, let me see,
13 about four years ago -- about three-and-a-half, four years
14 ago, we took the TAP employment workshop and broke it up into
15 15 modules, and then offered to the National Guard, saying,
16 AAny time, any place, we will send a facilitator and provide
17 any one of these modules, or any combination of them for your
18 units, as you so desire.@

19 It has not been really well -- not accepted, but it
20 hasn't been taken advantage of, except in a number of states
21 we do have a good coordination between the director and the
22 National Guard. Places like Tennessee, Mississippi, Oregon,

1 those we do provide, you know, a fair amount of transition
2 assistance and workshops to the Guard in those states.

3 And the Tennessee DVET, she presented down at the
4 Yellow Ribbon training just recently down in Atlanta about
5 how they went about providing these workshops to the
6 Tennessee National Guard. And hopefully that will get a
7 little bit more interest generated within that. But it is
8 something that we do have, interaction with the Yellow Ribbon
9 program, and we're slowly but, I think, surely getting where
10 we get some good coordination.

11 Plus we also have representation of the Reserve,
12 National Guard at the steering committee level, as well as
13 for the national level.

14 MR. HILL: Hi, Tim. This is Daryl Hill. I
15 understand this is all very important information about the
16 TAP workshops and the employment side of it, and it's a big
17 piece for veterans getting employed once they're leaving out
18 of the service. And I know there is a huge change going on
19 right now within the organization, what you guys are doing,
20 and it's moving in the right direction.

21 MR. WINTER: Right.

22 MR. HILL: We're actually here to talk about

1 entrepreneurship and business on that side of it. I know
2 that it's in here, and we only have you for another 30
3 minutes, so I just want to make sure we get to ask you some
4 questions, and you could kind of cover that a little bit
5 more.

6 MR. WINTER: Certainly, certainly.

7 MR. HILL: Thank you.

8 MR. WINTER: Thank you. Again, just some
9 background information on the TAP program. Again, the
10 delivery of the workshop is dependent upon the state of the
11 facilities, as well, at the installation. So when you're
12 talking about a redesign of the workshop, you have to take
13 that into account, what's available as far as technology,
14 those type of things, and how to approach that.

15 Again, you kind of see the progression of TAP, the
16 employment workshop. The most glaring one is the first one.

17 We've been going through significant revisions since 1991.
18 We've done some other minor things since then. And then
19 also, the last bullet is a bit of an issue as well, because
20 that speaks to the quality of the workshop, the quality of
21 the workshop experience, is the ability of the facilitator.

22 So, there is no doubt that the workshop is in

1 desperate need of rework, redesign, and bringing it into the
2 latter 20th century. But we obviously will bring it into the
3 21st century, as well.

4 Just the current curriculum. It's very -- its
5 death by Power Point, and we tried to get it as standard as
6 possible in what we provide. And again, it's all brick and
7 mortar.

8 You can see the six core topics that are covered.
9 Within there we briefly -- at this point we briefly mention
10 entrepreneurship and their -- if they decide -- if they are
11 desiring to start their own business, it is mentioned briefly
12 in there, and then they're pointed towards the SBA and other
13 resources that they can use for that.

14 MR. ELMORE: Is that during the personal appraisal
15 part?

16 MR. WINTER: It's during the strategies -- career
17 exploration and strategies for effective job search. That's
18 where it falls.

19 MR. ELMORE: Okay.

20 MR. WINTER: And then also, at the very end of the
21 support and assistance, we bring it up again, as well.

22 MR. ELMORE: Thank you.

1 MR. WINTER: As I'm sure -- Mr. Jefferson mentioned
2 that we are in the process of soliciting a contract to
3 redesign the TAP employment workshop, and it's a complete
4 redesign, not just a revamp, updating materials that type of
5 thing. We want to take a look at the workshop and bring it
6 up to a world-class type of experience for the service
7 members and their spouses, as well.

8 We had six components of the redesign of the
9 workshop, the first one being a pre-work assessment, and that
10 is an assessment done prior to them coming into the workshop.
11

12 It will be -- it will consist of two assessments,
13 one an employment readiness assessment, so that we can then
14 segment that population by their -- how ready they are to get
15 a job, how ready they are to make that transition, and so we
16 will have those that are highly employment-ready would be one
17 category, those in the middle, moderately ready, and then
18 those that are essentially what we would consider entry
19 level.

20 And what we intend, then, is to segment the
21 workshops to be able to group those into -- so, you know,
22 kind of like a cohort type of approach to their training, to

1 make it much more relevant and helpful in their transition.
2 And that will include the employment readiness assessment,
3 then also a strong interest inventory, as well, so they can
4 get an idea of what will be the best fit for them, as they
5 make their transition.

6 The big part of this is going to be new content for
7 the workshop. And looking at best practices on adult
8 learning, best practices on transition programs, and making
9 that -- basic curriculum on that, having a very experiential
10 -- for the population. And again, encompassing best
11 practices in transition programs.

12 Another key part is the improved facilitation. We
13 are going to have all the facilitators retrained on best
14 practices in adult learning. And we call it kinesthetic
15 learning techniques, those type of -- experiential. Because
16 you can have a world-class curriculum, but if the facilitator
17 is not very good, you're losing a lot of what you put into
18 that. Likewise, if you have a mediocre curriculum and a good
19 facilitator, you can come off with a pretty good program.

20 So -- but the point will be getting our
21 facilitators up to snuff across the board, and really being
22 able to provide a good experience for the service members in

1 their workshops.

2 A big key part of this is online content.
3 Essentially, we're going to have online the full workshop
4 curriculum, the full content available in class. It's going
5 to be available online, as well as their ability to dive
6 deeper into those topics, provide a much more expanded
7 information on the different things, and really -- the sky is
8 kind of the limit on what we can hang on an online platform,
9 as far as just a greater array of information that they can -
10 - tools that they can use.

11 After TAP support -- Mr. Jefferson likes to point
12 this out -- you know, you buy a laptop, and for the next 30
13 days you're on the phone with some tech support, trying to
14 work through issues. And he wants to have roughly the same
15 type of approach to those who have gone through TAP, have
16 availability for them to talk to experts, or support
17 personnel, be able to answer their questions, be able to work
18 them through any issues they may have with content that's
19 come up in their transition.

20 And then last, but certainly not least, is actually
21 putting performance metrics into the workshop itself, and we
22 will -- intend to measure it at three different moments of

1 truth: first, after -- following the workshop; then again
2 once they are in the midst of their transition, in the midst
3 of their job search; and then again once they become
4 employed. Yes, sir?

5 MR. RENTERIA: Tim, on your after the TAP support -
6 - and you earlier mentioned that the VBOC training may have a
7 TAP requirement -- wouldn't DoL have some interest in funding
8 what perhaps SBA -- the outreach effort? Because all these
9 VBOC centers is an extension of TAP support, and that's where
10 the business piece comes into play.

11 If we -- you know, I'm not sure what your NVTI
12 instruction incorporates, but to me, after TAP support is all
13 this. And I don't know if DoL has spoken to SBA, but if you
14 can realize that some of the DoL funding could come into this
15 program, you would have a successful program. Has DoL
16 contemplated that, or is this just, as B

17 MR. WINTER: I would --

18 MR. RENTERIA: -- employment workshop?

19 MR. WINTER: I would not be able to talk to that,
20 at this point.

21 MR. ELMORE: If I can help a little bit, Al, this
22 interagency task force, Labor is on that, as well. And

1 actually, they're co-chairing the education and training part
2 of that. So, part of the discussion around the basic concept
3 includes: Is there going to be some joint agency support for
4 a broader entrepreneurial development initiative from
5 government?

6 So, it's not a hard and fast question, but it's
7 part of the discussion, not just DoD, but DoL, VA, and
8 perhaps others, as well.

9 MR. WINTER: Basically, that's the six components
10 of the redesign.

11 Some of the content change highlights, again here,
12 we covered some of those. Again, latest best practices,
13 experiential hands-on training, various tools, especially
14 online tools that they can use. Life planning and goal
15 setting -- looks like resiliency training, for them to be
16 able to carry on during their job search, during their
17 transition. A greater emphasis on networking, selling
18 themselves, then also a greater or expanded instruction on
19 federal hiring.

20 And then, a much greater emphasis, or much greater
21 instruction than we currently have on actually showing
22 entrepreneurship as a career opportunity for them, and --

1 again, so that has definitely been there in part of the mix
2 as we go forth in looking to redesign this.

3 MR. ELMORE: If it's helpful, I have already helped
4 draft some language for the DoD part of TAP that puts much
5 more robust information in there about entrepreneurship and
6 the resources to support that. And I just provided that
7 draft -- actually this week -- over to people at DoD.

8 And I think, ultimately, you know, we will play
9 whatever our appropriate role is in how Labor designs the
10 language and the content for the entrepreneurship part.

11 MR. WINTER: And I would definitely -- once we get
12 to that portion of the actual contract work, and the
13 curriculum has been designed, I would be more than happy to
14 share with individuals to get -- you know, essentially get
15 your chop on it, as well, because it's pointless not to be
16 able to use the resource that's here and available, and make
17 sure that we are getting the proper message out, and getting
18 the proper information on it.

19 MS. LYNCH: Tim, my name is Courtney Lynch.

20 MR. WINTER: Yes.

21 MS. LYNCH: I have a quick question. What's the
22 intent -- why did DoL see the need to put more

1 entrepreneurship training into the TAP program?

2 And again, obviously, we are advocates of that
3 being a part of the training. I'm just curious. Is intent
4 and -- maybe you can speak to some of that, just within the
5 culture, the climate at DoL.

6 MR. WINTER: Well, within DoL, within Vets
7 especially, I mean, there has always been the relationship
8 with service disabled veteran-owned small business.

9 But then also, over the years -- and I can only say
10 anecdotally -- but we do get response back from the service
11 members who go through it. And one of the things that they
12 bring up -- you know, the obvious ones, you know, AWe need
13 more information on federal hiring,@ those type of things,
14 but you also get those that want more information on starting
15 their own business and following that path.

16 So, the need and the desire has been out there. So
17 we came to the point where we're redesigning the curriculum,
18 and we said we need to include this in here.

19 MS. LYNCH: Sure.

20 MR. WINTER: And so that B

21 MS. LYNCH: Great. So DoL is definitely very aware
22 of the market demand B

1 MR. WINTER: Yes.

2 MS. LYNCH: -- and is working to response.

3 MR. WINTER: Yes.

4 MS. LYNCH: Excellent, thank you. Just curious.
5 Since you're there, you've got the intent and the mood.

6 PARTICIPANT: Do you have a sense of how the break-
7 out -- how many -- what percentage of these folks actually
8 have a real interest and desire to go on an entrepreneurial
9 track, as opposed to a more traditional job search track?

10 MR. WINTER: No, I wouldn't be able to -- wouldn't
11 know that.

12 MR. ELMORE: I may be helpful on this. There was a
13 survey a couple of years ago, and I think it was a VA survey,
14 and there were some data in there that wasn't specific to
15 this, but it implied that about five percent of transitioning
16 service members had some interest in pursuing an
17 entrepreneurship at that time.

18 And I think most of us in this business understand
19 that, for most people, it usually takes 5 to 10 years of
20 private experience before they decide entrepreneurship is
21 where they want to go. So I think that five percent figure
22 probably is a reasonable figure. But in the long run,

1 entrepreneurship is going to become important to a lot of
2 these service members.

3 MR. WHITE: You had -- you know, it's almost split
4 between retiring service members and Guard and Reserve.

5 Now, obviously, someone who has been in the service
6 for 15, 10, 12, 20 years is different than a Guard Reservist
7 who might very well have been in business before they got
8 called up and got deployed 5 times.

9 MR. WINTER: Right.

10 MR. WHITE: But doesn't have a business B

11 MR. ELMORE: Yes.

12 MR. WHITE: So I think, potentially, that the
13 percentage of entrepreneurship -- desire of entrepreneurship
14 and just restarting their business among Guard and Reserves
15 should be far higher.

16 MR. ELMORE: Yes, some of the analysis we did --
17 again, a couple of years ago -- looking at Reserve and Guard
18 data, when you looked at part of the Reserve and Guard that
19 was actually participating in the labor market, and what the
20 Congressional Budget Office thought was the percentage of
21 self-employment, it turned out to about 13 percent of the
22 Reserve and Guard who were in the labor market were actually

1 self-employed when they got activated, which tends to mirror
2 that sort of 13, 15 percent that seems to run through the
3 veterans community more broadly.

4 So, Yes, I think you're right. If you look at the
5 Reserve and Guard side, because of the age and the experience
6 and the career they had before they got activated, there is
7 probably a higher propensity immediately there than it is in
8 the discharging part of the active service. But again, I
9 think in the long run we are going to see the 10, 15, 18
10 percent amongst the active folks as well, once they get into
11 their civilian work and their civilian career.

12 PARTICIPANT: Tim, I have one question for you.

13 MR. WINTER: Yes.

14 MR. ELMORE: When they go through the TAP seminar,
15 are they signed up for ex-service member's unemployment
16 insurance at that point, or does that happen later or before?

17 Is that part of the mix?

18 MR. WINTER: Well, it's not part of our mix, again,
19 because we do the two-and-a-half-day workshop. Now, it may
20 very well be part of -- service has a TAP week, so B

21 MR. ELMORE: Okay.

22 MR. WINTER: This is two-and-a-half days. The rest

1 of it is given to insurance type of things, Tri-Care, all
2 that other stuff. So it may very well be covered in those --

3 MR. ELMORE: I was just wondering because, you
4 know, that's a big expense coming out of government, and
5 that's part of what we're looking at, in the context of the
6 interagency task force, is if we're spending this amount of
7 money on unemployment B

8 MR. WINTER: Right.

9 MR. ELMORE: -- is there a role in forming an
10 entrepreneurship to help that transition, and perhaps we save
11 money here by investing some here. So that's part of the
12 discussion for B

13 MR. WINTER: And that's also -- I mean that's also
14 a key element in just providing the best transition training
15 assistance that we can, because the services look at that all
16 the time, how much money they're forking out for USX
17 payments. And it is very considerable. And so, if there can
18 be a correlation shown between a good transition and lowered
19 unemployment payments, then it's absolutely something we want
20 to be able to highlight, and then also be able to follow that
21 up.

22 So again, on the entrepreneurship thing, right now

1 what we provide is really passive. You know, it's like --
2 unfortunately, it's like, if you're interested in this, here
3 is where you need to go type of thing, where in the new one
4 you really want to be able to -- lack of a better term --
5 sell that, because I think many of them don't understand that
6 that is a tremendous opportunity, and that's the -- you know,
7 the small business is the key driving economic engine in the
8 country.

9 And so, just to be able to show them that that's a
10 viable option, and what is available for them, especially as
11 veterans in the assistance area, in following these things.
12 And so that's where we want to be able to highlight that with
13 the redesign.

14 And then, not just within the classroom, but I
15 think this is also where the online portion comes, where you
16 can include a considerable amount of additional resources,
17 additional training, as far as webinars, more online classes,
18 eLearning, those type of things. Really, again, I think the
19 sky is kind of the limit of what we can do for additional
20 information on the online portion. And that is our intent,
21 to be able to have that capability for -- not only for that,
22 but for all the aspects of the employment workshop, as well.

1 Again, that's really the purpose for the online
2 portion, is that expanding capability and that -- the better
3 accessibility to the information to the service members and
4 to their spouses and families.

5 Again, the TAP support -- what that is there. Next
6 slide.

7 Again, an important part of this is, again, the
8 facilitator training. And we are also in the process of
9 deciding on do we go with all-contract facilitators, or do we
10 continue in our current model, where we have some state
11 workforce agency people doing it, and the contractor as well?

12 MR. ELMORE: Are your contractors trained by NVTI?

13 MR. WINTER: They go through the training. Most of
14 them have far -- most of them could probably teach the class
15 before they get there, because most of them have a
16 considerable amount of experience in training and developing
17 training programs and facilitating as well.

18 That's one of the advantages of having a
19 contractor. You can set the standard for the facilitator,
20 and they really have to live up to that. And the one we have
21 is -- has provided excellent facilitation. I don't think I
22 ever heard of any complaints about the capabilities of them.

1 Of course, now, when you expand that to all of
2 them, we may run into a little bit greater quality issues.
3 But I think we can deal with that with the contractor.

4 MS. HARRIS: Tim, my name is Marylyn Harris. I
5 live in Houston. I am a veteran business owner there.

6 This is my issue. I have attended the TAPs, the
7 Yellow Ribbons, the Strong Bonds, the PDHRAs, the PHAs, et
8 cetera, et cetera, over the years. And the issue I have is
9 when these come to your town, I have sat in them, and being
10 someone at that time that wanted to go into business, I was
11 searching for information about entrepreneurship. Like you
12 said, I didn't get it, it was just a passive reference to it.

13 I followed up and contacted the DVOPs at our --
14 the equivalent of our state employment agency. They did not
15 have the information. So I think that's a point of entry for
16 information, as well, some of the programs that Mr. Elmore
17 spoke about, EBV and all the rest of them.

18 But the other thing that really I found to be very
19 challenging is when you are a business in the community where
20 these TAPs are taking place, and you want to come in, you
21 know, for no charge, and just display and say -- okay, like,
22 for instance I have a non-profit, the Women Veterans Business

1 Center, we are open to the whole military family -- and give
2 resources about entrepreneurship, I have been stopped.

3 MR. WINTER: Really?

4 MS. HARRIS: I have been stopped. I have been
5 told, ANo, we already address that in the program.@

6 MR. WINTER: Right.

7 MS. HARRIS: And you have already conceded that
8 it's just passively addressed.

9 MR. WINTER: Mm-hmm.

10 MS. HARRIS: So, you know, what can we do to change
11 that?

12 MR. WINTER: That becomes another issue, just as
13 far as -- and it's really a base issue, at least if you're
14 looking at coming on base to the TAP sites there. Then it
15 becomes a base issue on who they're going to let in and why,
16 and so on. I mean it can be done. Many of the -- we have
17 employer panels that take part in our employment workshops,
18 and again that's a -- it's a local coordination B

19 MS. HARRIS: Yes, it is.

20 MR. WINTER: We have provided some general guidance
21 at the national level, but it really comes -- that's an issue
22 between the base commander and the other partners there. And

1 I'm not sure where you B

2 MS. HARRIS: Some of ours have been held at
3 universities. We don't have a military base in Houston,
4 where I live.

5 MR. WINTER: Right.

6 MS. HARRIS: So they're not on a base. So it's not
7 an issue, for me, of base access. Plus, I have a card where
8 I can go on any base in the United States.

9 But it's a great issue, in terms of accessibility
10 to the people that are going to be attending this, to give
11 them the information, the entrepreneurship information.
12 That's the issue I am having. I don't know. Has anybody
13 else had this experience?

14 PARTICIPANT: Well, we run into that in the
15 franchise industry, too.

16 MR. WINTER: Right.

17 PARTICIPANT: Not only finding out where TAP
18 centers are and what's going on, but getting the information
19 --

20 MS. HARRIS: Yes, I mean B

21 PARTICIPANT: We could deliver a lot of it online,
22 but at the same time B

1 MS. HARRIS: You know, I have been told, ANo.@"

2 MR. WINTER: I will tell you, as far as employers
3 go, or -- employment opportunities are generally not provided
4 during the employment workshop itself. And the reason we
5 haven't done that is -- the primary reason is we've got two-
6 and-a-half days to go through a lot of information.

7 MS. HARRIS: That's what they tell me.

8 MR. WINTER: And again, there have been issues with
9 who comes on and what they are trying to sell, or what
10 they're trying to push. And we all know that there is, you
11 know -- not everyone is respectable and as up-front in what
12 they're trying to do. And that is one of the issues. And
13 we're just trying to shield the service members from some of
14 that stuff while they're trying to learn these things.

15 Our employer panels, it really is not there for the
16 employer to push their company or push their program. It is
17 to provide the service members in, okay, what an employer
18 looks for when -- in the hiring process, that type of thing.

19 Now, some of these things -- I would say if you can
20 work through the state DVET B because it comes into play
21 where we've got the state workforce agency, then you've got
22 the federal people, and then you've got the insulation staff,

1 as well. But I would say if you can work through the state
2 DVET, and we've got the B

3 MS. HARRIS: DVET?

4 MR. WINTER: DVET, director of veteran employment
5 and training. There is a director website, but if you just
6 give me a call, I can find out who it is B

7 MS. HARRIS: Okay.

8 MR. WINTER: -- and wherever you're at B

9 MR. ELMORE: And they might be called SDVET, state
10 --

11 MS. HARRIS: SDVET?

12 MR. ELMORE: -- director of veteran's employment
13 and training.

14 MS. HARRIS: Okay.

15 MR. WINTER: And then there is -- and again, we can
16 get contacts with a particular base or a particular service,
17 from the national level, and have them look at that.

18 MS. HARRIS: I mean we are an educational charity.
19 We're not trying to hire anybody.

20 MR. WINTER: Right.

21 MS. HARRIS: We're not trying to sell anything.
22 We're trying to give information about entrepreneurship.

1 MR. ELMORE: If it's helpful, I will throw this
2 out, just so everybody is aware. There is a new initiative
3 in the works that I'm not at liberty to say much about. I
4 only got some more detail about it yesterday. But when it's
5 prepared to be rolled out it's going to have some pretty
6 significant impact on the availability of entrepreneurship
7 education, training, right at the point of discharge through
8 the TAP program.

9 MS. HARRIS: Oh, good. Okay.

10 MR. ELMORE: So while, Tim, you're probably not
11 privy to it either, because I just found out yesterday, there
12 is some good stuff coming pretty quickly that's going to have
13 a pretty dramatic effect on all this for our community.

14 MR. RENTERIA: Tim, just to echo what Marylyn said,
15 you know, that -- I know you guys have all been referring to
16 the after TAP support. Don't know if it is funded with the
17 dollars to do it there, but groups like hers across the
18 country is truly your after TAP support. Because what I like
19 to see if you all exercising that free service, and funding
20 the SBA programs because the information in TAP is
21 phenomenal, retention is limited.

22 And what I know about various states -- the State

1 of California, for example, just hired 369 veterans last year
2 to roll out the Operation Welcome Home. And guess what
3 they're doing? They want that employment federal dollars in
4 the State of California, okay? They took away \$10 million,
5 there was an outrage, they put \$10 million back in to hire
6 more Operation Welcome Home veterans.

7 With that said, is the deal -- less unemployment
8 dollars, less federal cost. States don't see it that way;
9 they see the opposite. Has DoL recognized that behavior
10 demand from state to state? Again, California is really
11 funding a lot of dollars to get 2.1 million veterans more of
12 their benefits, and really changing the economy in
13 California. Has DoL chased that animal down?

14 MR. WINTER: Again, that's kind of outside my --
15 you would have to talk with employment training
16 administration on that, because they're the ones that
17 administer the unemployment B

18 MR. RENTERIA: See, that's where I think your after
19 TAP support needs to really be drilled down. You know, what
20 can be interfaced with the after TAP support?

21 MR. WINTER: Right, right. And one of the things
22 we want to do with the after TAP support is not just throw

1 another layer of kind of funded support on there, because we
2 realize that there is a wide range of programs that are out
3 there to help the veterans and help the service members make
4 their transition and -- from DoD, from the VA, from DoL, all
5 those things.

6 So, one of the things we want to be able to do is
7 to kind of map all that out to be able to tie as much into --
8 to make use of what's already there B

9 MR. ELMORE: Right.

10 MR. WINTER: -- in the best possible way, and then
11 to -- whatever gaps may exist within that. So -- but B

12 MS. LYNCH: Mr. Winter, the committee tremendously
13 appreciates your time, too. We have about two minutes left.

14

15 MR. WINTER: I understand.

16 MS. LYNCH: If anyone has -- I want to keep you on
17 schedule, as well. Thanks for the information you're
18 presenting.

19 Does anyone have any questions or comments? Ron,
20 please go ahead.

21 MR. MILLER: Ron Miller. Many years ago I ran a
22 statewide employment training program for the State of

1 Georgia. And DoL had grants available for that. It was
2 competitive. Do you still do anything like that for non-
3 profits, or B

4 MR. WINTER: Yes. They -- Vets still has a number
5 of competitive grants. They've got the homeless veteran
6 reintegration program, which grants -- they piloted or came
7 out with the -- it's essentially the same thing, but it's
8 targeted towards homeless women veterans. Then they've also
9 just last year came out with the competitive grants for the
10 incarcerated veterans reintegration program, I think, is what
11 it's called.

12 MR. MILLER: But no general employment and training
13 efforts among the B

14 MR. WINTER: Well, they have VWEB, but I'm not as
15 well versed on -- those are competitive grants to the states
16 to provide training in those -- in some of those areas.

17 MR. ELMORE: I might be a little help here, Ron.
18 In my days there was discretionary funds in the Assistant
19 Secretary's office for some of these sort of creative
20 approaches. But I don't think that, the way the laws are now
21 in the Workforce Investment Act, that those discretionary
22 dollars are there for the Assistant Secretary the way they

1 were back when you and I were doing those things.

2 So, it's probably a different process. You
3 probably, I would assume, have to work through the state
4 level now.

5 MR. WINTER: Right. But, yes, the -- Yes, that is
6 also a competitive grant process.

7 MR. ELMORE: Yes.

8 MR. WINTER: So there is the issuance of the grant.

9 PARTICIPANT: One quick question.

10 MR. WINTER: Yes.

11 PARTICIPANT: I'm a little confused. You're
12 talking about all these new things that are going to be
13 happening. Has that happened, or is it out and looking for
14 people to implement this, or -- what's happened? What's the
15 B

16 MR. WINTER: Not yet. We have the -- had a
17 solicitation out and received proposals for it towards the
18 end of -- or during last fall. We ran into some funding
19 issues, and then also some issues on the online part, because
20 we initially put it out that we were going to develop this
21 whole eLearning platform ourselves.

22 In the meantime, DoD had, on kind of a parallel

1 track, had their own online structure developed that we
2 looked at and said, AActually, we can use this for our part,@
3 and so we have rewritten it, we are looking at republishing
4 the solicitation -- next month is what we're shooting for.
5 So a contractor award by the end of May, and then completing
6 the actual -- the design of the workshop by the end of -- I
7 want to say August, September, and then starting to roll it
8 out in the new fiscal year. So we're looking to push it as
9 quickly as possible at this point.

10 PARTICIPANT: You>are not looking for content as
11 you're preparing to find your contractor to develop it?

12 MR. WINTER: What's that?

13 PARTICIPANT: You're looking for your contractor to
14 develop the content B

15 MR. WINTER: Yes.

16 PARTICIPANT: -- in the workshop itself?

17 MR. WINTER: Yes.

18 PARTICIPANT: Okay.

19 MS. LYNCH: Thank you very much for your time and
20 participation. And if there is anything that we, as a
21 committee, can do to assist you with the efforts, especially
22 on the entrepreneurship contract piece B

1 MR. WINTER: Yes.

2 MS. LYNCH: -- please put the contractor in touch
3 with us. We would appreciate it.

4 MR. WINTER: Absolutely.

5 MS. LYNCH: Thank you, again.

6 MR. WINTER: Thank you for having me.

7 MR. ELMORE: Thank you, Tim.

8 (Applause.)

9 MR. ELMORE: Billy Jenkins wants to make a quick
10 announcement about something, so we hope it's good news.

11 MR. JENKINS: Yes, it is good news. I am Bill
12 Jenkins, the veteran procurement liaison. And I did not tell
13 you what I do. Most of you know what I do around here.

14 But -- you're my success story too -- but I want to
15 share with you a success story. I want to introduce you to
16 one of the companies that I trained and I mentored along the
17 way. I want to introduce you to Dr. Johnny Dillard, service-
18 disabled vet, from -- Johnny, would you stand up -- and his
19 son, Scott Dillard.

20 MR. DILLARD: Hello.

21 MR. JENKINS: I would like to announce that they
22 have won several government contracts. But recently you guys

1 won a, what, a \$20-something million contract from Treasury?

2 MR. DILLARD: A \$29 million Treasury doing employee
3 analyst work.

4 MR. JENKINS: \$29 million. So B

5 (Applause.)

6 MR. JENKINS: So this is what we do here at SBA, we
7 teach you how to go after those government contracts. And
8 also, we teach you how to give back to the community.
9 Because, based on the presentation that you just shared with
10 me, how many veterans have you hired as a result of your
11 activity?

12 MR. DILLARD: We have about 60 employees right now.
13 We've got a little over -- probably about 25 to 30 veterans
14 right now.

15 MR. JENKINS: Twenty-five to thirty veterans. So
16 that's 25 to 30 veterans that will not be homeless and will
17 not be on the streets.

18 MS. LYNCH: Yes, great.

19 MR. JENKINS: So thank you very much, guys.

20 (Applause.)

21 MR. ELMORE: Well, we will go ahead and do the
22 introduction now, and I am going to let them introduce

1 themselves.

2 Holly Schick apparently was unavailable at the last
3 minute, as our deputy associate administrator, so -- and I am
4 going to ask the gentleman who I just met to introduce both,
5 because our other friend has lost her voice.

6 MR. HENRY: Hi. I'm Scott Henry. I'm with the
7 small business development center. And this is Jean Smith.
8 She is actually the deputy. Normally she would probably give
9 this pitch. She's been a little bit sick, as Holly as been,
10 too. So we're sort of going to tag-team it. She is going to
11 chime in when she needs to, to try to keep her voice to a
12 minimum.

13 MS. SMITH: Laryngitis, so B

14 MR. HENRY: Yes. Good morning. Thanks for letting
15 us talk with you guys. Holly says we normally just give you
16 sort of an update. I think you're all familiar with the
17 program and what we do -- SBA, in particular the SBDCs, small
18 business development centers is what our main interest is.

19 Just a little bit of statistics. Over the last
20 three years -- you know, we both do training and counseling -
21 - over the last three years we've had an increase in training
22 for vets of 11 percent. So we think that's a pretty good

1 news story.

2 In counseling, specifically in SBDC World, it's
3 been up by eight percent. And that's basically, you know,
4 the budget has been pretty consistent. So it's not like we
5 just dump in more money, we're just getting more clients, and
6 we're doing a better job with those clients. So I think
7 that's a really good new story to start off with.

8 Some of a little bit of other news is -- I don't
9 know if you've heard of what's called the Small Business Jobs
10 Act. Probably heard about that. One of the specifics that
11 came to SBA for counseling small business development centers
12 has been a \$50 million grant. And we rolled that out across
13 the country to our network of 63 lead centers. And that's
14 done through a proportional share; they get the funding based
15 on population.

16 But the interesting thing of that is they were
17 supposed to try to use that money to do innovative programs
18 or do outreach to communities that they typically can't serve
19 because they don't have enough funding. And of the 63, we
20 have got about 6 -- and maybe hopefully some more, because
21 we're still rolling out the funding, as we are now -- that
22 specifically are going to address vets, which they hadn't

1 been able to do before, because they didn't have funding.

2 Basically, it helps them rank up their marketing
3 to, you know, get the community in there, help them out.
4 Some of them have some specialty programs. Some of them --
5 which I think is important -- are trying to do things with
6 Facebook, because you want to reach the younger vets now. So
7 they're using money to have some outreach via Facebook,
8 things like that.

9 So I think that's another -- a good news story.
10 Those states are Arizona, California, Los Angeles, Ohio,
11 Rhode Island, Texas, Lubbock, and then South Carolina. And
12 again, they're just going to be using some of the funding to
13 put more emphasis on helping vets do more counseling and be
14 more concentrated in that area.

15 I think you might know about the -- what we call in
16 our language -- the special grant. There is another grant
17 that's been a three-year grant. It was a \$1 million total.
18 And we have rolled it out at a \$100K per, so we have 10
19 states that are working on that.

20 And that was specifically to address the needs of
21 vets, either -- again, targeting marketing to veterans,
22 developing new outreach techniques, developing websites that

1 they can use in case they can't get to the office. Another
2 interesting thing is they have some programs tailored to
3 spouses of vets through that funding allotment.

4 The problem with that is that specific -- it was a
5 three-year pot of money, and that money ends this year,
6 right? They get one more year of it. And so, what the
7 association has done -- there is an association that helps
8 run the small business development centers -- they have
9 developed what's called a special interest group, where they
10 know they are losing this funding that's kind of targeted
11 just to vets, and they want to see how can they take this
12 best practices and roll it out throughout the network to get
13 at more than just the 10 centers involved, get more like the
14 63 centers involved.

15 So, as a team, they are coming together, looking at
16 what they've been doing with the specialty grant, and seeing
17 how they can roll it out across the network. So I think
18 that's really important for the coming years, where they're
19 not going to -- you know, they're going to lose this money
20 that's specific -- or the money will end for the specific
21 program, but they will be able to, hopefully, incorporate
22 that into the day-to-day, which is really where it should be,

1 anyway. So that's another good news story.

2 I can give you -- like you heard a little bit of a
3 success story -- I will give you one example of what one of
4 our centers has done with the money. Again, they relate back
5 to all the SBA programs. Like let's say they know they're
6 going to need a loan. The specialty thing that they can do
7 is help the applicant package the loan in such a way that
8 it's a lot more negotiable by the bank. That's actually a
9 really big role.

10 And a lot of banks -- like a vet will go in, and
11 they'll start talking to the bank, and they will be like,
12 AWell, have you talked to one of the small business
13 development centers? If you talk to them, it kind of gives
14 us a better feel of how your application is going to go.@

15 And so, you know, in Kentucky -- I think it was
16 Kentucky -- in Kentucky, one of the vets wanted to start a
17 business, think about what it was, they came up with the idea
18 of well, you know, we're always shipping a lot of stuff
19 around the country and they thought there was a really big
20 need for it in their area. So they came up with a plan to
21 start a shipping business.

22 They went into the small business center, they

1 helped them get started up with a marketing plan, of course
2 with the business plan first, and really, it was to get that
3 loan package approved. And that's really what really helped
4 them to get going. So they're doing great.

5 And that's really all we have. I mean what kind of
6 questions do you guys have? Do you want B

7 MR. ELMORE: Let me throw in another little piece
8 to help people kind of understand how this works.

9 SBDC is in our entrepreneurial development
10 division, office of veteran's business development. My
11 office is not. And that's the way the law was written. So I
12 am essentially assigned to the administrator's office. So my
13 work with SBDC and our other partners in the entrepreneurial
14 division is to try to help them develop and grow their
15 attention to veterans at all, and that includes Reserve,
16 Guard, family.

17 So, the role my office tends to play is kind of
18 twofold. One is every year they give me the opportunity to
19 influence the language that they have in their written
20 agreements with those 900-plus SBDCs around the country. So
21 a lot of the increased activity and attention that we have
22 seen is based on that language. And I have been grateful,

1 because they have been more than willing to accommodate me
2 and to put up with me, because some of the stuff I have
3 written in there probably -- there is more language around
4 veterans in those agreements than any other population.

5 MS. SMITH: Bill is our best contributor.

6 MR. ELMORE: Yes. Thank you. So I appreciate
7 that.

8 I mentioned earlier that the special program he
9 mentioned, they asked my office to help design that and to
10 help choose the winners in the first year. And we were
11 pleased to get that opportunity and to help shape that
12 program. Not manage it and run it, but help shape it.

13 The third part in the 16 centers that I fund, I
14 don't exclude anybody from competing for those grants. So,
15 about half of my 16 veterans business outreach centers are
16 affiliated with SBDCs. So, Pat -- New York is an example.

17 The SBDC special veterans program is funded by the
18 SBDC program office. The veteran's business outreach center
19 program, run by the New York SBDC, is funded not -- by my
20 office. The only real challenge there is making sure that we
21 kind of segregate the reporting and the accounting of the
22 funds, and who actually gets the service through those

1 grants. But in that case, New York has a really aggressive,
2 and I think a strong component in the SBDC system, based
3 partially on the SBDC program office, and partially on my
4 office.

5 So, that's kind of how things tend to work
6 internally. And if there is an issue that comes up,
7 typically I go to the leadership in the SBDC program office
8 and say, you know, AIf there is a problem, can we get this
9 resolved?@

10 And, conversely, the same thing happens from their
11 office. Antonio Doss, who is Jean's boss, contacted me last
12 week about another meeting with another federal entity about
13 some other program activity going forward that's going to
14 focus on vets. I honestly don't remember what it is. But
15 when Antonio puts a meeting together, I will go participate
16 and I will try to make sure that the veterans component in
17 there is as strong as we can make it.

18 So, there are some -- people sometimes think there
19 is competition. It's not really that. It's really how do we
20 collaborate and coordinate and make sure that all of our
21 programs are doing their job for our community, which is why
22 I am more than pleased that I get to help SBDC do that.

1 And we do similar work like that with SCORE and
2 with women's business centers. And, by the way, they've been
3 given numbers that my office has put together, based on the
4 yearly reports. So they understand now how to sort of crack
5 the performance in all our entrepreneur development programs,
6 the EDIs, and my office as well. So they just got that data
7 today, so they get a chance now to look at how we're doing,
8 and what our trends are.

9 So, please, any questions either to me or back to
10 them. Yes?

11 MR. MACKRELL: And I don't know whether it's --
12 who can best answer this, but when we met with Karen Mills --
13 was it last year about this time?

14 MR. ELMORE: Yes.

15 MR. MACKRELL: Now, admittedly, she had not been
16 yet fully indoctrinated into being a government employment.
17 She was still maybe rather entrepreneurial herself.

18 MS. SMITH: We worked on that.

19 MR. MACKRELL: I understand. But she clearly --
20 well, maybe not clearly -- but she certainly indicated that
21 there were some in the Agency that were entertaining the
22 concept of consolidating this -- the SBDCs and the women's

1 business centers and the veteran centers, in terms of a more
2 direct but effective single source for entrepreneurial
3 assistance and technical assistance. Has that gone anywhere?

4 MS. SMITH: I don't think -- not formally and
5 organizationally at this point. There is still a lot of
6 discussion around that, particularly with the federal budgets
7 B

8 MR. MACKRELL: Right.

9 MS. SMITH: -- looming as they are, and whatever
10 they're going to be B

11 MR. MACKRELL: I think that's what was driving her
12 discussion.

13 MS. SMITH: Yes. More discussion, I think, is
14 emanating around that.

15 But, you know, as Bill addressed, there is a lot of
16 collaboration. If you actually go out to a site, you know, I
17 think it would be a rare instance where you would find
18 somebody in this building doing identical stuff as the guy in
19 this one, as the woman in this one. They are serving
20 different markets.

21 They are all counseling and training, and so that's
22 sort of where the umbrella, in terms of the service. But

1 it's to whom they are providing it, how they deliver it, to
2 what advanced or basic level they deliver it, how they
3 identify the need. I mean it can be as simple as the SBDC
4 may be located on a college campus or a community campus B

5 MR. MACKRELL: Right.

6 MS. SMITH: -- and the women's business center may
7 be on Main Street in the town, and the public transportation
8 service gets those women to that center better than it does
9 the -- I mean it can be as simple or as complicated, but when
10 you start looking at it there is really very clear
11 definitions -- not definitions, but criteria -- that separate
12 those programs.

13 And so, it's -- what we're looking at mostly is not
14 so much how we change how we've customized what we deliver,
15 or to whom we deliver it, but the administration of it, and
16 trying to get more efficient in the cost of the
17 administration. Whether that's going to result in one big
18 program that's going to try and cover everything, or keeping
19 our separate identities or, you know, how exactly that's
20 going to play out with reduced budget costs, we are not sure
21 yet.

22 MR. ELMORE: Maybe I can share with you kind of how

1 we've tried to approach it B

2 MR. MACKRELL: Just one second B

3 MR. ELMORE: Sure.

4 MR. MACKRELL: When we spoke last time, when we had
5 -- I remember -- I believe we had -- and it wasn't -- maybe
6 it wasn't the same sequence of meetings, maybe it was the
7 same time when we had SCORE come in, and SBDC, and women's
8 business centers.

9 But people from the women's business centers told
10 us they counseled more women (sic) than men, all right? And
11 the people from the SBDCs said that their counseling was
12 about the same break points, women and men, with slightly
13 more women than men.

14 MS. SMITH: Good memory.

15 MR. MACKRELL: So the women -- more women were
16 going to the SBDCs than men? Fewer -- more men were going to
17 the women's business centers than women. SBDCs were
18 counseling more veterans than the veteran's centers. And the
19 women's centers were sort of doing a little bit of
20 everything.

21 So, it sort of -- that actually was on the heels of
22 Karen's remarks, because we were still in her conference room

1 when that was made. So B

2 MS. SMITH: And you're right. And there is B

3 MR. MACKRELL: So what's different?

4 MS. SMITH: Well B

5 MR. MACKRELL: And why have three?

6 MS. SMITH: The way -- one of the reasons that --
7 because we have looked at that, too, and we've said, AThis
8 doesn't make any sense,@ but it makes sense if you look at
9 the capacity of those programs.

10 Our program has almost 1,000 locations. We are --
11 we have the strongest and biggest network. So in many
12 places, we're the only game in town. So if it's a majority
13 of men coming to see us, or a majority of women, or whatever
14 it is, they're going to come and see us, because we're the
15 only game B

16 MR. MACKRELL: But why have three silos here?

17 MS. SMITH: Well, that's what we're talking about.

18 MR. MACKRELL: I mean why have a separate silo
19 here, and B

20 MS. SMITH: That's where the efficiencies are being
21 looked at B

22 MR. MACKRELL: Yes.

1 MS. SMITH: -- to see how we, administratively, cut
2 down those costs.

3 MR. ELMORE: And part of what I was going to
4 mention to you is when I came to this job 10 years ago, you
5 probably couldn't find five SBDCs in the entire country that
6 had any visible program activity for veterans. And I was on
7 the SBDC's national board, and I did all that stuff.

8 So part of sort of the drive that we have done, not
9 just with our centers -- which is why we include SBDCs, if
10 they want to compete for our grants, but also why we help
11 their office -- is we're really building out a recognition in
12 the SBDC system, and the other systems as well, because there
13 are unique things to veterans that are not there for the
14 general population, including the Department of Veterans
15 Affairs, and programs like EBV, and some other focused
16 activities, even special services from other federal
17 agencies.

18 So, what I see over time is that we're sort of
19 inoculating the SBDC system, and now, with 6 new grants on
20 top of the 10 grants on top of the 8 that I provide, we're
21 going to be in, arguably, about half the states at the SBDC
22 level with some specific special attention that not just

1 deals with veterans as entrepreneurs, but has one foot in the
2 world of veterans, so that you know where else to go if you
3 need to, if it's a mental health issue, if it's a health
4 issue, if it's an employment issue, if it's a spouse issue,
5 if it's a health care issue. You need to know about Tri-Care
6 for a Reservist, and most SBDCs, 10 years ago, wouldn't have
7 had a clue about Tri-Care.

8 So, I think what you're going to see over time,
9 especially with the budget, is this recognition is coming,
10 and it's going to be how does the business counseling system
11 do the best job it can, regardless of what the label is on
12 the individual center. Now, that's counter to what I'm
13 proposing. But what I am primarily proposing through the
14 interagency task force is an entrepreneurial training system
15 that would operate in conjunction with this broad based
16 technical assistance center.

17 So, it's a legitimate question, and we have had
18 these discussions. But I think -- and I still think -- we
19 have a ways to go with helping women's business centers,
20 SCORE chapters, perhaps SBDCs, increasingly less about what
21 is the nuance of how you deliver good services to veterans
22 and their families that's different in some pretty remarkable

1 ways from the broad population of people who never served.

2 MS. HARRIS: That's right. That's right.

3 MR. MACKRELL: You know, and I think that's true.

4 But the issue is that there are only so many dollars for the
5 program.

6 MR. ELMORE: Yes.

7 MR. MACKRELL: The more that gets consumed inside
8 the beltway -- right?

9 MS. HARRIS: Yes.

10 MR. MACKRELL: The fewer dollars are available to
11 do precisely what it is that you need, which is that type of
12 specialized services that have to be provided, you know.

13 And Karen made those remarks. I think it was very
14 encouraging.

15 MS. HARRIS: Right.

16 MR. MACKRELL: To the extent that you're still
17 talking about it a year later, a little encouraging, but
18 mostly discouraging that it's still B

19 MR. HENRY: Well, but some of it is you need a
20 niche sometimes, too. Like the women's business centers are
21 in locations, as Jean was saying, so some people can access
22 them easier than a college campus. Or, you want to have a

1 special thing there so women still know that there is
2 something there just for them.

3 So, I think you -- if you -- but I think we've done
4 the opposite, where we have taken the niche and broken down
5 the silos, where you can go any place you want, or one can
6 refer to the other one if this isn't quite the right place
7 for you.

8 And we also sort of -- different tiers. Like the
9 women's business centers usually work more -- people that are
10 just kicking the tires, or starting out small, or something
11 like that. And, you know, SBDCs can offer a lot more detail,
12 more services. They even have technology services.

13 So I think there is a little bit of both ways. You
14 need to worry about the niche. You can't let that go away.
15 Because, as a government, we have got to be able to still
16 address those people that might see it, you know -- be more
17 encouraged to come someplace if they see a specialty just for
18 them.

19 MS. SMITH: You B

20 MR. MACKRELL: But I don't think the comments --
21 with all due respect, and I am a massive support of the
22 SBDCs, I have great respect for them -- but the dilution -- I

1 mean just because it's in a different zip code, or you can
2 get there because it's more easily accessible, or
3 differentiate it by level of service, but you're naming it by
4 a gender, you know, if you -- you know, if you -- in fact, in
5 your mind set, AWe need to win these business centers because
6 these are really providing a valuable service to the tire
7 kickers that the SBDCs don't have the ability to do,@ then
8 call it the tire-kickers business.

9 I mean why -- if your justification is not
10 consistent with your label, either change your label or
11 readjust the justification. I mean I think that they all do
12 good work. But the fact of the matter is, they appear to be
13 serving different populations when, in reality, they aren't.
14

15 And there is somebody in SBA who runs the women's
16 business centers. I mean if they got out of that chair they
17 could come in and talk about it. And somebody comes in and
18 does that, and that's just, quite frankly, from a taxpayer's
19 point of view, unconscionable, and a waste of money, when so
20 much of it is -- I mean it's no offense, but --

21 MS. SMITH: Right.

22 MR. MACKRELL: -- and there is a lot of momentum

1 going the other way, but those kinds of things, I think, are
2 important. And we would end up with more money at the
3 business end of this business B

4 MS. SMITH: Well B

5 MR. MACKRELL: -- if we had those kind of
6 consolidations, and there was a focus B

7 MS. SMITH: I was going to comment on that part of
8 it, you know, why we're looking at -- and we have done some
9 collaborative efforts, for example, at the financial
10 examination side of it B

11 MR. MACKRELL: Right.

12 MS. SMITH: -- where we collaborate with -- on the
13 women's program. Because, prior to a few years ago, they
14 really didn't have any oversight capability of financial --
15 of the financials, you know, the grant financial management.

16 So we have been helping in those instances, and kind of
17 sharing people and contracts and knowledge and experience.

18 So, those efforts have been going on. They're sort
19 of back room, back door sort of things that you wouldn't
20 really talk about, otherwise.

21 But the one other thing is even if -- even were we
22 to save money on the administrative -- and I am actually in

1 favor of that, in any way we can -- it wouldn't add dollars
2 to the program itself, because what we operated under
3 administratively -- and this is sort of the mystique of the
4 federal budgets -- but what we operated under
5 administratively is the SBA's operating budget, in terms of
6 our salaries and our staffs, and what it costs the Agency to
7 run the program at headquarters or in the field.

8 That money -- were to be economized in some way, or
9 made more efficient, wouldn't go over into a line item for
10 the program. They would still be separate and distinct
11 funds. So it isn't necessarily true, if I get more efficient
12 here we're going to have more money for the program, just the
13 way the federal budget works. Although I think it's a good B

14 MR. MACKRELL: Well, it does B

15 (Several people speak simultaneously.)

16 MS. SMITH: Well, Yes, I understand that. I'm
17 sorry. You had a question?

18 MR. RENTERIA: Yes, total different question. I
19 just read a letter from the SBA procurement acquisition -- I
20 think I sent you a copy -- and there is three numbers in
21 there that caught my attention.

22 I think it suggested 23 percent reach -- they

1 missed it by 1.1 percent -- \$6 billion in small business
2 missed opportunities. Concerning these numbers here, there
3 are 752 new trained new small businesses. Is there an
4 association that that \$6 billion opportunity and affiliated
5 with these numbers? I mean are you guys comparing those
6 opportunities that are missed? Because \$6 billion is a lot
7 of small businesses. And I'm just curious B

8 MR. HENRY: I don't have the letter in detail.

9 MS. SMITH: Yes. I don't know, I don't have the --
10 maybe Bill can B

11 MR. ELMORE: Yes, I B

12 MS. LYNCH: Talking about the contracting goals,
13 subset goals. In fiscal year 2009 agencies missed 23 percent
14 of the small business goal by 1.1 percent, which equates to
15 nearly \$6 billion in federal contract opportunities. So it's
16 the scorecard. It's the scorecard report.

17 MR. ELMORE: It ties to the business counseling
18 that's provided. But no matter how sophisticated or
19 successful an SBDC or a SCORE counselor or some other
20 contractor, essentially, might be, the most effective
21 training that I know of that's provided to disabled veterans,
22 for example, to try to achieve three percent goal, comes from

1 him, because he was a contracting officer for 30 years before
2 I grabbed him as an employee.

3 So, we can train -- in fact, we do that. Over the
4 last 2 years, he has trained 500 contracting officers and
5 6,000 disabled veterans himself. The SBDCs, as good as they
6 are, unless there is somebody working in that SBDC or
7 veterans business center, or whatever, that has the kind of
8 experience based on how to navigate -- because federal
9 procurement is not cut and dry, it's not, AHere is your
10 contract, forget you,@ it's a large and complicated and
11 burdensome and ongoing process to be able to do that stuff
12 well and successfully.

13 So, it's -- you know, Bill could at some point
14 perhaps train SBDC field staff, and probably improve their
15 ability to help a disabled veteran. But that's the kind of
16 thing that we would offer through the SBDC office, and
17 probably would take a year to lay out, and perhaps two years,
18 ultimately, to achieve.

19 And the trade-off there is, do we have Billy train
20 the veterans that come to him, or do we have Billy train the
21 counselors that aren't coming to him? I don't say that to
22 attack SBDC or to compliment Bill, that's just the reality of

1 it.

2 MR. JENKINS: No need to. However, if you're
3 entertaining that idea that Bill just threw out there, you've
4 got until January 3rd to make it happen.

5 (Laughter.)

6 MS. SMITH: That's an interesting -- and we may
7 want to talk to you about this. The SBDC annually holds a
8 conference, their annual conference, every year. And Bill
9 has been there many times. And they always reserve a good
10 amount of time for SBA to do whatever it needs to do, in
11 terms of educating counselors. And they get a good
12 smattering of counselors. I think their attendance is up to
13 1,500 or something at this point. It's a big conference.

14 And maybe, if we could entice Billy, and get him
15 some travel money, we could get him to do a workshop there,
16 where he could, you know, take advantage of efficiencies of
17 scale and at least, you know, train a whole bunch of
18 counselors on procurement. I think it's a great idea.

19 MR. MACKRELL: How do you -- Billy, how do you
20 interact with the PTACs?

21 MR. JENKINS: You know, from time to time I will
22 make referrals to the PTACs. But usually, I do all the

1 training. And I know that the PTACs have experienced
2 contracting officers. But a lot of them, because of the
3 cultures that they came from in the agencies, do not instruct
4 the way that I instruct.

5 MR. MACKRELL: You must be pretty good at what you
6 do.

7 MS. SMITH: He is.

8 MS. LYNCH: As the official time keeper today we've
9 got two minutes. So Ron has got the last, closing remark
10 here.

11 MR. MILLER: I think I heard you say that the
12 current grant recipients are in the second year of these
13 grants. So -- and you said there is one more additional year
14 in the allocated monies?

15 Of the ones that are currently receiving the grant,
16 will they have to go through the competitive process again?

17 MR. HENRY: No, it's a three-year, non-competitive
18 -- they just completed the first year. And they're B

19 MR. MILLER: They're in their second year now. So
20 if they're not giving money away, they will get the third
21 year B

22 MR. HENRY: Exactly.

1 MR. MILLER: Okay.

2 MR. HENRY: And that should be, actually, hitting
3 them probably the next month.

4 MS. SMITH: Yes. As a footnote, though, on the
5 procurement side, we do rely a lot and work with a lot with
6 the PTACs. We're collocated with a bunch of them, so that
7 when we get a procurement client, rather than create that
8 expertise ourselves, we will pass it on to the collocated
9 PTAC to take care of, take care of the business management
10 advising on that side, rather than try and do procurement
11 where we don't need to specialize it now.

12 MS. LYNCH: Thank you both for coming, and good
13 luck with the laryngitis.

14 MR. HENRY: Thank you.

15 MS. SMITH: It's getting there.

16 (Applause.)

17 MS. LYNCH: Thank you very much.

18 MS. SMITH: Sure.

19 MR. ELMORE: Jody, if you would like to join us? I
20 will do a basic introduction of Jody. And you can correct me
21 if I misrepresent.

22 Jody Raskind is well-known in SBA, and had

1 essentially ran our micro-loan program for a number of years
2 before she moved to another agency a few years ago. After
3 she left the micro-loan program's attention on veterans
4 really pretty much disappeared. And I have publicly stated
5 it probably was the least performing of our programs, when it
6 came to our community.

7 Lo and behold, what, a year, year-and-a-half ago,
8 two years ago, Jody?

9 MS. RASKIND: Oh, if only. No, it was more like
10 eight months ago.

11 MR. ELMORE: Eight months ago?

12 MS. RASKIND: Yes, April.

13 MR. ELMORE: Jody came back. So she has now been
14 handed what was a program that, in the last Administration,
15 did not enjoy much political support, and I think that
16 affected its performance.

17 And she also -- as an aside, as a little personal
18 note -- she has a son still in the service, I believe.

19 MS. RASKIND: But home.

20 MR. ELMORE: But home. Well, good for him.

21 MS. RASKIND: With all 10 fingers and all 10 toes.

22 MR. ELMORE: Good for you.

1 MS. RASKIND: He got home from there just like he
2 got here.

3 MR. ELMORE: Yes, all right. So, Jody is back.
4 She's a friendly, and that's how I think of it. She and I
5 occasionally -- when she's got five spare minutes and I got
6 spare minutes -- we will sit down and we will kick around
7 some things, and try to create some more ideas that help her
8 get her system to do a better job for our community.

9 With that, that's my basic introduction, unless you
10 want to repair what I said.

11 MS. RASKIND: No, that's fine. Everything Bill
12 said is true.

13 And I guess I'm in an unusual position, perhaps, in
14 that the last time I was here in front of you I actually was
15 working for USDA. And the time before that, I was with USDA.

16 And now I am back with SBA. So, I may be able to answer
17 some questions regarding both sets of questions, but now I am
18 a little bit behind on my USDA stuff, so don't take it to
19 heart.

20 Is anybody coming this time from USDA? No? Okay.

21 All right. I did -- I just wanted to point out one
22 thing on the agenda. Down at 11:30 a.m. to 12:00, where it

1 says my name and it says AChief, micro-loan branch,@ that's
2 sort of a misnomer. It's actually chief of the
3 microenterprise development branch, which may not mean a lot
4 to you, but it's -- it means something to me, because what we
5 actually do is far broader than simply making micro-loans.

6 We also -- the micro-loan program provides small
7 loans and technical assistance and training to ultimate
8 recipients through a series of intermediaries, a network of
9 intermediaries all around the country. Right now we have
10 somewhere between 163 and 168 what we call micro-lenders, and
11 they also provide technical assistance.

12 Then we also have a program called the PRIME
13 Program, which you will notice has been zeroed out in this
14 year's budget. As far as I know, the PRIME Program has been
15 zeroed out of the last eight budgets, and I still made grants
16 last year. So I don't know what's going to happen.

17 And we also are getting ready to be given the
18 responsibility for a new program that came out under the
19 Small Business Jobs Act, which is called the intermediary
20 lending pilot program. Those of you who are familiar with
21 the USDA intermediary relending program -- they call it the
22 IRP -- will recognize this program. It is a program very

1 similar to the IRP, not wholly like the IRP, in that the IRP,
2 for one thing, can only deal in rural areas. But the pilot
3 program will give us the opportunity to pilot that concept in
4 areas that are not necessarily rural.

5 So, we are actually going to have -- I guess within
6 the next 60 days -- we will have 3 programs that are
7 operating out of the microenterprise development branch.

8 I was interested in one of the comments that was
9 discussed toward the end of your previous conversation, in
10 terms of missing lending goals. And if it's okay with you,
11 Bill, I would like to touch on that for one minute.

12 MR. ELMORE: Please.

13 MS. RASKIND: One of the fun parts about sitting in
14 my job is we get to talk about lending and capital going to
15 small business, but we also get to talk about training and
16 technical assistance that goes to small businesses. And in
17 the micro-loan program, that training and technical
18 assistance is integrated into the lending process.

19 So that where we will give a grant -- let's say we
20 give a grant of \$100,000 -- only \$25,000 of that money should
21 be spent before a micro-loan is made. The other 75 percent
22 of the money should be spent on actual micro-borrowers. This

1 can be as meaningful to the micro-borrower as being a part of
2 the collateral that is taken. In other words, if your micro-
3 lender says, AWe will make you this loan if you will agree to
4 come to 8 training sessions over the next 16 weeks, and learn
5 these things, and if you don't come, we will call your loan.@

6 So, that's the one extreme. The other extreme is
7 that it's there and it's available, and they can take
8 advantage of whatever type of training they want to. Some of
9 the training is one-on-one counseling like you would
10 experience at an SBDC. Some of it is going to be classroom
11 training, like you may experience at a WBC or an SBDC, and
12 some of it is going to be online training, or whatever most
13 expeditious type and least costly type of training we can
14 hook in.

15 We do, in fact, cross smokestacks when we have a
16 lender that doesn't have the capacity to provide a specific
17 piece of training. We may or may not refer them to an SBDC.

18 The SBDCs often will do a lot of our up-front technical
19 assistance and training before the micro-borrower comes to
20 the micro-lender. And then afterwards, it's pretty much a
21 relationship between the micro-lender and the borrower, the
22 micro-borrower.

1 Now, when we say micro-loan, we're talking about
2 loans of \$50,000 or less. It used to be \$35,000 or less.
3 But the SBJA changed that to \$50,000, which is good, because,
4 as you know, the smaller loans are often the most difficult
5 to get. They're often referred to as the riskiest loans. I
6 would beg to differ on that, but that's okay. We'll let the
7 banks continue to think that they can only make big loans,
8 and we will continue to make small loans. We're good at it,
9 and we know how to do it, and our intermediaries know how to
10 do it.

11 So -- but again, back to this issue of missing
12 lending goals. What we have found is, over the past year-
13 and-a-half -- and actually, it's almost two years now --
14 many, many, many small businesses are coming to our
15 intermediary lenders under the micro-loan program, and
16 they're saying, AWe want to borrow money, but we're afraid
17 to,@ and they don't know if business is going to stay at a
18 place where they will be able to afford to get the repayment.

19 So, what they're doing is they're taking advantage
20 of a lot of technical assistance and training capacity that
21 this agency and others can offer. And -- but they're
22 skipping the borrowing part. And it really is creating an

1 issue, particularly in our program, where we can only use 25
2 percent of our money up front, because they get to the place
3 where they're supposed to borrow, and all of a sudden they
4 go, AWait a minute.@

5 So, the lenders are out there, and they have money
6 to lend, but the borrowers are still reticent to borrow.
7 That said, we still loaned out about \$41 million to micro-
8 borrowers last year. So, just a little bit B

9 MR. MACKRELL: That wasn't my question.

10 MS. RASKIND: Yes B

11 MR. MACKRELL: You're the first person in
12 government that has actually spoken reality in the lending
13 area. You can only lend if people want to borrow.

14 MS. RASKIND: Bingo. So B

15 MR. MACKRELL: Okay? So B

16 (Several people speak simultaneously.)

17 MR. MACKRELL: So, the reality is that everyone,
18 including government is B

19 MS. RASKIND: That's right.

20 MR. MACKRELL: -- the banks for not lending. But B

21 MS. RASKIND: Yes, yes.

22 MR. MACKRELL: But the reality is that -- I mean

1 there are, obviously, some glaring exceptions.

2 MS. RASKIND: Right.

3 MR. MACKRELL: But you've hit the nail on the head.

4 MS. RASKIND: Well B

5 MR. MACKRELL: And a lot of community and regional
6 banks are absolutely frustrated about getting beat up B

7 MS. RASKIND: Sure, sure.

8 MR. MACKRELL: -- in the press by not borrowing --
9 by not being able to find anybody who wants to borrow.

10 MS. RASKIND: Right. It's very, very difficult.
11 And especially for the smaller businesses, because they don't
12 know -- you know, it's real easy to go to the mall, and it's
13 real easy to go to the big box store and find what you need.

14 But a lot of small businesses -- in fact, we have a store
15 where I live, and my niece calls it, AOh, that's the store
16 where you can buy anything you want, but nothing you need.@

17 So, you know, that's what a lot of small businesses
18 do. You know, you can go and buy a \$6 cup of coffee if you
19 want to, or you can go to Safeway and get your own can. And
20 so, a lot of small businesses are sort of struggling in this
21 middle area of being ready to borrow, but afraid to borrow.
22 And thus, you have lenders who have money to lend, but can't

1 seem to get it out the door.

2 So, anyway -- Yes?

3 MS. CHAMBERS: What's the percent rate on those
4 kind of loans, if you B

5 MS. RASKIND: Like the interest rate?

6 MS. CHAMBERS: Right.

7 MS. RASKIND: Well, in our program -- and I have a
8 little thing that we can follow here, or we can just talk B

9 MS. CHAMBERS: Yes.

10 MS. RASKIND: -- because many of you have heard me
11 talk before. But under the micro-loan program, we loan money
12 to our intermediary lenders, based on the five-year Treasury
13 bill rate, and then we discount, or buy it down, by two
14 percent or one-and-a-quarter percent.

15 So, right now, if you were to be an intermediary
16 lender that wanted to borrow money today, you would probably
17 get it at pretty close to zero interest. That B

18 MR. MACKRELL: Your question was not so much
19 borrower B

20 MS. CHAMBERS: Yes B

21 MS. RASKIND: Well, I'm getting there. So --
22 because it's a two-pronged interest rate.

1 So, once the borrower -- the intermediary lender --
2 borrowers money from us, then we set a margin maximum that
3 the micro-borrower can be charged. And if it's a loan under
4 \$10,000, they can be charged up to 8.5 over cost. If it's a
5 loan of more than \$10,000, then can be charged up to 7.75
6 percent over cost.

7 So, today, if you wanted to borrow money as a
8 micro-borrower for your business, you could pay as much as
9 8.5 or as little as 7.75. Some lenders choose not to go to
10 the maximum margin. We don't know how they stay in business,
11 but somehow they do. And if they're using older money, the
12 rate might be a little higher. So it's going to depend on
13 which intermediary you go to, and which loan fund they're
14 accessing right now.

15 MS. CHAMBERS: Got it.

16 MS. RASKIND: But if they -- the less they pay us,
17 the less the micro-borrower pays them.

18 MS. CHAMBERS: Right. Okay. Thank you.

19 MS. RASKIND: And we, as an agency, don't have a
20 relationship with the micro-borrower. So if you're an
21 intermediary lender, who you loan to is up to you. You make
22 the credit decisions, you do all that stuff. We have some

1 guidelines in which you have to operate, but we don't get
2 involved in underwriting your loans. That's up to you. And
3 it's up to you to pay us back.

4 We do hold the micro-loans as collateral, so that
5 if something happens to your organization and you start to
6 not pay us back, we will go in and take the micro-loans and
7 collect them and apply that to your debt. But otherwise, we
8 have no relationship with the micro-borrower. Yes, sir.

9 MS. CHAMBERS: Thank you.

10 MR. RENTERIA: Considering the rate, 7.75, 8.5, how
11 competitive is that, say, on regular standard business loans?

12 MS. RASKIND: Not. It's not competitive. It
13 shouldn't be competitive. And we generally tend not to make
14 lower rates for micro-borrowers. And the reason is this.
15 Because it is the first line of defense against people who
16 can borrow money and can go to banks, but don't want to.

17 So, what we have is -- when you're dealing with a
18 micro-borrower, you're dealing very often with people are
19 what I like to call pre-bankable, or they have previously
20 been considered non-bankable. They are people to whom many
21 lenders simply will not loan money, whether it's because of
22 the circumstances of the micro-borrower, or whether it's

1 because the loan is too small for a bank to want to deal
2 with. You know, people get paid by commission.

3 MR. RENTERIA: Right.

4 MS. RASKIND: And it costs you just as much money
5 to do a \$2 million loan as it does to do a \$20,000 loan. But
6 your commission on \$2 million is going to be way bigger than
7 it is on \$20,000. So a lot of people don't want to mess with
8 the loans that are \$50,000 and under.

9 So, what happens is these people can't get money
10 anywhere else. It simply isn't available to them. So the
11 first thing we do is we say, AIf our interest rate is
12 slightly higher, that's okay, because you can't get it
13 anywhere else.@"

14 We're not taking advantage of low-income people.
15 We're simply saying, AYou are considered by most to be a
16 higher risk@ -- notice I said by most -- Aand your money
17 isn't available anywhere else. So we're okay charging you a
18 few percent -- interest higher than what would be on the
19 market, because you can't get it anywhere else. In addition,
20 you're also getting training and technical assistance. So
21 there is an added value, there is a benefit there that you
22 won't get when you go to a bank.@"

1 MR. WHITE: What kind of delinquency rate do you
2 have?

3 MS. RASKIND: On the micro-loans? We -- That's a
4 good question. The delinquency rate fluctuates, depending on
5 a lot of things. When the peso goes bad, the delinquency
6 rate in the Southwest goes really high. The drug wars right
7 now in the Southwest, in northern Mexico, the delinquency and
8 default rates went really high.

9 Now, because we have addressed those issues with
10 the lenders that are in that area, those delinquency rates
11 are now very, very low. So the delinquency rates tend to
12 fluctuate with the economy, they fluctuate with what's going
13 on in a specific area. If a huge plant closes down in town,
14 the delinquency rate for one lender may go way high while
15 it's low for others.

16 So, I wish I could give you an average, but it
17 would almost be like a lie if I said, AWell, they're X
18 percent, or they're Y percent.@

19 But we have a level -- let me say this -- we have a
20 level of delinquency that we won't accept, and that is
21 anything above 15 percent. In general, if you look at our
22 more healthy lenders, the delinquency rate is right around

1 the same as with credit card delinquencies, which is between
2 three and seven percent, given -- give or take what's going
3 on in the economy.

4 But when we have a lender whose delinquency rate
5 goes near or above the 15 percent, then we begin to impose a
6 little heavy thumb action on that lender, until their
7 delinquency rate comes up, and we can trust them to make
8 loans again.

9 So, does that help? Does that answer it? Because
10 I try really hard not to be what you're typically going to
11 get from a lot of bureaucrats. I try to give you the most
12 honest answer I can. But sometimes it sounds like a whole
13 lot of hooey, I understand that.

14 MS. LYNCH: Any insight -- whether anecdotally or
15 statistically -- on how often veterans are accessing your
16 product, and B

17 MS. RASKIND: I can do that precisely and exactly,
18 yes.

19 MS. LYNCH: I thought so. And then my second
20 question is, how -- what's the typical path that a veteran
21 usually finds his way to a micro-lending B

22 MS. RASKIND: Okay.

1 MS. LYNCH: Just for my education, and maybe
2 others.

3 MS. RASKIND: Well, up until five years ago B

4 MS. LYNCH: And I love the precision; I'm excited.

5 (Laughter.)

6 MS. RASKIND: Up until five years ago, we actually
7 had a 12 percent participation rate in the micro-loan program
8 by veterans. And that is because it was my policy, and my
9 bosses' policies, to make sure that whatever our
10 representation was for veterans in the community, that we had
11 the same representation in our programs. Over time, that
12 representation has gone down to just below four percent,
13 which is extremely disappointing.

14 So now, what we're doing is working again with our
15 intermediary lenders, and making as many presentations as we
16 can, to say, ALook, you know, 12 to 13 percent of us are
17 veterans. What are you thinking? How come you get to sit
18 there and make loans, while other people are out there making
19 sure you have the right to do that, but you're not giving
20 loans to them?@

21 So, we constantly -- and Bill will attest that I'm
22 not real nice about this when I get on my horse, so -- I'm in

1 a friendly audience here, so I don't have to get on my B

2 MS. LYNCH: A photo of your son would be a nice
3 prop B

4 (Applause.)

5 MS. RASKIND: Yes, yes, and he's pretty handsome,
6 too.

7 MS. LYNCH: How old is he?

8 (Laughter.)

9 MS. RASKIND: He's -- never mind. But anyway, so
10 our goal is to make sure that our vets are represented in our
11 loan pool the same way they are in the community, which is --
12 I guess it's 12, 13 percent now, maybe 14?

13 MR. ELMORE: Yes, it depends on how you parse it
14 with everything else.

15 MS. RASKIND: Yes. So -- well, when I left here it
16 was 11 and we had a 12 percent representation.

17 MR. ELMORE: Right.

18 MS. RASKIND: There was a second part to your --
19 oh, how vets get there.

20 MS. LYNCH: What is the typical path that a vet
21 finds a micro-lending vehicle?

22 MS. RASKIND: You know, I really can't tell you

1 what the typical path is for anyone, because I don't think
2 there is a typical path. But generally, what happens is a
3 veteran will come home. They will find that the job that
4 they left is no longer available for whatever reason --
5 probably because the person who was their boss in the first
6 place either is in an economic crunch himself or herself and
7 can't hire, or because they're afraid that the vet is going
8 to get called back up and they're going to go, AWell, we just
9 invested another 8 months, 10 months in this person, and now
10 they're gone again, so what do we do?@

11 And in the meantime, the vet is going, AWell, geez,
12 you know, I just went over there and I almost lost my head,
13 and you're not hiring me back? What's up with you?@ So
14 there is some animosity that starts to build.

15 So, a lot of the vets -- and any other person, even
16 a non-vet who wants to -- who is in that situation, will come
17 and want to start their own business. The first thing they
18 seek is cognitive assistance, the technical assistance and
19 training. And they will find out from some of the other
20 small business owners, AWhat did you do, where did you go,@
21 or they will open the paper and they will say, AHey, do you
22 want to start a small business?@ There is an ad in there, or

1 they will read the paper.

2 Or, they will just read an article in the paper. A
3 lot of our intermediaries have really good unpaid
4 advertisements, if you will, where it's just news stories.

5 MS. LYNCH: Marketing and B

6 MS. RASKIND: Exactly. And they go to these
7 places.

8 And, as you said earlier, a lot of the women's
9 business centers serve more men than women, and a lot of
10 these -- so the thing about the micro-loan program is we make
11 sure that they serve everybody, and we work with these
12 organizations. I don't intend in any way to denigrate any of
13 these other organizations, but the micro-lenders have one
14 focus. That is, train this person to start a business and
15 borrow money if they need to.

16 And so, it's easy, because vets can focus. They
17 can say, AWell, that's what I want to do. It doesn't matter
18 if I'm a man, it doesn't matter if I'm a woman, it doesn't
19 matter, the color of my skin or what my creed is. I can go
20 there, and that's what they're going to train me to do.@ And
21 they simply walk through the door.

22 MR. HILL: I just heard something recently about,

1 like, the Patriot Express and the Community Express loan
2 programs, micro-loan programs around 25,000 B

3 MS. RASKIND: I can barely hear you, I'm sorry.

4 MR. HILL: Sorry. Daryl. There is a program
5 called the Community Express loan, and it's -- I'm being told
6 it might actually go away. And I saw something else about
7 the Patriot Express loan possibly going away. It was in the
8 newspaper. I just wondered if you can comment on that at
9 all.

10 MS. RASKIND: I can comment semi-intelligently on
11 that. The Community Express loans and the Patriot Express
12 loans, and some of those other sort of boutique programs that
13 you hear about, are actually 7A loans, which -- the 7A loan
14 program, we're going to hear from someone on that later, I
15 would assume.

16 MR. ELMORE: Actually, it's another day. This is
17 mostly about the business counseling today.

18 MS. RASKIND: Okay. So the 7A loan program you
19 will hear about later. And there will be other experts that
20 will talk about this. But, as far as I know -- which -- I'm
21 not an expert -- those -- some of those 7A programs are
22 working well and some of them are working less well.

1 And so, the ones that are working less well,
2 they're eliminating the program but not eliminating the
3 service, because they're going to replace it with something
4 that they think is better, which is still a 7A loan product.

5 So the money comes from the same place, it's just that
6 they're going to pilot a different type of program that they
7 think will serve the public better, both from a borrowing
8 standpoint and a taxpayer standpoint, in terms of who repays
9 and who doesn't. So Bill, you might B

10 MR. ELMORE: Yes, I might be able to help a little
11 bit.

12 Basically, Patriot Express was in the media over
13 the last couple of weeks because one of the House committees,
14 on a long list of programs they want to look at, included
15 Patriot Express. So we, at this point, don't know what the
16 future is from the congressional side.

17 As an agency, we recently extended it for three
18 more years as a pilot program. So I think, in a certain
19 sense, we're in good shape. And my office -- well, it's not
20 a program that we manage. My office is gathering and
21 compiling the data of Patriot Express, and our other loan
22 programs, and beginning to chart it out so we can look at

1 trends, not just the loan itself, but the parts of the loan.

2 So, how many of these loans are going to spouses?

3 How many loans are going to Reserve and Guard members? So we
4 are getting our hands around that now. And through the
5 interagency task force that I referenced earlier, one of the
6 components in there is what can we recommend to try to
7 enhance or improve, if it makes sense, access to capital for
8 veterans, whether it's steps in Patriot Express, micro-loan,
9 or any other, because we don't limit ourselves only to SBA
10 loan products in this interagency context.

11 So, I have had discussions with Treasury about some
12 of the community bank programs that they do, and whether or
13 not they're including veterans and Reservists in their mix in
14 some visible way.

15 Because it's kind of like everything in the earlier
16 discussion I had with Pat. If you don't understand how to
17 sort of navigate the military side of the American community,
18 you may not know how to reach those service members or those
19 Reserve and Guard members and their families as well as
20 somebody who is in the lending arena with military members
21 now. So, there is a lot of different sort of nuances that go
22 into this.

1 So, the short answer is we don't know what the
2 future holds. But I will tell you -- this is my editorial --
3 I would be flabbergasted if somebody took steps to kill a
4 program that actually provides capital to the people who are
5 defending our country while we are at war in two locations.
6 And who knows what the future holds? So I don't feel at
7 risk. In fact, I think it's going to present us an
8 opportunity to perhaps improve what we provide, not just
9 eliminate. That's my hope. I don't know that, but that is
10 my hope.

11 MR. HILL: Part of my fear on that, Bill, is just -
12 - you know, America is real quick to forget things. And as
13 soon as these troops come home from overseas, you know, two,
14 three years from now, whenever that happens, when we get out
15 of those Godforsaken places, what's going to happen at that
16 point is the guys who actually are in need of these programs
17 aren't going to be there.

18 MR. ELMORE: Yes. I think it's a legitimate
19 concern. Again, today is not so much about lending programs,
20 so I think B

21 MR. HILL: Well, it's just programs in general,
22 too.

1 MR. ELMORE: Yes.

2 MR. HILL: So B

3 MR. ELMORE: Yes. So I -- but you're right. I
4 mean historically, as a nation, after the fighting stops, the
5 veteran stuff tends to start going this way, because there
6 are other pressing needs on the federal budget, where right
7 now the veterans programs are still going this way, despite
8 the pressing needs of the federal budget.

9 So, yes, it's -- there is an inevitability to that.

10 And you're right, I think that it's part of the role of this
11 committee, through your deliberations, to come up with what
12 it is you might recommend about that.

13 MS. HARRIS: Hi. My name is Marylyn Harris. I'm
14 from Houston. And we have a new program. It's called the
15 Women Veterans Business Center. So just starting out, we're
16 doing quarterly boot camps exposing women veterans and
17 military family members to juts content about business
18 ownership, about things like what you're talking about, money
19 for veterans to start or grow businesses.

20 Our next boot camp is coming up on March 5th, and
21 our focus is on financing your veteran-owned business. A lot
22 of the people that I interact with do not even know that, you

1 know, there is a Patriot Express loan, or ARC loan, or this
2 other one, the Community Express loan. And so, one of the
3 things that we're trying to do is get this information out to
4 them, because a lot of the people have ventures going, and
5 they're getting money from family members, or whoever they're
6 getting it from, or their own savings, whatever.

7 So, one of the things, in listening to you, I
8 wanted to know is exactly what happened to go from a 12
9 percent veteran participation rate in the past to a 4 percent
10 now? And is that one of the reasons why these programs are
11 getting restructured, the change?

12 MS. RASKIND: I don't know what happened. Bill --
13 I was not here. Bill may be able to answer that for you.
14 And probably, either answer that we gave you would be
15 extremely editorial.

16 So, it's -- I think that no matter where you go,
17 and no matter what you do, you are going to have people who
18 have concentrated interest in one or more specific
19 populations. And whatever they do, they are going to advance
20 or fail to advance the interests of all groups. And so, some
21 groups are going to fall by the wayside. I would like to
22 think that that is what happened here, and I don't mean in

1 terms of leadership. I mean in terms of program
2 administration.

3 But I hesitate to point a finger at anyone or any
4 group, because I simply really don't know what happened. It
5 took a while for us to build the percentage up. I don't know
6 what took so long for -- what made it fall so fast. It's
7 kind of like growing a tree, you know? It takes 30 years to
8 get it tall enough to knock it down in a half-an-hour, so B

9 MS. HARRIS: Veterans are still having the need, at
10 least, to borrow money. So why aren't they using these
11 programs, you know? I know, from the people I interact with,
12 it's lack of awareness about the programs.

13 MS. RASKIND: Well, let me say this about marketing
14 federal programs. And then I have another program that I
15 want to talk about that may help you with that.

16 MS. LYNCH: And just in the interest of time, too,
17 we're about -- we can give about five more minutes to this.

18 MS. RASKIND: That's good. Thank you. The federal
19 government has a myriad of programs, from agency to agency,
20 that people don't know about. There are people in agencies
21 that have no clue what other parts of those agencies doe.

22 MS. HARRIS: Yes.

1 MS. RASKIND: Let along Joe Public, or whoever he
2 is out there -- or she, Josephine Public -- you know, knowing
3 what every agency does.

4 Now, for instance, when I worked at USDA, that's a
5 department. It's an enormous department. There were 770
6 local offices, field offices throughout the country, just in
7 the rural development area, which is where I worked. Under
8 rural development we had business development, we had
9 utilities, and we had housing. If you asked me what all of
10 the utility programs were, I couldn't tell you. I could make
11 you a list; could I tell you how they worked? No.

12 Is there ever a commercial on TV about that? Not
13 really. Is there ever a publication that goes out about
14 that? Yes, and there is a million different kind of green
15 and white pamphlets that you can pick up anywhere, but did
16 they really mean anything? No. And does any of them say,
17 ALook in your blue pages for federal listings. Learn it.
18 Read it. Get to know it?@ No.

19 We're not -- we're a government, we're not a
20 corporation. So to market things, it's a whole different
21 deal. It's a public service announcement. It's whatever the
22 government wants to get out now that's new. And a lot of

1 government works on the legacy. Whatever the current
2 leadership wants their legacy to be, that is what you're
3 going to see more concentration on.

4 So, what you have to do, in terms of a leader, when
5 you're putting a program out there, is really understand what
6 the thinking is -- I know, there is going to be some people
7 in here going, AIs there thinking?@

8 (Laughter.)

9 MS. RASKIND: What the thinking is in Washington,
10 and where that legacy needs to be. So it's all a matter of
11 really kind of understanding the lexicon of who you're
12 working with, and what you're working with, and where you're
13 working, to understand why these programs don't get
14 advertised.

15 But enough about that. Let me just mention one
16 more thing, the PRIME Program. And I promise I will go over
17 at least two minutes. The PRIME Program, the Program for
18 Investment in Micro-Entrepreneurs, is a grant program that
19 can provide money on three levels. And some of you are --
20 constituents that you're representing will want to know about
21 this.

22 The PRIME Program can make a grant to a non-profit

1 organization simply to provide technical assistance and
2 training to organizations about business development.

3 So, in your situation, if you were to apply for a
4 PRIME Program -- grant, and get accepted, you could use that
5 money to help fund the very programs that you just described.
6 That would be what we call PRIME one.

7 PRIME two is a grant -- and we don't make as many
8 of these -- but it's a grant to help organizations like yours
9 get better at what you do.

10 MS. HARRIS: Okay.

11 MS. RASKIND: Okay? And then PRIME three is a
12 research and development grant. So, for instance, if we
13 wanted to answer the question, AHow do veterans get where we
14 need them to go,@ that would be a research question that we
15 would put in our program announcement. And, perhaps as a
16 good idea, please send me an email on that, so I don't'
17 forget. But that might be a question that we want to answer
18 with our research money. How do we reach out to veterans?
19 What do we need to do? How do we get them from A to B B

20 MS. LYNCH: The other one would be what were the
21 best practices that took it to 12 and 13 percent before B

22 MS. RASKIND: Bingo. So B

1 MS. LYNCH: So those best practices can come right
2 back into play.

3 MS. RASKIND: Now, the PRIME Program has been
4 zeroed out in the budget. But, as far as I know, we're going
5 to be publishing -- well, I don't have to say as far as I
6 know. Our plan is to publish a program announcement in the
7 next 30 to 45 days that will be pending the availability of
8 funds. So B

9 MS. HARRIS: Now, where will that be published at?

10 MS. RASKIND: Any time you look for grant dollars,
11 there are two places you can look. First, in the Federal
12 Register.

13 MS. HARRIS: Okay.

14 MS. RASKIND: And also first in -- online at a
15 place called grants.gov.

16 MS. HARRIS: Okay.

17 MS. RASKIND: Okay? Just go to grants.gov, and
18 look it up. And is it simple? No. Is it confusing? Yes.

19 MS. HARRIS: Yes, I never get it.

20 MS. RASKIND: Does it work? Yes. It does work.

21 MS. HARRIS: Yes, but that's good to know.

22 MS. RASKIND: Yes. And most applications for

1 grants have to come in through grants.gov now.

2 MS. HARRIS: Yes.

3 MS. RASKIND: And the computer automatically says
4 whether you're eligible or not, and sends us the items that
5 we can look at. So B

6 MS. HARRIS: It would be through SBA, or will it be
7 through the office of financial assistance, or -- who will it
8 be through?

9 MS. RASKIND: It would be published under,
10 probably, the office of financial assistance at SBA, which is
11 where our programs are housed.

12 MS. HARRIS: Okay.

13 MS. RASKIND: The micro-enterprise development
14 branch is housed in the office of financial assistance. And
15 if you go to grants.gov, you could just put up PRIME, and it
16 should take you there.

17 MS. HARRIS: And also, they will send you alerts
18 when things come out, too.

19 MS. RASKIND: Right.

20 MS. HARRIS: Yes. Thank you.

21 MS. RASKIND: So, I went exactly 90 seconds over.

22 Do I pass?

1 MS. LYNCH: You pass, flying colors.

2 (Applause.)

3 MR. ELMORE: How do we get in touch with you, Jody?

4 MS. RASKIND: With me? My phone number is 202-205-
5 7076. Right, Bill?

6 MR. ELMORE: I don't know. I never call you, I
7 come see you.

8 (Laughter.)

9 MS. RASKIND: Yes, 7076. And my email address is
10 jody.raskind@sba.gov.

11 Now, I will almost-- I am faster at responding to
12 you via email than I am via phone, because I don't like bold
13 letters, but I don't mind red lights. So if you want to
14 reach me, email me. That's the best way to do it. And I
15 will return your email, unless I'm dead.

16 MS. LYNCH: Thank you so much.

17 (Applause.)

18 MS. LYNCH: Before we break for lunch, if I could
19 remind everyone to touch base with Cheryl today, one on one,
20 regarding your travel.

21 And new members to the committee -- that would be
22 Terry, Daryl, and Marylyn B you're going to get a one-on-one

1 ethics brief, and Cheryl is going to be coordinating that.
2 So she will give you some more information on that, as well.

3

4 But if you could personally touch base with Cheryl
5 about your travel today, she needs to see everybody face to
6 face.

7 MR. ELMORE: Is she upstairs?

8 MS. LYNCH: She is not. She is at lunch right now.

9 MR. ELMORE: She will be down most of the
10 afternoon.

11 MS. LYNCH: Yes, she will be down most of the
12 afternoon. During the afternoon break, if you just want to
13 grab her during one of the sessions and step out in the hall
14 with her, she just needs a quick face-to-face with everyone
15 regarding travel.

16 MR. ELMORE: Thank you, Jody.

17 MS. RASKIND: Thanks, Bill.

18 (Whereupon, at 12:07 p.m., a luncheon recess was
19 taken.)

20

1 A F T E R N O O N S E S S I O N

2 MR. ELMORE: I will introduce -- and I may
3 mispronounce it -- Devin. I apologize. Devin Jopp?

4 MR. JOPP: Yes, sir.

5 MR. ELMORE: Who is the chief operating officer for
6 SCORE. Now, for those who know SCORE, you know. But I will
7 share with you my perspective on SCORE. I have worked with
8 SCORE for 30-some-odd years. When I came to SBA, I, like a
9 lot of people, thought of SCORE as a really nice
10 organization, did a lot of good work, but they were all
11 volunteers, okay? That's nothing new to them.

12 As I've been here, and I got to know Ken Yancy, who
13 is the executive director, and did some work with Ken, I have
14 found them incredibly accommodating. And any time we have
15 asked SCORE to do something when it came to our community,
16 they have done it, and they've done it quickly, which is not
17 how most of the bureaucracy works around here.

18 So, with that, I have never met Devin before, but I
19 met him now for the first time. And welcome, Devin.

20 MR. JOPP: Thank you, Bill.

21 MR. ELMORE: Please share with us.

22 MR. JOPP: Appreciate it. Thank you, everybody.

1 It's a pleasure to be invited here today, and we really
2 appreciate all of Bill's support over the years.

3 You know, veterans hold a very special place in
4 SCORE's heart. You know, our program is now 45 years old.
5 And it was formed primarily by veterans. Back in the
6 beginning of SCORE, about 68 percent of our volunteer corps
7 were veterans. And so it was truly the service and the
8 generosity of those veterans that -- the reason why this
9 program even exists today. So, thank you.

10 I wanted to spend just briefly some time with you,
11 talking about SCORE and kind of how we're helping the
12 veteran's community today. And SCORE has undergone, you
13 know, quite a bit of change over these years. And I guess
14 Bill said it's -- 30 years you've been working with SCORE.
15 We look a little bit different than we did. This gentleman
16 here to the right said, AYou're not old enough to be -- to
17 work for SCORE.@

18 (Laughter.)

19 MR. JOPP: And I should have said, Athe young
20 gentleman to my right.@

21 MR. ELMORE: I was going to suggest it was a self-
22 reflection, but B

1 (Laughter.)

2 PARTICIPANT: It could very well be.

3 MR. JOPP: But in reality, what's happened is our
4 program has migrated over the years, and has changed, also.
5 And so, today, about 40 percent of our volunteers are
6 actually actively working full-time. And so our corps --
7 while we originally started off as primarily the service
8 corps of retired executives, which -- we don't use that
9 anymore, because our corps has changed pretty dramatically --
10 it has shifted, in terms of its demographics. Instead of
11 being 68 percent veterans today, we're about 22 percent,
12 which is still great, but different than it was back when we
13 first started.

14 You know, as you know, we take our role, in terms
15 of mentoring and training, very seriously in SCORE. And we
16 see ourselves in a really fascinating spot in today's
17 landscape of the economic recovery. And, clearly, business
18 generation and job formation is on the tops of everybody's
19 minds. And our volunteers are in 360 communities,
20 nationwide. And that gives us a front-row seat into helping
21 businesses and seeing this play out, in terms of -- you know,
22 they talk about Main Street. This is really where Main

1 Street happens.

2 In terms of veterans in the communities that we
3 serve, the great thing is that we are in 360 communities, and
4 so it provides us a great opportunity to connect in with
5 local veterans groups, military bases, and establishments
6 that can help service that community.

7 We like to see ourselves as a preferred partner
8 when it comes to helping with business training and
9 mentoring. For those of you that are not terribly familiar
10 with SCORE, our program offers free mentoring. There is no
11 cost to the program. And our trainings typically run about
12 \$35. And in many cases, for veterans, it's often times even
13 waived because, again, we try to help out wherever we can.

14 Our program today generates -- we see about 400,000
15 Americans per year. And we have about 13,000 volunteers,
16 nationwide. That's growing tremendously. In the past 4
17 years -- I think 4 years ago we were about 10,500. So we
18 haven't been actively even pushing for recruiting, it's just
19 happening. And so we're grateful for the individuals that
20 are willing to come back and give.

21 In terms of what this looks like in a given
22 community, it can take a lot of different forms. Clearly, as

1 I mentioned, you know, getting involved with bases and
2 transition assistance programs is certainly something where I
3 think we shine.

4 You know, a lot of times, for example, in El Paso
5 or Ellsworth Air Force Base, you know, we have programs that
6 are very much established, and we go in on a regular basis,
7 and we do kind of the basics of entrepreneurship. You know,
8 what does it mean to start a business, key considerations,
9 and really trying to help provide folks that opportunity that
10 are coming out of the service, to understand what the
11 opportunities are for entrepreneurship and being your own
12 boss. Right?

13 Because as you're facing that, you're obviously
14 trying to figure out, AAm I going to go take a job, or am I
15 going to go create my own job?@ And I think sometimes that
16 gets lost, in terms of when we talk about job creation. If
17 you employ yourself, that's as good as adding a job, right?
18 You know, and I think particularly for the veterans
19 community, it's a great add, and something that I think we
20 have tried to really shift the conversation -- that sometimes
21 a non-employer job is absolutely as equal to trying to get a
22 company to add a job, also.

1 The other thing that we have been working on with
2 our chapters, obviously, is it takes the form of mentoring.
3 And so, the big thing about mentoring B and this is -- we
4 work with our chapters -- is that if you can engage a veteran
5 for a longer period of time in a mentoring relationship, they
6 will have greater economic outcomes.

7 So, if you think of a workshop or a training,
8 that's a great opportunity to get them interested. But it's
9 really our chapter's ability to work with them and actually
10 bring them in the door, and help -- I guess transmit that
11 experience and wisdom to that veteran. And you've got to
12 spend enough soap time, if you will, to where it sinks in,
13 and it becomes beneficial. And so that's something that we
14 really work with our volunteers on, is really taking active
15 roles in terms of making sure that veterans understand, you
16 know, how to access the program, and that it's not just a
17 one-time thing.

18 You know, we don't want you to come in and find
19 out, AHere is a business plan template.@ You know, we need
20 to be there to show you how to go through it, and actually
21 chunk it up, give you homework assignments, and really,
22 again, take this as a process, rather than a, AHere is

1 everything I know, good luck.@"

2 As part of our evolution in SCORE, what we have
3 also come to realize is that after 45 years of history, we
4 have come to learn a few things about how to start a business
5 and how to grow a business.

6 And so now, we actually -- this past two years, we
7 have been working on a new program that's now rolling out
8 nationwide, and it's called -- our first program is targeted
9 to start-ups. It's called, ASimple Steps to Start a
10 Business,@ and it's a core set of five workshops, and with
11 mentoring in between. And so that's kind of the secret in
12 the sauce, right, is to be able to come in, get somebody in
13 to help them explore starting a business, and be able to
14 drive them through a series of discussions around marketing
15 and finance, and get them to a feasibility plan, you know,
16 which is, AIs this feasible? Is this something I want to
17 take the next step on?@"

18 We are, again, in the process of rolling this out
19 nationwide, and our hope is that this will become a great
20 avenue for veterans, particularly as they're either
21 transitioning, or for their family members that are already
22 out there. This is a great program that you can kind of go

1 through. That program is sponsored by Bank of America, by
2 the way. So we're working on this -- on actually trying to
3 get Bank of America to even push this through their branches.

4 So, you know, we're in process.

5 The second program -- and we really see our
6 business as we have matured as an organization around two
7 different areas, start and grow. Right? And so, veterans
8 that have businesses that are either in the early stages or
9 looking to grow, or their family members that have a
10 business, we have also kind of created that same bottle
11 approach, in terms of how do we train and mentor.

12 So, this year, in the spring, we're rolling out a
13 new program called ASimple Steps to Grow a Business,@ right?

14 Which is really an assessment program and also a series of
15 programs -- classes around, again, things like growing your
16 sales, finding financing where necessary, boosting your
17 marketing, teaching them online skills as well, around how to
18 take their business and reach additional customers.

19 So, this becomes kind of a suite of products that -
20 - what we're hoping to do, and are doing, is taking it around
21 to each chapter and saying, AHere, plug these into your
22 community,@ and they're ready to go.

1 What that also means is -- and I think this is
2 something we're going to be working on aggressively this year
3 -- is, in terms of the veterans community, trying to tie this
4 together and give a, if you will, a pre-program solution to a
5 chapter, to all of our chapters, that says, AIn your
6 community, offer this to the veterans community.@

7 What we have done in the past, I think, is we have
8 been a little bit more relaxed, in terms of guidance. And so
9 our chapters, you know, some of them do great jobs at it.
10 Some of them don't think about it. And so, what we're going
11 to try to do this year is provide even more direction around
12 this. I think it's a great opportunity for SCORE to impact
13 this environment.

14 The other area that I want to let you know about is
15 last year the Federal Communications Commission and the SBA
16 approached SCORE with the idea of teaching small business
17 owners how to use technology in order to help build their
18 business. And this was under the auspices of the broadband
19 plan that you all probably read about at some level.

20 And so, through a public-private partnership in
21 conjunction with the SBA and FCC, SCORE was able to go out
22 and actually form a consortium with Google, Microsoft, AT&T,

1 Cisco, and a number of large providers that agreed to create
2 workshops and how-to guides specifically around businesses
3 and using technology tools.

4 And so, this is now something called the eBusiness
5 Now Initiative. And we are wrapping this also into our
6 training materials out with our chapters. And the idea is
7 that, particularly for a veteran, you know, knowing how to
8 use these online skills for their business can be a real big
9 strategic differentiator. And so I think that's, again, a
10 really good opportunity for us to be able to service the
11 veterans.

12 Combining that with our mentoring and our existing
13 training, I think it's a really powerful combination for the
14 veteran community.

15 The other thing that's happening this year, in the
16 same vein -- which I'm just thrilled about -- is this year
17 we're implementing a new system. And you know, systems and
18 technology just sounds boring, right? But the interesting
19 thing about it is, for the first time in SCORE's history, all
20 360 chapters will be able to search all of the volunteers and
21 be able to assign clients between the chapters.

22 So, what that means is, if you are in a rural

1 community, and you're a veteran that's looking to do export,
2 and there is no international trade expert, you're going to
3 be able to work with your local mentor who can pull up the
4 entire national system, if you will, and be able to assign
5 that mentor -- assign another mentor from outside that area
6 to work virtually with that veteran.

7 I think that's going to be a huge lift, again, to
8 our ability to provide, I think, the right service, rather
9 than sometimes just a generalist. And sometimes a generalist
10 is okay. But sometimes having the specialist that's needed
11 is really going to be an added value.

12 So, you know, all of these things, combined to our
13 program, have been things that we have been working on for
14 the past two years, and I think are really going to, again,
15 be an opportunity for us to come out very strong this year.
16 And while I'm not at liberty to talk about details of our new
17 program yet, I think you all will be very pleased at how the
18 combination of much of what I talked about is going to come
19 together to be a very powerful force this year in your
20 community. So, it's definitely very exciting times.

21 Any questions along the way? I didn't -- Yes, sir?

22 MR. WHITE: I've been involved with SCORE back when

1 I was with the SBA 50 years ago, whenever that
2 was B

3 (Laughter.)

4 MR. WHITE: -- three chapters up in New Hampshire.

5 MR. JOPP: You did.

6 MR. WHITE: I've done a lot of work with SCORE,
7 provided a video on business planning, and all those
8 workshops, and a publication for years they used with small
9 business.

10 MR. JOPP: How about that?

11 MR. WHITE: The Bank of America B

12 MR. JOPP: Yes, yes, Steve White?

13 MR. WHITE: Ken is a great guy, and what I have
14 noticed is that, over the years, when I was starting the job,
15 the service was inconsistent.

16 MR. JOPP: YES.

17 MR. WHITE: It was good, then there were guys that
18 were there, and women, that just came in because it was --
19 but the training, the quality of the counselors, the
20 consistency of the approach has -- every year it gets better
21 and better. And, I mean, I'm really impressed with what you
22 guys do.

1 MR. JOPP: Thank you.

2 MR. WHITE: You didn't mention it, but on their
3 website you click on veterans and there is a whole page. You
4 know, there is a whole series, just for veterans. I would
5 suggest -- a number of us have done veteran entrepreneurial
6 workshops.

7 MR. JOPP: Yes.

8 MR. WHITE: And I have found that every time we did
9 it, that we -- you know, obviously, at that point we only had
10 veterans in the workshop. Every one of them told me that
11 that was why they got the most out of it.

12 MR. JOPP: I believe it.

13 MR. WHITE: They had been through 20 other
14 programs, and this is where they actually got somewhere.

15 MR. JOPP: Yes, yes.

16 MR. WHITE: Because it was all veterans. So when
17 you're doing these workshops, you know, the different
18 chapters doing them B

19 MR. JOPP: Absolutely.

20 MR. WHITE: -- if they could do it -- you know, do
21 it for a veteran workshop, I think you would get more out of
22 it.

1 MR. JOPP: Agreed. And two things to kind of
2 piggyback on that. One thing I forgot to mention is this
3 year we actually are moving to start certifying all SCORE
4 volunteers around a body of knowledge. And, you know, that
5 is not an easy thing to do, necessarily, but it's important,
6 because what our folks understand is they may -- they all are
7 very successful entrepreneurs and/or business executives, but
8 they weren't necessarily mentors and trainers.

9 MR. WHITE: Right.

10 MR. JOPP: And so we're going to be providing that
11 this year. And actually, in fact, we have about 500
12 volunteers who have already gone through it.

13 So, I think -- thank you for the comment on
14 quality, because it's B

15 MR. WHITE: Well, it's very, very B

16 MR. JOPP: -- been, probably, our biggest weakness,
17 frankly, as a program. But also, I think we've got a great
18 opportunity to even make it better.

19 MR. WHITE: Absolutely.

20 MR. JOPP: Thank you. Yes, sir?

21 MR. RENTERIA: Again, echoing what Steve said,
22 SCORE has done tremendous, and reaching to the veterans,

1 especially.

2 Having that said, on the West Coast we try to
3 expose to them the VA voc rehab self-employment. And I would
4 say 8 out of 10 aren't familiar with that. Is it possible to
5 incorporate as your syllabus to say, AHey, learn VA voc rehab
6 self-employment, and find your local VA location?@

7 As we spoke earlier, a lot of the voc rehab
8 counselors just don't focus on self-employment, they focus on
9 job placement. So there is an experience, too. But I do
10 believe they're hiring a lot of new folks to be more open-
11 minded, particularly with the change in February 2010.

12 MR. JOPP: Yes.

13 MR. RENTERIA: But if SCORE can be experts in the
14 voc rehab self-employment, I can assure you they will help
15 the VA voc rehab system tremendously. Because, again, voc
16 rehab counselors aren't exposed to it, either.

17 MR. JOPP: Yes.

18 MR. RENTERIA: So that's a good program. It's
19 being pushed more and more.

20 MR. JOPP: Great.

21 MR. RENTERIA: And I think Bill expressed earlier
22 they're going to do some changes, too. But SCORE is a good

1 place for that to happen.

2 MR. JOPP: Thank you. And I actually have a
3 meeting next week with the VA to talk about tighter
4 integration with our -- with some of the different programs B

5 MR. RENTERIA: Yes, perfect. Yes, perfect.

6 MR. JOPP: So I will bring that up. Yes, sir.

7 MR. ELMORE: I have a question for you, and maybe
8 it's a suggestion. And I know Ken, and we email back and
9 forth occasionally, so I am certainly willing to put my two
10 cents' worth in, if there is interest in follow-up.

11 MR. JOPP: Thank you.

12 MR. ELMORE: I am convinced -- before I came to
13 this job 11 years ago, I was convinced of this, and I am
14 still convinced, that the greatest asset that is available to
15 support veteran entrepreneurship and small business ownership
16 in America is our already successful community of veterans.

17 MR. JOPP: Agreed.

18 MR. ELMORE: Okay? It's not so much federal
19 programs and policies. We can enable and we can attract and
20 we can draw these folks -- mostly men, but not all -- out of
21 the woodwork.

22 I was struck by -- because I know half of your

1 volunteers used to be vets, now it's 22 percent. I think the
2 time is absolutely ripe to build out a new cadre of mentors,
3 advisors, counselors, door openers, a whole range. I mean
4 that's one of the things I have liked about where SCORE is
5 going, is you guys are going from the old guy sitting in the
6 office, drinking coffee, to mentoring.

7 MR. JOPP: That's right.

8 MR. ELMORE: Mentoring is easy to say and hard to
9 do.

10 MR. JOPP: Yes, it is.

11 MR. ELMORE: I understand that. But if you can
12 figure out a way to reach into the private -- what I call the
13 military alumni community, I think it becomes an enormously
14 impacting network. And I would argue that, for these new
15 troops coming home, with the job issues they face and the
16 experience that they bring, the one best way to bring them
17 home successfully is to build out our community of already
18 successful veterans who have come before them.

19 MR. JOPP: That's very true.

20 MR. ELMORE: And I would be willing to help vision
21 that through --

22 MR. JOPP: Thank you.

1 MR. ELMORE: -- think about it, help support it,
2 and do whatever I could out of my office and out of my
3 programs B

4 MR. JOPP: Thank you.

5 MR. ELMORE: -- and out of my network.

6 MR. JOPP: Thank you.

7 MR. ELMORE: To help build that out. There is a
8 lot of good models beginning to happen out there, and those
9 models can attract these folks to come in and help. And I
10 don't mean just small business owners.

11 MR. JOPP: Of course.

12 MR. ELMORE: Accountants, attorneys, bankers. Pat
13 Mackrell is a perfect example. I won't pick on him, but he's
14 got 120 or 130 banks in his network in New York. How many
15 lenders are people who might have interest in his network B

16 MR. JOPP: Right.

17 MR. ELMORE: -- in helping some other younger
18 veterans their families as they come home understand how to
19 access and navigate successfully B

20 MR. JOPP: Right.

21 MR. ELMORE: -- the lending world? So my guess is,
22 if the ask was provided, the answer would be just about as

1 robust.

2 MR. JOPP: Absolutely.

3 MR. ELMORE: So I would urge you to think about
4 that. If Ken wants to chat about it, I am certainly open to
5 it.

6 MR. JOPP: Thank you.

7 MR. ELMORE: And I expect others on this council
8 would help, as well.

9 MR. JOPP: Thank you, Bill. And, you know, I think
10 it's something we can definitely accommodate.

11 You know, this whole idea of building out a
12 vertical now becomes much easier in our -- with some of the
13 infrastructure that we have. And I can see us having a
14 veteran vertical across our volunteer corps.

15 MR. ELMORE: YES.

16 MR. JOPP: That seems very simple to me. And I
17 would -- I will take you up on your offer.

18 MR. ELMORE: Thank you.

19 MR. CAINE: Can I follow up with a question, there?

20 As we start to -- Dan Caine, for the record, here -- as we
21 start to see vets return home, and we look at economic
22 challenges that the country is facing, entrepreneurialism, as

1 we were talking about over lunch, is a major key to success.

2 MR. ELMORE: Yes.

3 MR. CAINE: Can you spend a minute and tell us
4 about your strategic communications plan? You have a
5 wonderful resource in SCORE. And I am concerned, like many
6 great programs, about getting the word out. But I put --
7 yours is a little different, because it's very relevant.

8 So, can you talk me through, very briefly -- in two
9 minutes or less -- on your strat comm program? Because I'm
10 not seeing a whole lot of -- I have yet to see a SCORE guy on
11 MSNBC in the morning, talking about economic recovery and the
12 key to success is entrepreneurial spirit.

13 MR. JOPP: Right.

14 MR. CAINE: So B

15 MR. JOPP: It's interesting. The answer is it's a
16 multi-level. And so I will try to capture it in a couple
17 minutes or less.

18 At the lowest level, it happens in each of our
19 communities. And so we try to align and provide our chapters
20 -- each of them have something called a shoe leather
21 marketing kit. And we actually have a kit around the key
22 points, talking points, key organizations that they should be

1 reaching out to, value propositions.

2 We build on something called No Like Trust, which
3 is something that -- I wish I could claim credit for that,
4 but it's a very simple concept that volunteers can get a hold
5 of around getting people to the point to where they can ask
6 for partnerships and arrangements.

7 So, a lot of our strat comm happens in the grass
8 roots, in the field process. Our total budget is \$7 million
9 for the program.

10 MR. CAINE: For SCORE B

11 MR. JOPP: For SCORE B

12 MR. CAINE: -- or for strat comm?

13 MR. JOPP: For SCORE, period.

14 MR. CAINE: Okay.

15 MR. JOPP: So, what you won't see is, you know,
16 large-scale advertising campaigns.

17 MR. CAINE: Right.

18 MR. JOPP: All of our stuff is earned or in kind.
19 You know, we get, for example, ads run for free in
20 Entrepreneur Magazine. You know, we do get a lot of earned
21 media. While you may not see us on MSNBC, we're actually on
22 Your Money pretty frequently.

1 MR. CAINE: Yes.

2 MR. JOPP: And on some of the shows that are a lot
3 more targeted down.

4 MR. CAINE: Yes.

5 MR. JOPP: To be honest with you, I think one of
6 our big moves that we're working on this year is trying to
7 move SCORE into a different light. And being out of --
8 instead of being the afterthought, and naturally SCORE will
9 just do it, I want us to be included in the beginning, which
10 is when we're talking about economic recovery and key issues
11 that we're there.

12 You know, so the short answer is we beg, we plead,
13 we borrow, we partner a lot. And I think people find us to
14 be a very easy partner, partially because we have the SCORE
15 association, which is the kind of the shell, if you will, for
16 the volunteers, but we also have a private foundation that
17 can do a little bit more flexible things a lot of times with
18 private organizations.

19 We also are leveraging their media networks. Every
20 one of those companies I mentioned have agreed to market
21 SCORE through their networks. For example, Microsoft is
22 going to advertise SCORE through their partner network.

1 And so that, to be honest with you, is probably
2 going to be our biggest play, in terms of trying to get out
3 there. I am open to ideas, though.

4 MR. CAINE: I've got a few -- I'll follow up with
5 you.

6 MR. JOPP: Please. I will give you my card.

7 MR. CAINE: Okay.

8 MR. JOPP: Thank you.

9 MR. CAINE: You bet.

10 MS. HARRIS: I want to go back to the veteran
11 vertical. My office is a business center/business incubator,
12 about 180,000 square feet. In that center there is a SCORE
13 office with a gentleman who I know very well. I have gone
14 there several times for several reasons. And one of the
15 things that I would like to see the SCORE counselors provide
16 is specific assistance when you have a client come in and
17 want to start the process of government contracting.

18 Now, I know that other entities in the community do
19 that. But I don't see why, if SCORE is going to go in this
20 direction, why they shouldn't do that. So I wanted to see if
21 you would include that on your list of things to consider.

22 We actually partner with SCORE. You guys probably

1 heard me say this ad nauseam, but a couple of months ago we
2 launched our Women Veterans Business Center. It's a non-
3 profit based out of Houston. And at our first day event,
4 which was a community partners luncheon, we had a SCORE
5 representative there, talking about the services SCORE
6 provides with the SBA, with the SBDC, and then we also had
7 the Texas Disability and Rehabilitative Service people there,
8 because they have a component also, where veterans that are
9 disabled and clients of Texas DaRS can use the resources they
10 have. So, SCORE is a partner of ours, and we appreciate the
11 expertise they bring.

12 MR. JOPP: You know, the government contracting is
13 a really interesting one. In areas like D.C. I have
14 volunteers all over the place B

15 MS. HARRIS: Right, right.

16 MR. JOPP: -- with government contracting
17 experience. And so, the nice thing about the vertical
18 concept is I can tie them to the other generalist volunteers,
19 and get the -- so if you walk in the door in a market where I
20 don't have a government contracting person, today it's hard
21 for me to cross that bridge. In about three months it's
22 going to be very easy to cross that bridge.

1 And we have a lot of interesting government
2 contracting. We've done a lot of work this year with
3 American Express in this area, also. And I can see that also
4 as being a big area and focus for us, as well.

5 MS. HARRIS: And Beth Shapiro is our lady in
6 Houston, and I was with her last week. And I volunteered to
7 work with SCORE in that exact capacity. So B

8 MR. JOPP: Thank you. You're too kind. Beth is
9 brilliant, too, isn't she?

10 MS. HARRIS: Mm-hmm.

11 MR. JOPP: I need to clone her.

12 (Laughter.)

13 MR. JOPP: And that's, to be honest with you, also
14 one of the other challenges in SCORE is, you know, finding
15 leaders. And people love the mentoring, they love the
16 training, because it's client-based. And being a volunteer
17 leader in SCORE is tough work. You know, it's B

18 MS. HARRIS: It is tough work.

19 MR. ELMORE: Any other questions? Right on time.

20 MR. JOPP: Thank you very much.

21 MS. HARRIS: Thank you.

22 MR. ELMORE: I want to thank you, Devin, and extend

1 our thanks to Ken Yancy, as well, who is the executive
2 director.

3 And anything, again, that we can provide, either
4 from insight around the veterans world, perhaps even help
5 take you guys to some other spots in the bureaucracy that
6 right now you may not have that relationship with, including
7 some people inside DoD, I think the time is now, and the time
8 is ripe for a lot of good activity. And I think you guys
9 have been a leader, and will be. So thank you.

10 MR. JOPP: Thank you.

11 MR. ELMORE: Anything else? Please.

12 MR. JOPP: Appreciate all the great work you all do
13 on a very important topic. So, thank you.

14 MR. ELMORE: Thank you.

15 MS. HARRIS: Thank you.

16 (Applause.)

17 MR. ELMORE: You read, Carol?

18 MS. WALKER: Hello, everyone.

19 MR. ELMORE: I would like to welcome Carol Walker,
20 from our office of Native American Affairs.

21 One of the interesting things that's happened over
22 the last few years is my office, like we do with many other

1 inside-the-agency offices, approached the Office of Native
2 American Affairs, and suggested that veterans who hold a
3 special status in native culture -- and I'm certainly not an
4 expert, but that's always been my understanding -- that
5 perhaps working with identifiable veterans in the native
6 community, especially in Reservation, might provide not just
7 a vehicle to help them and their families, but also provide a
8 vehicle to help build out more economic opportunity more
9 broadly in the native world.

10 And lo and behold, the Office of Native American
11 Affairs agreed with me. That was under previous leadership.

12 And then when Clara Pratte came in, who is the director of
13 the office, she agreed, apparently, as well. So, my office
14 has been doing, I think, some good work with the Office of
15 Native American Affairs. And you guys are a growing presence
16 in the Agency and in your community, so we wanted to have you
17 in front of us to share with us some of what you're doing.

18 MS. WALKER: Okay, thank you. Well, first of all,
19 our national director and the -- who also manages all our
20 projects, sends her regrets for not being able to attend
21 today, but she is out of the city.

22 Okay. Well, the Office of Native American Affairs

1 works to ensure that American Indians, Alaska Natives, and
2 Native Hawaiians have full access to SBA's programs,
3 services, and products. We accomplish this by engaging in a
4 number of activities, such as developing and disseminating
5 education materials, attending, participating in, and
6 cosponsoring economic development events, and assisting our
7 customers with SBA programs.

8 We also advise SBA management and staff on policies
9 affecting Native Americans, and serve as the officer on
10 record for tribal consultation, to ensure SBA's compliance
11 with Executive Order 13175, which is entitled, AConsultation
12 and Collaboration with Indian Governments.@

13 As you may know, the U.S. has a unique political
14 relationship with Indian tribes. And the relationship was
15 really set forth by our Constitution, various statutes,
16 executive orders, and court decisions, as well as treaties.
17 And this relationship, which is based on Indian tribes'
18 nationhood status, and their inherent powers of self-
19 governance, acknowledge and recognize the federal
20 government's trust responsibility to protect tribal
21 sovereignty and self-determination, as well as tribal lands,
22 assets, resources, treaties, and other federally-recognized

1 reserved rights.

2 The executive order I just mentioned requires each
3 federal agency to develop a Native American policy and
4 consultation plan, and to engage in consultation and
5 collaboration with tribal governments on policies that affect
6 them. And it also requires federal agencies to strengthen
7 their nation-to-nation relationship with tribal governments.

8 Our office has a staff of four and a very small
9 budget. And we do not have grant-making authority. So, in
10 order to maximize our resources, we often partner with other
11 federal agencies and non-profit entities to plan and promote
12 and present economic development events.

13 Last year, for example, we partnered with the
14 Department of Interior's Office of Indian Energy and Economic
15 Development, and five non-profit procurement technical
16 assistance centers, which are DoD grantees, and known as
17 PTACs, to present a procurement workshop series across the
18 country.

19 We also worked with the Department of Treasury and
20 the Federal Reserve Bank of San Francisco to plan and present
21 five workshops on economic development strategies for Indian
22 Country. And those -- we presented those workshops in

1 Boston, Sacramento, Seattle, Anchorage, and Albuquerque.

2 In addition to our workshop series, we cosponsored
3 several national conferences: the 2010 Reservation Economic
4 Summit and American Indian Business Trade Fair, which is
5 better known as REZ; the Annual Heritage and Cultural Tourism
6 Conference in Alaska; the American Indian Alaska Native
7 Tourism Association Conference; and the National 8A
8 Association Summer Conference. This month we cosponsored the
9 national 8A Association's winter conference. And next month
10 we will again cosponsor REZ.

11 Presently, our office has three major initiatives:
12 the Native American Veterans Outreach Project; the
13 Technology Transfer Initiative Pilot Project; and the
14 emerging 200 -- or e200 -- initiative.

15 MR. SALSBURY: This is Rod Salsbury. What is the
16 emerging technology project?

17 MS. WALKER: The Emerging 200, or e200 Initiative?

18 MR. SALSBURY: I'm B

19 MS. WALKER: That's the one you're -- or

20 the B

21

22 MR. SALSBURY: I think that's B

1 MS. WALKER: Okay.

2 MR. SALSBURY: Yes. What are those?

3 MS. WALKER: What are they?

4 MR. SALSBURY: Yes.

5 MS. WALKER: Okay. It's actually an agency program
6 under the direction of our office of entrepreneurial
7 development. And they may have discussed it this morning,
8 I'm not sure. Was it mentioned? Okay.

9 MR. ELMORE: They didn't. If you want me -- I
10 think I can probably give you a 30-second version.

11 There is a number of cities around the country
12 where high-growth small businesses, or businesses that
13 exhibit a potential for high growth are provided some pretty
14 concentrated business counseling and mentoring assistance
15 from other public and private experts in that community. I
16 think you have to be accepted into the program, as I
17 understand it.

18 MS. WALKER: Yes.

19 MR. ELMORE: And there is a -- you have to make a
20 certain commitment to participate. And through that, they
21 provide specific technical assistance around contracting and
22 a broad range of small business support areas in the

1 marketplace.

2 MR. SALSBURY: Oh, okay. Thanks.

3 MS. WALKER: And I think this year the program is
4 being offered in about 27 cities.

5 MR. ELMORE: Yes.

6 MS. WALKER: But our office is providing funding
7 for 10 of those cities, because they have significant Native
8 American populations. So we're sponsoring the programs in
9 Albuquerque, New Mexico; Farmington, New Mexico; Helena,
10 Montana; Honolulu, Hawaii; Milwaukee, Wisconsin; Phoenix,
11 Arizona; Portland, Oregon; Santa Ana, California; Seattle,
12 Washington; and Tulsa, Oklahoma.

13 So, I think last year we may have
14 sponsored B

15 MR. MILLER: Are there any special loan programs
16 with reduced cost associated with the Indian program?

17 MS. WALKER: No.

18 MR. MILLER: Do you know whether there is?

19 MR. ELMORE: No, not that I am aware of. Again,
20 Patriot Express, for example, is available to any veteran.
21 So a native veteran could utilize PX. But I'm not aware of
22 any here.

1 MS. WALKER: No.

2 MR. ELMORE: Now, maybe in other agencies --
3 Department of Interior, perhaps.

4 MR. MILLER: Okay.

5 MS. WALKER: Okay. Well, the Native American
6 Veterans Outreach Project probably would be of most interest
7 to you. We have a contract with Heritage Global Solutions,
8 Inc. to deliver a pilot outreach program for Native American
9 veterans, Native American service-disabled veterans, and
10 Reserve, National Guard members.

11 The project targets individuals in or near Indian
12 Country, where distressed communities can be uplifted through
13 entrepreneurial development and expansion of small
14 businesses. It provides outreach, education, and technical
15 expertise that's required to address the challenges of
16 starting a business in Indian Country, as well as accessing
17 loan capital and other financial assistance.

18 In fiscal year 2010, Heritage conducted six veteran
19 training sessions, which included presentations by subject
20 matter experts, government officials, and business leaders.
21 And they also distributed and discussed SBA resource
22 materials with the attendees. The sessions were actually

1 part of larger economic development events. And they were
2 held in Billings, Montana, Albuquerque, Boston, Phoenix,
3 Norman, Oklahoma, and Gila River, Oklahoma.

4 Approximately 450 people attended the veteran
5 training sessions, as far as registration goes. But you
6 know, in these situations people pass, you know, in and out
7 and don't sign the roster, and so forth. So it was probably
8 a larger number.

9 To date, Heritage has -- for fiscal year 2011 --
10 has conducted 2 training sessions: again, 1 in Billings,
11 Montana; and 1 in Hawaii. And the firm also will conduct a
12 training session at the upcoming REZ conference in March,
13 which will be held in Las Vegas, Nevada.

14 In addition to training and assisting prospective
15 and established business owners, Heritage worked with the
16 Rocky Boy Region Veterans Business Development Outreach
17 Center, one of your VBOCs, to assess its need for assistance
18 with the development of a marketing plan. And the Rocky Boy
19 VBOC is actually located on the Rocky Boy Reservation. So,
20 usually, that's not the case, for a SBA resource partner to
21 be actually on the reservation, or a reservation.

22 And one of the success stories with

1 Heritage B

2 MR. ELMORE: Who is, I believe, a service-disabled
3 vet small business.

4 MS. WALKER: Yes, yes.

5 MS. HARRIS: Is it a Native American-owned
6 business?

7 MS. WALKER: I believe it is.

8 MR. ELMORE: I believe so.

9 MS. WALKER: I believe it is. One of the positive
10 outcomes is always the building of relationships, and -- you
11 know, amongst small business owners and between business
12 owners and the SBA. And one such relationship occurred at
13 the Gila River, Arizona conference, where a Gila River
14 tribally-owned telecommunications business connected with a -
15 - I'm sorry -- a Gila River, Arizona tribally-owned
16 telecommunications business with a veterans group connected
17 with an Alaskan tribe to discuss how to better develop
18 communication networks in remote areas of Alaska. And this
19 is a good example of how the federal government can be an
20 enabler of business growth and economic development and job
21 creation.

22 MR. ELMORE: Can I stop you for a second? Just a

1 thought. Just before you we had a comptroller from SCORE.
2 And apparently, they are part of the federal broadband
3 initiative. So if your office hasn't connected with SCORE
4 and the work they're doing there, perhaps there may be some
5 synergy there in trying to work on some of the initiatives
6 that they have been tasked with.

7 MS. WALKER: Okay. Well, as you know, Clara is
8 extremely energetic and innovative, so --

9 MR. ELMORE: Yes, she is.

10 MS. WALKER: -- she is probably on this.

11 MR. ELMORE: I expect she is, I just don't know.

12 MS. WALKER: But thank you. I will let her know.

13 All right. We've talked about e200 and -- oh, our
14 final project is the technology transfer initiative. And the
15 purpose of that project is to enhance the ability of tribal
16 colleges and universities to create small technology-based
17 business opportunities on American Indian Reservations to
18 stimulate economic growth. And the improved economic
19 conditions will then serve to help Reservations retain
20 skilled workers and attract maybe residents who left for
21 better job opportunities back to the Reservation. And it
22 also should stimulate the development of spin-off businesses

1 resulting from the new growth.

2 Right now, we have completed the first phase of
3 that pilot project, which involved the identification of
4 tribal colleges to participate in the project. We identified
5 four colleges, four potential participants. And I think it
6 was Denai College, Navajo Tech, Sitting Bull, and I'm not
7 sure what the name of the fourth one is, but there are four.

8 Now, the next phase is trying to find the resources
9 to implement the program. And it's going to cost millions of
10 dollars. So, you know, SBA does not have the resources to
11 sponsor it entirely. And we're talking to other federal
12 agencies to see if they would be interested in helping out
13 with this worthwhile project.

14 So, that's about it.

15 MR. ELMORE: Yes. May I just throw in my two cents
16 worth? We approached the Office of Native American Affairs,
17 and asked them if they would be open to having their
18 contractor work with our veterans business outreach center,
19 because you mentioned it was the Cree Tribe in Montana. And,
20 obviously, they are not located near any major metropolitan
21 areas. So it's a challenge for them. And the Office for
22 Native American Affairs has done that, and they have even

1 sent their contractor to our center to help them, as they
2 start up and gear everything that they provide to not just
3 native veterans, but any veteran.

4 But what I was interested in is -- and I will
5 probably speak out of ignorance here, more than education --
6 is my rudimentary understanding is sometimes the relations
7 between tribes is not always the smoothest relation. Is that
8 a way to say it?

9 MS. WALKER: Mm-hmm.

10 MR. ELMORE: So we're hoping that our Cree Tribe
11 vet business outreach center can work with other tribes, as
12 well, and try to bring what they know and can deliver into
13 contact with other tribal entities around the country, and
14 try, from our end, to help build out activity and knowledge
15 in the native veterans community, regardless of where they're
16 located, around the nation.

17 So -- and they have been more than willing to work
18 with us, and I am real grateful for that.

19 MS. WALKER: Okay.

20 MR. MILLER: I've been asked a couple of times,
21 AHow do you determine a Native American Indian on@ -- you
22 know, what constitutes a Native American Indian? In other

1 words, my grandfather was half Cherokee, and I've been asked
2 several times, you know, AAre there any special grant
3 programs, or anything like that, for Native Americans?@

4 And I told them, AI'm sure there are,@ but I didn't
5 know what constituted a Native American Indian.

6 MS. WALKER: It's up to each tribe to determine
7 what B

8 MR. WHITE: Could be B

9 MS. WALKER: Yes. So, you know, some, you may have
10 to be a quarter. Others --

11 PARTICIPANT: It would vary between -- each tribe
12 has their own B

13 MR. WHITE: Really? It's not -- each tribe
14 determines that? It's not according to the federal
15 requirements B

16 PARTICIPANT: No. Since each tribe is a (off mic),
17 they all have their criteria for their tribal members. That
18 can be -- it can vary between (off mic) or if it's paternal
19 or maternal. But, say within your case, it would -- I think
20 they have -- and it would depend if they have open rolls,
21 also.

22 MR. WHITE: I just visited the Flathead Lake, up in

1 Montana. And as you probably know, the Flathead Lake is
2 their Reservation. That's what I was told up there. Which
3 is amazing, because it's a humongous lake.

4 MR. MACKRELL: They may be looking for you. You
5 may owe them B

6 (Laughter.)

7 MS. WALKER: Yes, and there are over 560 federally-
8 recognized tribes.

9 PARTICIPANT: Really?

10 MS. WALKER: And then there are some that are
11 state-recognized.

12 MR. ELMORE: Yes. They are actually sovereign
13 nations, in that context. They're a nation, just as the U.S.
14 is, which is why I think each tribe basically sets their own
15 governance and their own rules.

16 MS. WALKER: Yes, and that's the reason, well, this
17 Administration is placing a great deal of emphasis on the
18 nation-to-nation relationship. President Obama held the
19 first Native American Summit in 2009, and followed it up with
20 another summit this past November. So it's getting a lot of
21 attention.

22 MR. ELMORE: You mentioned your contract had worked

1 with some 450 vets through the various conferences and events
2 and activities. And I guess I'm wondering -- maybe it's not
3 enough time yet -- if there is any sort of discernable
4 outcomes, if you have seen any effect of that work, or
5 anything that you could share with us, perhaps.

6 MS. WALKER: Not yet. It's -- like you said, it's
7 a little early. But his feedback -- I mean he provided us
8 with a few success stories, and I just related one to you.
9 So there is a lot that goes on, you know, at these
10 conferences that, you know, you may not even hear about.

11 I attended one -- it was the National Association
12 of Music Manufacturers -- in January. And SBA had a booth --
13 actually, we had two -- but one Native American flute -- no,
14 drummer, I'm sorry, drum producer was having a problem -- no,
15 he wanted everything to be authentic, but the skins he used
16 for his drums, with the summer, in the heat and humidity,
17 they would, like -- but they had beautiful tones.

18 So, informally, we were able to connect him with a
19 world-renowned drum maker, manufacturer, who gave him some
20 tips as to, you know, how he could improve his product. So,
21 you know, it's little things that that help.

22 MS. HARRIS: I have a question. My name is Marylyn

1 Harris, I am a veteran business owner from Houston.

2 It goes back to the Native American veterans
3 outreach project. Within that project -- and I'm not
4 familiar with it -- I was just wondering. Is there an
5 impetus to find companies that are looking to do business
6 with Native American-owned businesses? And, if so, how do
7 you link up with these companies? Is anyone eligible to go
8 to the conferences you mentioned, and the trainings? How
9 does that work?

10 MS. WALKER: The -- anyone can go attend the
11 training workshops. So that's not a problem. And they're
12 free.

13 MS. HARRIS: And it's on your website? Is it on
14 the website?

15 MS. WALKER: Well, we promote the activities, as
16 well as our cosponsors. So, you know, for example, the PTACs
17 publicize the workshop series we offered over the summer.

18 MS. HARRIS: Okay.

19 MS. WALKER: Because they're actually responsible
20 for the registration and so forth. But we assist in the
21 planning and presentation of the conferences.

22 MR. ELMORE: As I recall, I went to two of the

1 conferences last year and presented.

2 MS. WALKER: Oh, okay.

3 MR. ELMORE: And I think that at least one of the
4 conferences -- if I recall correctly, at Tulsa -- there was a
5 workshop, or some attention on contracting, and there was
6 something akin to matchmaking.

7 MS. HARRIS: Oh, good.

8 MR. ELMORE: But I don't know if it was only sort
9 of native-to-native companies. I think there were some
10 external folks that weren't necessarily native-owned
11 businesses that were there. But that's from memory.

12 But if you have a specific question or interest
13 like that, just let me know, or I can pass any questions
14 along to the B

15 MS. HARRIS: Okay. Just wondering how do you
16 connect with that whole network of vendors, because we don't
17 live near any, you know, Montana, or anywhere like that.

18 MR. ELMORE: Although you're not that far from
19 Oklahoma.

20 MR. HILL: I know.

21 (Laughter.)

22 MR. ELMORE: Lots of tribal land out there.

1 MS. WALKER: We have some information packets from
2 our office we would like to give you. And our contact
3 information is in the packet.

4 MR. ELMORE: Any other questions?

5 (No response.)

6 MR. ELMORE: Okay. Thank you very much.

7 (Applause.)

8 MS. WALKER: Thank you.

9 MR. ELMORE: Now, as I recall, at 2:00, is that
10 when our 3 new B

11 MS. LYNCH: Yes. I think two folks that
12 are B

13 MR. ELMORE: Okay, the two new members of
14 the B

15 MS. LYNCH: You guys get a ethics brief for 15
16 minutes.

17 MR. ELMORE: We get to explain to you why you're
18 not really federal employees, but we still hold you
19 accountable for any kind of rules we make up.

20 (Laughter.)

21 MR. ELMORE: So we're on break.

22 (A brief recess was taken.)

1 MR. SHEPARD: This for inviting me, Rod. This is
2 more than the intersection of common goals seen in
3 cooperative ventures, but a deep, collective determination to
4 reach an identical objective. That's collaborate, right?
5 And that's what most of us do, most companies do together.

6 Now, extend that out to collaboration. What is
7 collaboration, then? It's the infrastructure, motivation,
8 leadership, and strategy of collaborating. All right?

9 And so, you need an infrastructure to be able to
10 make it work. You can't just -- if you're collaborating by
11 phone, that's communication. You know, you're solving a
12 problem, but where is it written down? Where is the problem
13 solved? Where is it archived? Where are the people that
14 come behind you going to learn about this? Without the
15 infrastructure behind it, you know, that all becomes, you
16 know, just a sound in the wind, right?

17 So, conventional wisdom for the last 5, 10 years
18 has been collaboration is all about web2.0. It's forums,
19 it's blogs, it's wikis, it's shared documents. And a lot of
20 people say, AYes, that's collaboration, I want that, give me
21 collaboration.@ Well, that's -- conventional wisdom is not
22 necessarily -- it's only partially correct, all right?

1 Collaboration done correctly will decrease costs
2 and increase innovation. But collaboration alone is not
3 web2.0. To grow collaboration we must have an environment
4 platforms and infrastructure to provide the right tools,
5 collaborative tools with the people who share common goals,
6 who are working together to solve a problem, and using that
7 infrastructure. That's collaboration.

8 A lot of companies get it in the enterprise space.
9 Cisco is -- I'm not here on behalf of Cisco -- but Cisco is
10 -- and there are other companies as well in the enterprise
11 space who have entire business units, thousands of people,
12 behind what they have deemed collaboration. And it's
13 bringing together multiple levels of communication and both
14 in-person, remotely, and Cisco's telepresence, and Avia has
15 got the Avia Flare tablet now, which is rivaling the iPad,
16 and they are all dumping millions and hundreds of millions of
17 dollars into collaboration every year.

18 Now, the benefits of collaboration are synergy.
19 Synergy, by working together, people can achieve results they
20 couldn't do alone. Innovation. Just by sitting in here
21 today, I have learned things, I have gotten ideas, because I
22 have heard things from different people in here. So it's

1 diversity and people from different walks of life getting
2 together and just collaborating on a topic, you know, just
3 what we're talking about here, and it spawns innovation,
4 spawns ideas. And then, from that, spawns action and then,
5 you know, and then we grow, as a team.

6 Stability and education with collaboration. So
7 collaboration serves as a mechanism to transfer new knowledge
8 effectively, and old knowledge. So what we do today -- part
9 of the system that we have been working on is you could
10 actually have this -- and I don't mean to put you out of
11 business, but -- you could actually have it record the
12 conversation, you know, with different people on different
13 phone lines, do a speech-to-text, transfer that speech into
14 text, where it can be searchable. So if you put into the
15 search results Ainnovation,@ then it will show you every time
16 during this conversation, and the point at which, inside that
17 recording, that someone said the word Ainnovation,@ and then
18 you can go and pick -- you can go back to the video, go back
19 to the audio, and come in and hear exactly what was said, and
20 what the context was, rather than the notes behind it.

21 There are a lot of other things that we have been
22 working on that bind all this -- this whole network together

1 and infrastructure. And the challenges, though, are trust.
2 You know, the competitive framework of many organizations,
3 even just internally, is sometimes at odds, all right? So,
4 trusting other groups.

5 Inside Cisco we have multiple -- I think hundreds -
6 - of business units. And some of them, AOh, you're in that -
7 - all right. Don't talk, don't listen in, you've got to
8 leave.@

9 So it's -- and then you talk about two companies
10 who may be competitors in one small area, but the overlap
11 with those two companies is a strong partnership. Co-
12 opetition is what's needed. They don't necessarily trust
13 each other, so there has to be that secure area of common
14 ground within the network that they can trust and have faith
15 that they can say what they need to say.

16 The communication. The problem with communication
17 is we have a very mobile environment today, very mobile
18 workforce. And just as we're sitting here, we've got the
19 iPad, everybody has got smart phones, I think.

20 You know, people that are on trains -- I think I
21 talked to one of my developers yesterday, he was on a train,
22 there was another one that was at a park with his daughter,

1 you know, and being able to hold these types of meetings,
2 wherever they are, and actually take your smart phone and
3 update your project, update an idea, approve something so
4 that there is not a two-day delay because you're on PTO or
5 you're out sick, you can just grab your smart phone, look at
6 it, AYeah, I approve,@ go ahead and continue on with the
7 project.

8 And momentum. The problem is -- and I know you all
9 don't have this problem, but let me just use this meeting for
10 an example. Once you leave here today, if there is no
11 action, and even if there is action, there is a rose pinned
12 on people to actually do things, the momentum is lost until,
13 you know, kind of you come up, you come down, and then you
14 come back. Hopefully not. But in a lot of cases, there is,
15 especially if this is the only place we interact, and this is
16 the only place that pen is put to paper, and we are actually
17 collaborating in our platform.

18 So, you know, members tend to revert back to their
19 own worlds until the next meeting. But if you create a world
20 in which they all interact together -- the biggest one today
21 is Facebook, you know. It's a great success story of a guy
22 who just wanted to meet girls. And that's why he built

1 Facebook. Right? But look at it today. It's a great
2 collaboration or networking platform, social networking
3 platform.

4 You know, so by combining the skills, perspective,
5 and experience of individuals, you begin to accomplish much
6 more. And that's what effective collaboration is about.

7 Unfortunately, some organizations don't do the
8 ground work and they follow the herd. They say, AThat guy
9 has got a great blog platform, and that guy has -- I want
10 that. That's the type of collaboration I need here.@ But
11 it's not contextual to how they're doing business, so nobody
12 uses it. And it sort of moves off, kind of like the wiki at
13 Cisco. It became really big, and then it just sort of faded
14 off, and now it's off in a closet somewhere. We have other
15 platforms that we have been using.

16 So, the four W's and an H. It's who, what, when,
17 where, and how. That's collaboration. Anyone, any
18 information, any time, any place, any device. And being able
19 to have a remote, diverse workforce, and teams of workforce
20 teaming together, collaborating on shared goals and common
21 problems.

22 So, what we're looking to do -- well, I have a

1 great -- I mean imagine -- I'm just going to read this,
2 because, A, I didn't commit it to memory. So, we were
3 looking at what is the use case for a portal, all right, or
4 our platform. And that is imagine a soldier retires from the
5 military. He joins a community of veteran-owned business or
6 service-disabled veteran-owned businesses -- NVETC, for
7 example. Through the help of that community, they find the
8 right resources in SBA, VA, state veterans affairs offices,
9 Department of Labor -- I mean, continue on -- SCORE, to get
10 training. And they get a Patriot loan or micro-loans, and
11 they're able to start up their business.

12 They are also able to leverage that mentorship
13 platform of the other veteran-owned businesses that are more
14 mature and have been successful over years. So you have that
15 mentorship program, veterans helping veterans. Utilizing
16 that veteran portal, the company -- that company now becomes
17 more successful. They become ready to take on bigger goals.

18

19 So, utilizing the lead generation, or the
20 government procuring and data mine, they actually get --
21 they finally find a lead they can close. AThis is the one
22 I'm going to be prime on. I'm going to pull these other four

1 in. Together, we're going to team together, we're going to
2 get this done.@ It's a \$6 billion contract, all right?

3 So, the newly formed company begins networking with
4 a potential team of partners. They get all the things in
5 place, they start using this portal to actually do their
6 project hosting, do their communication, their collaboration,
7 and archiving, and doing all their work together.

8 But notice the way they're working. Like I talked
9 to you before, companies in different states with a different
10 diverse workforce connecting both onsite and remotely from
11 trains, cars, airports, home, the coffee shop, and even at
12 the park, walking their dog, or out there watching their
13 daughter play on the toys that are out there.

14 So, as they work together over the coming months
15 making progress, new employees are brought on to the project
16 to assist. In ramping up their knowledge and background,
17 these new team members are able to search the forums, the
18 blogs, the knowledge bases, the wikis, and yes, those videos
19 we talked about, or the audio conferences, and be able to
20 find and ramp up with all the information they need to
21 actually join in to become a more productive member of this
22 team faster. So, again, anywhere, any time.

1 The teaming partners are successful, and all of
2 them profit greatly, that new veteran-owned business that
3 that retiree built over the past months or years, and now
4 joins the mentorship program and meets another soldier who
5 has just retired from the military, and the whole process
6 goes on and on and on.

7 So, it's not whether, you know, we want to handle -
8 - I know we talked about it before, we've talked about the
9 federal procurement. But we want to handle the civilian
10 part. And we can, we just need a plan on how to incorporate
11 that. How do we network them in? How do we become more
12 successful on the civilian side, as well as the federal?

13 So, anyway, that's my elevator pitch, I guess. I
14 tried to do that quickly. I had a bunch of slides, but they
15 would have bored you.

16 MR. RENTERIA: Have you a budget, a cost for this,
17 or is this completely grass roots free?

18 MR. SHEPARD: So far it's been grass roots. Now,
19 the beauty of what our business model is, moving forward, we
20 believe that there is going to need an initial financial
21 priming, all right? And there may need to even be a --
22 leverage some money over time, or some services, or some

1 programs over time.

2 But we are looking at the SAP model, as far as
3 helping fund this project. SAP actually goes out and, for
4 their partners and for their vendors, they actually create a
5 marketplace and create a lead generation system that will
6 bring leads, qualified leads, to their partners.

7 So, we think about data mining for those RFIs and
8 RFPs, searching through the codes and histories and push
9 these leads down to our veteran-owned business and service-
10 disabled veteran-owned businesses, and showing them all the
11 RFIs that are out there, we bring them the qualified lead.
12 They close it.

13 And for that, we ask them -- we don't demand; we
14 ask them -- to donate back 5, 10, 15 percent, or whatever the
15 final -- I don't think we have come to a conclusion of what
16 that final is -- we ask them to donate back part of that as a
17 referral fee, and that goes back into the program to get
18 consultants and training and things for the other veteran-
19 owned businesses.

20 Part of that also goes into a foundation where we
21 start -- what we had started with is Goldstar Families. I
22 sent a couple of soldiers home in a body bag, and I have been

1 back to their families since, and their families are not
2 doing well. The military, the government, they gave them a
3 \$400,000 check and a flag, and said, AThank you for your
4 spouse's service.@ Five years from now they're still
5 struggling.

6 So, from this revenue that the successful veteran-
7 owned businesses bring back to -- what we would like to do is
8 take some of that and push it into the foundation, where we
9 will start from the first one to perish in OIF and OEF, all
10 the way through whoever just perished last, go to their
11 families and find out what we can do to make their life
12 better.

13 AYou don't have health care? Fine. Go talk to
14 this person at All State or United Healthcare, he works with
15 us. And a national veteran-owned business will pick up the
16 health care for your family for the next 10 years,@ or
17 whatever.

18 MR. WHITE: I'm just trying to get this -- it
19 sounds like it's a good idea. I mean it's a higher tech
20 version of a veteran organization that would pool a
21 membership, whatever.

22 Now it goes back to what we were talking about

1 earlier. Somebody goes through the TAP program, somebody
2 comes home, somebody gets out and observes whatever it is.
3 They're transitioning out -- AWhere do I go, what@ -- you
4 know, AI want to start a business, I want some help.@ You
5 might be the right place, but how does this person -- because
6 there is so much stuff out there.

7 MR. SHEPARD: Right.

8 MR. WHITE: That that's what we're talking about,
9 is trying to get our arms around what's out there, so that
10 you could send somebody to go to a specific site or something
11 and say, AHere is what's out there. It's an amazing amount
12 of stuff. But here is where you can sort through what
13 they're doing. Here is what somebody said about this.@

14 Here is -- if you want to travel, and it's cheaper
15 travel, there is Veterans Advantage. You know, you want a
16 magazine, go to Vetrepeneur.

17 MR. SHEPARD: Right.

18 MR. WHITE: You know, whatever it is, there are
19 ways you can see that through. If you're looking, you know,
20 some way of scaling it, so you can say@ You want to start a
21 business? Here is our recommendation on where you go.@

22 MR. SHEPARD: Right. And I think that TAP program

1 is B

2 MR. WHITE: So you are like one of them.

3 MR. SHEPARD: Right. I think that TAP program is a
4 fantastic program. I went through it when I came back from
5 OEF, more Walter Reed than anywhere else, but yes, I spent
6 two years there after coming back.

7 But the transition assistance program -- whoever
8 the right organization is, we believe we've got the right
9 foundation, all right? But if we're not the right one, find
10 the right one. Like I said, it's -- everything I do is for
11 my soldiers. If I'm not the right person to do it, then you
12 know, I will help the right person do it, all right?

13 But have it in the TAP program, as part of the TAP.
14 Link TAP with this, what we're trying to do. Link SCORE
15 with this. Link all of these programs together, so that
16 there is a consistent flow. Leave some military through to
17 technical assistance B

18 MR. WHITE: Now you're asking TAP to recommend this
19 program.

20 MR. SHEPARD: Recommend a program. Pick one.

21 MR. WHITE: Well, it's the same.

22 MR. SHEPARD: Right.

1 MR. WHITE: You know you're beating your head
2 against the wall with the military. They're going out and
3 they're getting -- you know, they're soliciting bids through
4 private contractors to do a certain amount of this stuff.
5 Most people who have gone through TAP don't even remember it.

6 MR. SHEPARD: Right. And the problem is because B

7 MR. WHITE: That's the whole B

8 (Laughter.)

9 MR. SHEPARD: The problem is B

10 (Several people speak simultaneously.)

11 MR. SALSBURY: I am the other end -- the advocate
12 for those who didn't have a so great TAP experience or
13 transition assistance, or lack of.

14 What I -- if you don't have accountability, which
15 they don't have, who cares? Right? It's like, AHere, I need
16 you to sign this, check this off. Look at this. Sign this,
17 check it off. Oh, your resume? Check it off.@ I think I
18 got two places that they said, AOkay, you may be good at
19 this.@ I was a crypto guy. It was driving a satellite van,
20 which I wasn't going to do, and the other one didn't really
21 matter, because I didn't get it.

22 But it was just one of those things of it's a

1 minimal effect. And if you don't have a metric behind it,
2 then it's always going to be a minimal effect. Until you
3 have that metric behind it that says, AOkay, Veteran A did
4 this, and now he is here@ -- and that's what we want to do,
5 is follow that veteran all the way through, and we want to
6 say, okay, we want success stories, we don't want what's
7 going on now to where we have the highest unemployment in the
8 land, we are the most highly trained people here. No one
9 should be unemployed, no one should be homeless.

10 And like I said, for me, just being in the field on
11 the enterprise side, I'm great, because I have been doing
12 this. This is what I do for a living. And now that I was
13 able to actually be very honored to actually join this group,
14 then, you know, I would like to bring my expertise to the
15 group.

16 MR. SHEPARD: And the problem with B

17 MR. HILL: May I make a suggestion?

18 MR. SHEPARD: Sure.

19 MR. HILL: And I have listened, and we discussed
20 some of this at lunch.

21 MR. SALSBURY: Yes.

22 MR. HILL: The idea is great. I think you have a

1 lot more research and testing to do on this. Because, for
2 example, I have worked with an organization over the years, I
3 have worked with large, professional companies, some of the
4 biggest companies in the world that sell franchises. They
5 don't give you an option, or a lead generator option. If
6 you're going to generate a lead for somebody, you -- your
7 financial model there is worrisome to me, because you say,
8 AWe will say, >Donate money.'@

9 MR. SHEPARD: Right.

10 MR. HILL: That doesn't work in the private sector.

11 I mean people are going to be nice. But if you say, AOkay,
12 we will give you this lead for 15 percent, that's a different
13 thing.@ But if you say, ADonate,@ it's just like standing
14 out here at the Metro, playing a violin.

15 MR. SHEPARD: Right.

16 MR. HILL: And I'm not trying to be facetious here

17 B

18 MR. SHEPARD: No, that's B

19 MR. HILL: -- but I've seen these headhunters over
20 the years, and a lot of them make good money. But they have
21 a well thought-out, well-designed business model that
22 basically tells the company, AYou will not get this good

1 person unless you give us money.@ And it's a hard business,
2 because there are a lot of people in it.

3 But things like that, I think you need to even
4 almost build out and run a test on this before you get too
5 far into it. Because it's -- and we all share this same
6 frustration, because we want vets to get into business.

7 And the idea, or the discussion came up today about
8 there is some research been done about why veterans make good
9 business owners. I spent a lot of years talking to the news
10 media in print, on TV about why veterans make good business
11 owners, and I didn't have a lot of statistical research. But
12 it always comes back to the same thing: mission focus,
13 training, and they want. People want to do a good job, if
14 they're a veteran.

15 And that is the core of a lot of what we're trying
16 to do here. And I don't know how to put it together. I mean
17 that's one of the reasons I am here, because there is just so
18 much, so many people like yourself wanting to do a great
19 thing for veterans, and it's just overwhelming, that there
20 are so many different B

21 MR. SHEPARD: We have looked at that, as far as
22 demanding that they pay 15 percent for a lead.

1 And I sat down with the vice president at SAP. And
2 their model has been it's on the honor system you pay it.
3 And he said, ASome won't, and that's okay. If you provide
4 them the benefits of why they should, they will. And if they
5 don't, it's okay. Some will.@ He said, ADon't worry about
6 whether or not some won't, all right? Remember that some of
7 them will, and those are the ones who are going to be the
8 bigger -- you will make more money from them than you will
9 anybody else.@

10 And in their first two years they grew up from zero
11 dollars to a \$50 million-a-year business. And they have been
12 doing it now for about seven years.

13 So B

14 MR. HILL: But B

15 MR. SHEPARD: -- to your point, you are absolutely
16 right.

17 MR. HILL: I wouldn't want to invest in it.

18 MR. RENTERIA: Well, it's a good idea, and it has
19 been tested. And I've been doing this for 10 years, and the
20 first step down is social capital. And the non-profit I
21 founded is totally -- which means we don't pay a whole lot of
22 money. We get free stuff from corporate America to build our

1 services. I go to cities, and they are a Chamber of Commerce
2 that want all these things that are too much to pick in their
3 doors. Fontana wants us to open a turnkey system.

4 Lieutenant General Mbuti just joined our network last night.

5

6 Social capital is our willingness to share our
7 stories at no cost. So how do you create a system where we
8 don't burden the donor or the government, and expose at no
9 cost the VBOCs, the PTACs, all these -- because one thing I
10 do know about the business enterprise is you should have a
11 firehose selection. That's what makes us competitors.

12 So, I think that the partnership that we read
13 throughout is a community of civilians and our veterans.
14 It's a 12-to-1 ratio. And we spoke about this at lunch.

15 I thought my non-profit would never hire anybody --
16 and I'll tell you why. Every county across this country has
17 a welfare program. And they have changed that welfare
18 program into where you would have to volunteer for the
19 welfare dollars. Our entire center in Paris, California,
20 which I pay a buck a year, we have ten of those types
21 volunteering, because they can get paid, and we are teaching
22 them a better skill set. Why? Because as they do that \$30 a

1 week, they get to have a resume. Because the biggest
2 deficiency of not being employed is a lack of a resume.

3 So I think you have a fantastic idea. It has been
4 tested. We have to sit down and figure out how do we make it
5 together. We are a non-profit in 12
6 states B

7 MR. SALSBURY: Well, just to let you know, it's
8 been tested worldwide. It's on a global scale. Cisco is
9 coming out with their own product line, similar to what we
10 are offering veterans, for a minimal cost. Cisco is charging
11 somewhere upwards of almost \$2 million.

12 So, the model is definitely there, and it's been
13 used. And I feel that -- and there is a sense of urgency,
14 because we need to compete globally. And when we talked
15 earlier about the private sector, that's where the private
16 sector comes in, is competing globally. And that's what this
17 will do, also.

18 It's -- and we donated -- just so you know, my
19 company donated the technology. It's our own platform. It's
20 called On Time, which is basically the platform. And my
21 people -- or at least I fund as much as I can -- the
22 development of it.

1 So, as far as the enterprise side, it's great that.
2 I just want to do the same thing for the veteran side, so we
3 can compete on that level.

4 MS. LYNCH: So let's jump off of this conversation
5 and into what does that mean for our committee, and what does
6 our committee need to be doing for veterans? In the sense
7 of, I mean, this is a fantastic tool, and an idea that is
8 ahead of its time for some of us in the room, and some of us
9 are tracking right there with it, and understand that it's
10 happening now, today in our world, and we need to use these
11 types of tools to engage veterans.

12 But let's go even higher, at a 100,000-foot
13 viewpoint, all of us working on a national level to promote
14 veterans entrepreneurship. What are the types of things that
15 we need to be talking about at our next meeting, and what are
16 the types of impact that we want to have through our service
17 on this committee?

18 And please stay with us for the dialogue, if you
19 have ideas B

20 MR. CAINE: I think if you want to start the
21 conversation you were having earlier, because B

22 MS. LYNCH: Dan, you were talking about --

1 MR. CAINE: -- open it up to everybody, because I
2 think that's a B

3 MR. SHEPARD: We come here and take time out of our
4 schedules to do big things. That's why we're passionate
5 about this, and passionate about allowing those great men and
6 women that serve overseas or here at home to get into
7 business and realize that wonderful special feeling when they
8 start creating value and cash flow and, man, they are living
9 America's dream, right? They are living the American Dream.

10 I think we can -- I think, as a team, we have great
11 people sitting at the table here, and maybe we do want to
12 elevate our optic up to a little bit of a higher level. And
13 we were chatting earlier at lunch, and then et cetera, on as
14 I sit here and I listen, I hear 50, 60 -- I mean different
15 resources that are out there. And it reminds me of -- there
16 is a great video, AHerding Cats,@ right? And it's a cat
17 herding video. I think it was B

18 MS. LYNCH: It's the EDS commercial.

19 MR. SHEPARD: -- Ross Perot's company, EDS
20 commercial. I use it all the time. We maybe have an
21 opportunity, as a group, to herd some cats and to do in the
22 VC world, or private equity world, maybe help with the roll-

1 up strategy, right?

2 And really, in one respect -- I was listening to
3 what you were saying in this opportunity -- it may come down
4 to as simple as we create and get on a strategic
5 communications campaign. We try to be a catalyst to bring
6 together all of these different entities and to get them to
7 coordinate, integrate, and synchronize efforts, because right
8 now they are not. And they all have a common set of goals
9 and objectives.

10 MS. HARRIS: That's right.

11 MR. SHEPARD: And that is help the veteran, help
12 create and maintain and innovate the entrepreneurial spirit
13 in America, yet, man, if I'm a veteran -- because, like all
14 of us, we are, and I Google Asmall business,@ you get 12
15 million hits, right?

16 MS. HARRIS: True.

17 MR. SHEPARD: And it is actually a hindrance. So,
18 I wonder if we just try to do some simple things, and that's
19 strategic messaging, and we start to reach out through the
20 colleagues that we have, and us. And maybe one of the things
21 that we can do is just elevate the game, get everybody to
22 work together.

1 If nothing else, inventory all the different things
2 that are out there, and maybe use Bill's office as a -- you
3 know, a catalyst to try to inventory what's going on, and we
4 set a marker in the sand out there to try to bring everybody,
5 or at least some thought leaders together, to try to do a
6 roll-up, and get everybody moving in the same direction.

7 MR. ELMORE: Can I throw out a couple of other
8 things, too?

9 MR. SHEPARD: YES, please.

10 MR. ELMORE: There is some fairly thoughtful work
11 going on in this interagency task force. And it's hard in
12 government to be honest, sincere, straightforward, and
13 entrepreneurial, successfully. I will just leave it at that.

14 And I have shared with some of you that I don't
15 think government is the solution to how we mobilize ourselves
16 as a community. We're a tool in that process.

17 When I think about veterans, and when I think about
18 it -- and I've thought about this stuff now for almost 40
19 years -- the terms that come to mind for me are -- we're a
20 community that's honor-based. There is a certain character
21 that comes with military service that I think is more
22 important than the diligence of military training to why we

1 tend to succeed. That's part of our world.

2 And I think if there is -- and you're absolutely
3 right. I think what we lack is we lack strategic thinking.
4 We're not 10 years ago. As a community, we now know there is
5 strength and there is value in this community. We didn't
6 know this 10 years ago, when we were asking Congress for the
7 21st year in a row to draft legislation to put this stuff in
8 motion. Steve, you know what I'm talking about, because 10
9 years ago there were 7 of us.

10 So, I think you're right. I think there is a
11 message piece here that goes back to what you were talking
12 about at lunch, and that is we can roll out all the political
13 leadership we want. Political leadership usually doesn't
14 lead this stuff for reasons that we would find honorable. I
15 think there is an honor quotient here that we need to somehow
16 tap that drives most of us to serve, and drove most of us to
17 be proud of the fact that we served, even if we didn't like
18 it at the time.

19 And I'm in that camp. I hated my time in the
20 service. The farther away I am from it, the prouder I am
21 that at least I did it.

22 MS. LYNCH: And survived.

1 MR. ELMORE: And survived. So, I think the
2 strategic messaging around how do we find sort of the organic
3 connection that makes us all veterans, and how do we build
4 out on that in ways that isn't just -- this is why I sort of
5 repelled against the government procurement stuff, because
6 government procurement, in and of itself, is an anger-
7 inducing process.

8 MS. HARRIS: True.

9 MR. ELMORE: And if we're going to operate from
10 anger, we're never really going to be successful, from an
11 honorable perspective, on how we affect our nation, going
12 forward.

13 I agree with you, Rob. America has fallen behind
14 in a lot of different ways, and I would suggest to you it's
15 the lack of honorable approach in our business processes that
16 has us falling behind. And the one part of the business
17 community that I think has an intrinsic honor to it is the
18 men and women who have worn the uniform.

19 I don't know how to make that connection, and roll
20 us out into a connected community that takes ownership of our
21 own future, our family's future, and through that, our
22 country's future. I think that's what we're dealing with

1 her. I'm not smart enough to know how to get there. But I
2 think I'm thoughtful enough to know that that's at the core
3 of what we're talking about. Maybe it's not the core, but
4 that's at the core.

5 And everybody I know in this room that I have known
6 more than two years thinks that same basic way, I think,
7 including people that aren't here.

8 So, if there is a preach to me, that's where it is.
9 This is the message that we are trying to shape in front of
10 this interagency task force next Friday, is this honor-based
11 message. And why this is important, not just to us, but to
12 our country.

13 Now, is that going to seep through the political
14 process, and get the kind of attention at the White House we
15 need? Because I believe we have an honorable President who,
16 when he thinks about our military veterans and their
17 families, I think he thinks the same way. I've never had a
18 discussion with him, I can't speak for him, I wouldn't dare
19 do that.

20 But I think this message can get traction in this
21 country, whether it's only through the government side, which
22 is where I work now, or perhaps more broadly -- and my hope -

1 - in the American economic system, and ultimately, the
2 mainstream. Because there is not that many of us, but there
3 is enough of us to carry this message. And that's B

4 MS. LYNCH: It's interesting. On our webinar, the
5 one that we had on December 8th, if you all recall correctly,
6 one of the things we left with, one of the taskers that we
7 left with, were to list topics that we think we should work
8 to unpack, or work to achieve progress on, as a committee.

9 And it's interesting, Dan, that you bring it up,
10 because my first topic list was a communication strategy, an
11 awareness strategy. I mean I'm knee deep in this right now,
12 with my social media clients. I've got a Harvard Business
13 Review articles, ABranding in the Digital Age@ that's just,
14 you know, my light reading on the Metro into the meeting
15 today. So I'm a geek about it.

16 But we need to have a simple communications
17 strategy, and then we need to be speaking in a credible,
18 unified voice at the right places, in the right venues, with
19 the right press, with the right celebrities. I mean whoever
20 we have to tie our message to get attention in this very
21 crowded marketplace of ideas and messages, we need to get on
22 board and we need to be doing.

1 So, that was my topic one, where I feel like this
2 committee, in the sense that we're volunteers, we spend
3 several hours a month on this effort, and maybe more hours,
4 because of the type of work that we do, day to day, but we're
5 volunteers. How do we do something that's tangible,
6 substantive, and scalable, and has an impact?

7 And I think that that's something we can do. We
8 can -- and it's a one-page communications strategy that needs
9 to be said in many, many ways, over and over and over again,
10 and we need to get many, many people on that type of
11 bandwagon. Go ahead, Steve.

12 MR. WHITE: There are two things that I want to
13 just point out. One, just a little bit off subject. I ran
14 into this guy, Gus Grace. He is over at the Export-Import
15 Bank. He's a Vietnam vet, and he is in charge -- he's
16 director of veterans affairs at the Import-Export Bank. I
17 told him that I would bring this up at the meeting so we can
18 invite him in to see what they can do for veterans.

19 Obviously, you can grow a business in a number of
20 different ways. But if you're already selling widgets to
21 somebody, and you're not -- you know, you're selling them in
22 Oshkosh B'Gosh, there is no reason why you can't sell them in

1 France. But you need somebody to help you do that. So,
2 there is a way of -- you know, and as you grow a business,
3 you're probably bringing on employees. So that's one quickie
4 that, if we want to have time for him for next time, fine.

5 If not B

6 MS. LYNCH: Sure.

7 MR. WHITE: The second point is more back on track
8 with the strategic -- the whole concept of mentoring, and the
9 fact that we, as veterans, and anybody who served, is
10 generally willing to talk to another veteran. And I think
11 we're missing the boat a little bit by not promoting the
12 mentoring aspect of this.

13 I started working with a group up in New York
14 called Veterans Across America. And that's their goal, is to
15 mentor veterans. And I convinced them that they needed to be
16 focusing on entrepreneurship also, because we can create more
17 jobs and employment through entrepreneurship than you can by
18 trying to get companies to hire people. You know, you create
19 the positions, whether it's self-employment, or whether it's
20 a business to grow.

21 With all the support and all the companies that are
22 out there now, saying, AWe want to help vets, we want to do

1 this for veterans,@ I think the timing is -- couldn't be
2 better for a solid, strategic message, picking specific
3 organizations that -- you know, who can we get that can get
4 the publicity -- just exactly what you were just saying now,
5 and have somebody on MSNBC in the morning, talking about this
6 great new initiative that's out there.

7 There is already a whole thing called Veterans on
8 Wall Street up in New York. The 10 biggest banks in the
9 country are trying to promote this initiative. I went and
10 talked to them and they go, AGeez, we never thought about
11 entrepreneurship.@

12 MS. LYNCH: Sure.

13 MR. WHITE: Well, you can create a hell of a lot
14 more positions in that than you're going to hire.

15 So, I mean -- but there is the 10 biggest banks in
16 the country talking about it.

17 MS. LYNCH: Yes, it's -- I mean I'm going out to
18 Silicon Valley next week, week after next. I'm sitting down
19 with very senior people at Google, very senior people at
20 Facebook. We're getting them together. We're all veterans.

21 Most of us are former Marines. But it's this little kind of
22 secret cadre of people that are emerging as business leaders.

1 We have resources, we just need to figure out how to
2 leverage it.

3 MR. WHITE: Well, if you have B

4 MS. LYNCH: Yes, I mean, that's B

5 MR. WHITE: You know, the one thing was -- social
6 media.

7 MS. HARRIS: Exactly.

8 MS. LYNCH: So it's like -- I mean B

9 MR. WHITE: You just change the B

10 MS. LYNCH: I know, I know.

11 (Several people speak simultaneously.)

12 MS. LYNCH: No, it's very, very true. And Mark is
13 extremely supportive. I mean he -- extremely supportive.
14 And, I mean, there is just so much that we can do. It's just
15 getting people together, and getting us moving forward, and
16 trying to figure out the right forum.

17 MS. CHAMBERS: I have a question. And I completely
18 agree with -- and I didn't mean to cut you off.

19 MS. LYNCH: No, you're not.

20 MS. CHAMBERS: I completely agree with Dan. There
21 are -- people have been trying to create lists for years and
22 years and years now, on B

1 MS. LYNCH: Another website, right?

2 MS. CHAMBERS: I started doing that with Admiral
3 Mullen in 2007, and everybody is doing that.

4 Now, what Steve is saying is absolutely correct.
5 If we could anchor ourselves to something, and then these
6 resources coming in -- I was just thinking about the
7 conversation you and I had. Unless it's unethical to do
8 this, why wouldn't we connect to who has already been on
9 MSNBC and on Oprah is the whole EBV program. These guys are
10 taking off.

11 And so, as a part of that, then the resources that
12 this committee could bring to that, we're already doing EBVs
13 for veterans male and female. We've got a specific program
14 now going on for women only, and we're doing one for
15 families, which B

16 MS. LYNCH: Which also means all the White House
17 agenda items B

18 MS. CHAMBERS: Exactly B

19 (Several people speak simultaneously.)

20 MS. CHAMBERS: And, by the way, the White House is
21 helping to fund that. The SBA is already helping to fund
22 that. And you've got private industries. You've got Wal-

1 Mart and Pepsi coming in to fund it. So, unless it's
2 unethical, I mean, I'm bringing my resources to it, just
3 because that train is already going down the track, and I'm
4 not too keen on trying to rebuild something, because
5 everybody is trying to rebuild. This one has got huge
6 traction, and it's not going away. So B

7 MS. LYNCH: It's just branding, it's B

8 MR. CAINE: I would say it has huge traction, but
9 it has huge traction in a relatively small part o the market.
10 I think we have to think bigger.

11 MS. LYNCH: That's exactly what I'm thinking.
12 Like, we have to have a B

13 MR. CAINE: I think go to Facebook and going to
14 Google and saying, AWe would like you to take a leadership
15 across the United States with this effort, and here is a case
16 study for you, EBV,@ I think we need to think bigger than
17 just EBV.

18 MS. LYNCH: Right now there is no ask, right? We
19 don't have an ask. I mean I'm going to talk to these
20 gentlemen, and we've been loosely networking, and we're going
21 to get face to face when I'm out in Palo Alto working on my
22 project with Facebook.

1 And -- but it's like what are we asking them to do?
2 That's the question. You know, and that's where we've got
3 to get really, really specific on our strategy.

4 MS. CHAMBERS: Yes.

5 MR. CAINE: Yes.

6 MS. LYNCH: And, you know, we need private sector
7 executives from brand name companies to step up and carry
8 these talking points out on this speaking schedule. We need
9 someone to do a radio media tour. You know, it's a B

10 MS. HARRIS: It's like a PR branding -- yes.

11 MS. LYNCH: We have to have a plan for people to
12 get on board.

13 MS. CHAMBERS: A strategic communications plan
14 would certainly put them into play to give somebody -- you're
15 right. The corporation -- all the ones, the franchises and
16 the folks -- they're not going to buy into it, unless --
17 AWhat am I buying into? And what's going to happen when I
18 donate this money, or I donate my time, or@ --

19 MS. LYNCH: Yes. You have to have something that's
20 quick, efficient, here are the talking points, here you go,
21 you're out at 5:00, boom. It's like we have to have a
22 coordinate web of people giving -- in 15-minute increments.

1 MR. RENTERIA: Here is what I believe.

2 MS. LYNCH: I mean that's about all we're going to
3 get from the big names. But if we're organized, it's all
4 we'll need.

5 MR. RENTERIA: SCORE has 752,000 participants. I
6 think taking Dan's approach is we, as a group, need to
7 promote SBA's SCORE program to educate this self-employment
8 program.

9 DoL B I mean if I heard DoL correctly -- they
10 rescinded the RFP, and they're -- the after-TAP thing, and
11 that's where Dan's concern is, with all these pieces.

12 MS. LYNCH: And see, this is all weeds, right? We
13 need to be in the clouds. And I'm not saying in the clouds
14 like we're smoking something and we're crazy, but it's -- it
15 has to be simple. Not simplistic, but simple and actionable.
16 And it has to be connected to the betterment of America, or
17 win the future.

18 Again, I'm stealing lines from the Obama
19 Administration, but it has to be bigger. And then the
20 substance has to be very simple. AHere is the three things
21 that you, as an American, need to do. Once you're on board
22 with this, here is what you need to@ -- SCORE and TAP, and

1 DoL is irrelevant B

2 MR. RENTERIA: Well, I'm not too sure. Because if
3 you were to -- if someone came up with the message B

4 MS. LYNCH: Because Americans live in a sound byte
5 world.

6 (Several people speak simultaneously.)

7 MS. LYNCH: And they want to do something, they
8 want to do it, but it needs to be scalable and replicable.

9 MR. RENTERIA: Yes, but you need a starting base,
10 is my point. And SCORE, if we as a group come with a concise
11 message and have SCORE send it out to the 22 percent
12 volunteers and the 78 non-veteran volunteers, you start your
13 base.

14 We have SCORE as a starting social capital base.
15 And SCORE has -- they don't have the marketing dollars, but
16 they have -- I suspect they have -- if we promote the
17 existing programs with the least amount of cost, and then we
18 all go back our separate ways and engage with that SCORE guy,
19 or talk about after-tax programs, you've got to start with a
20 base that has a like-minded interest, and that's being an
21 entrepreneur.

22 So 152,000 people is a lot of people, and I don't

1 know if SCORE would be -- I've got to believe they would want
2 to hit those numbers, okay? And that will stop perpetuating
3 -- there is no question. Because the bottom line -- and I
4 read this article about it, so how do you change that
5 economy? Well, you create entrepreneur opportunities.

6 And today's -- there was a lot of programs,
7 probably gave Dan a headache over there, but the fact is
8 technology allows us to levy that simply. And I think SCORE
9 is the program we ought to put some emphasis behind. After
10 TAP, some emphasis behind it. Because they don't need to
11 reinvent what has already been created.

12 MR. CAINE: I tell you what I'll do to expedite
13 this. I will throw some notes together on a very high-level
14 strat comm plan. I almost think of this as -- forgive my
15 comparison, but this is almost counter-insurgency for the
16 economy, right?

17 MS. LYNCH: It's the flanking maneuver.

18 (Laughter.)

19 MR. CAINE: But I mean we -- and I wrote this down,
20 because I think it's as simple as this. And having done this
21 at the White House for a bit -- you know, in counter-
22 insurgency, we clear, we hold, and we build, right? And in

1 our economy, we really need -- and in entrepreneurial
2 efforts, I think we need to teach, we need to start, and we
3 need to grow. And I think that's the basic limits of what
4 this ought to look like.

5 MS. HARRIS: That's it, that's it.

6 MR. CAINE: But we need to then start thinking
7 about who the messengers are B

8 MS. HARRIS: Right.

9 MR. CAINE: -- to take that message forward. And
10 what is a platform to do that? I am very intrigued by the
11 discussion you're going to have out in California. That is
12 the only way that we're going to educate the young veterans
13 who are leaving B

14 MS. HARRIS: Masses. Masses, yes.

15 MR. CAINE: And I do think that the people around
16 the table, there is such unique access that you all bring to
17 the table. And whether it be the entertainment industry, or
18 the banking industry up in New York or on Wall Street or in
19 the Marines or in -- I mean it's really -- the centers of
20 gravity that are here around the table are very intriguing.

21 I will throw some notes together and shotgun it
22 out, and you guys can tear it to shreds, which I want you to

1 do.

2 MS. LYNCH: That's going to be so simple, there
3 won't be much to tear.

4 MR. CAINE: Teach B

5 MS. LYNCH: Teach, start, grow.

6 MR. CAINE: -- start, grow.

7 MS. HARRIS: Yes, that's B

8 MR. SALSBURY: I was wondering. Can we start a
9 subcommittee, I mean, to actually have B

10 MS. LYNCH: No, no one will communicate or
11 collaborate outside of this room.

12 (Pause.)

13 MS. LYNCH: Of course.

14 (Laughter.)

15 MR. SALSBURY: Jim?

16 MS. LYNCH: This is coming together, and we're in
17 person, but I mean we all should have relationships outside
18 of this.

19 MR. SALSBURY: Right.

20 MS. HARRIS: I was thinking the same thing. I was
21 thinking B

22 MS. LYNCH: I don't know if we need any formalized

1 bureaucracy, but I think we definitely need pods of people
2 working together.

3 MR. SALSBURY: Right, exactly.

4 MS. HARRIS: There is 10 committee members? I was
5 thinking we could divide up the country, and see what's going
6 on in our respective area. I mean, like, do some intel work,
7 each of us. Because, I mean, we might have things going on
8 in my sliver of the country, you might have the -- I mean
9 we're looking for best practices.

10 MR. ELMORE: I would suggest to you I think there
11 is a couple of things here. And I think she's right. EBV,
12 right now, as limited as it is, is the one magnet that's
13 getting the attention about creating, supporting, fostering
14 successful veteran small business ownership and
15 entrepreneurship. And I think the relationship with EBV is
16 such that that door is open to work with them, as they build
17 it out -- because they are building it out. And they are
18 holding more universities at bay than they are letting into
19 their network now, because they're operating on the same
20 honor system that I tried to articulate.

21 They don't let anybody into that system as a
22 participant if they don't have an honorable reason why

1 they're trying to do it. At the same time, the strategic
2 messaging -- especially if there is access to this social
3 media, when ready to launch -- I think I would argue that
4 right now everybody is pissed off at America about something,
5 and nobody is really exactly sure what it is. But everybody
6 has got their own personal reasons. But we're all sort of
7 angry about something, and we're not operating from honor,
8 and we want to.

9 I think that's what is lacking right now, visibly,
10 in this country. I think our President, like him or not, is
11 acting in very honorable ways that are driven by the politics
12 he's in, but I think he is trying to be honorable in how he
13 is doing what he's doing. So he is making everybody on the
14 fringes -- on both fringes -- angry. That's okay.

15 MR. CAINE: That's going to be hard to message.

16 MR. ELMORE: Yes.

17 MR. WHITE: But it's also -- we're talking politics
18 now.

19 MR. ELMORE: Yes.

20 MR. WHITE: That's going to be dealing through the
21 SBA, through small business B

22 MR. ELMORE: See, I am B

1 MR. WHITE: -- all these other things. And, for
2 entrepreneurship, it should be private. Screw the
3 government.

4 MS. HARRIS: That's what I'm saying.

5 MR. ELMORE: Yes, I agree with you.

6 MR. WHITE: You got social networks right
7 here B

8 (Several people speak simultaneously.)

9 (Laughter.)

10 MR. WHITE: If we just look at the annual 125,000
11 Guard and Reserves that are leaving the service, 20 percent
12 of that, you know, or 25,000 people.

13 MS. HARRIS: That's right.

14 MR. WHITE: EBV, they're talking to hundreds,
15 they're not talking to thousands.

16 MS. HARRIS: Yes, and B

17 MR. WHITE: And they're certainly not talking to
18 25,000.

19 MR. ELMORE: Right.

20 MR. WHITE: If they can replicate that model to
21 where it's replicable online, to where it could spread out,
22 you try to get other organizations to take the best practices

1 that they have and adapt them into their stuff -- but you've
2 got to reach not hundreds, but thousands.

3 MS. HARRIS: Masses, yes.

4 MR. WHITE: And B

5 MS. LYNCH: We need celebrities, too.

6 MR. WHITE: And Facebook B

7 MS. LYNCH: I mean we need the Jennifer Annistons
8 and the Brad Pitts. And I'm not kidding.

9 MR. ELMORE: Yes.

10 MS. LYNCH: I mean B

11 MS. HARRIS: We need Lieutenant Dane and all those
12 figures, you know, loveable B

13 MR. SHEPARD: I'll talk to Jennifer.

14 MS. LYNCH: She's coming over to the house for
15 dinner tonight. I mean I was going to just give her the
16 chicken wings, but I will give her some conversation.

17 MR. SHEPARD: I'll sacrifice for the team.

18 MS. HARRIS: So it seems like we've decided that
19 it's going to be like a strategic message that's going to be
20 what we do.

21 MS. LYNCH: Communications strategy, awareness, I
22 think it just needs to be a meeting topic for us. I mean

1 maybe our next meeting. And we can have people come and
2 brief us on various things. We can still have our briefing
3 time. But I think if we do some more work time -- and, I
4 mean, I'm happy to facilitate a session. I mean, I -- this
5 is what I do, strategy work, facilitation work.

6 MR. WHITE: I think it's a good idea to do it,
7 then.

8 MS. LYNCH: I mean I will be working hard, and
9 there will be hand-outs and there will be small groups, and
10 we B

11 MR. WHITE: I think that's a good way to do it.

12 MR. ELMORE: Yes.

13 MS. LYNCH: -- can kind of do a working session.

14 MS. CHAMBERS: Is the target audience initially
15 service members that are getting out? So it's active duty
16 Guard and Reserve that are either deployed, or serving right
17 now and getting out? Is that, like, the first layer of
18 target? We're not targeting civilians, we're targeting B

19 MS. LYNCH: I think we're targeting all veterans.

20 MS. HARRIS: I think we need to define our target,
21 specifically.

22 MS. LYNCH: But I think that's too B

1 MS. HARRIS: We need to define our target.

2 MR. RENTERIA: And the community -- and this is
3 what I keep telling folks -- is the community will benefit if
4 we go get our benefits. And they're our stakeholders.
5 Because veterans, as a whole, can inject the economy just by
6 contributing what we've earned.

7 And the community is the one that's going to say,
8 A Son, Dad, Uncle, Brother, @ get your butt out and get the
9 benefit, because every time I use my annual physical -- and I
10 got Tri-Care -- I pay a nurse. I pay the -- and the
11 community doesn't know that positive impact we have on the
12 economy. And that's why I know I can educate the committee
13 on who we are, the more involved -- every time you use
14 something, somebody is contracted to deliver it to me.

15 And if we're not using -- 10 percent or less, I
16 think it is, of 23 million veterans are exercising what they
17 have earned, 10 percent or less, okay? And one percent is
18 using self-employment. So when you add the numbers behind
19 that, and if the community knew that we're not using that and
20 they can boost their economy -- you know, again, that's why
21 the State of California is investing a lot of money to get
22 more of us to get off that -- to go claim what they say I

1 don't need. And if they don't need it, do it for the
2 community. And that's -- I think we need to target the
3 community to realize how they can help us, as an agent on the
4 ground.

5 I think -- or one of you guys said when we were at
6 the restaurant, ALook at us. No one knows that we're a
7 veteran. And when you're out in the community, the community
8 doesn't know we're a veteran. But if the community knew that
9 we bring a profit center versus a cost center,@ I will
10 guarantee you they're going to help us get where we need to
11 go.

12 MS. LYNCH: See, I see this as a bigger campaign.
13 And I've just got a working title of Keep Fighting for
14 America. Right? What's the commonality? All veterans have
15 fought for America, right? This is Keep Fighting for
16 America. And this is in the lane of, okay, perhaps it's
17 utilizing benefits to keep people working, but it's bigger
18 than that. It's keep fighting for American to start
19 businesses, the teach, start, grow mind set.

20 But it's like it's got to have a huge tag line, and
21 it's got to have a lot of people behind it. Veterans, keep
22 fighting for America. Here is the value. Bullet, bullet,

1 bullet: veterans in business, veterans employing, veterans
2 this.

3 MR. ELMORE: Right.

4 MS. LYNCH: And so you're still playing on that
5 rugged individualism and that entrepreneurial spirit that
6 took people to the service in the first place.

7 MR. SHEPARD: Can I ask a question?

8 MS. LYNCH: Yes, keep fighting for America, keep
9 building America, keep the engine going. You know, I mean
10 all these kind of themes.

11 MR. SHEPARD: I just wanted to make one comment.

12 MS. LYNCH: YES.

13 MR. SHEPARD: I mean -- what was it, teach, start,
14 grow? If you tell a soldier coming out -- you know, they're
15 used to taking orders -- AHey, jump into this entrepreneurial
16 spirit, take your drive and your motivation and start a
17 company,@ and then they say, AOkay, great, now where do I
18 go?@

19 So, if we tell them to jump, there has got to be
20 somewhere for them to land. So we also have to work in
21 parallel with B

22 MS. LYNCH: Take four to five years out of the

1 military, right? So it's not just the person leaving the
2 service today. It's this whole veterans community. And then
3 you've got people that are senior in some of these cutting
4 edge organizations.

5 Again, the group I'm gathering with in Palo Alto,
6 that -- they're -- I mean they're already -- they've made it
7 in business, right? They are willing to give others a leg
8 up, and they know that their leadership skills from their
9 time in service is what helped them make it in business.

10 And so, it's all-encompassing. And obviously, you
11 want to be narrowing, you want to have a niche, when it comes
12 to marketing. But this is more of a movement. You know, you
13 think of, like, Live Strong and yellow bracelets. It wasn't
14 just targeting people who had survived cancer, it was
15 everyone to eradicate cancer from our consciousness.

16 So, I mean again, I think that's why you have to
17 think bigger. And simple -- and then very, very simple, as
18 far as the action items. But something that's replicable and
19 repeatable and scalable.

20 MR. WHITE: Well, you've got, what, three million
21 veteran-owned businesses that have been identified so far?

22 MS. LYNCH: Some of that data from the last meeting

1 was phenomenal, the dollars.

2 MR. WHITE: It used to be B

3 MR. ELMORE: Actually, it's about 3.65, yes.

4 MR. WHITE: It's millions. So if the messages gets
5 out, and you get 10 percent of them to agree to mentor other
6 veteran entrepreneurs B

7 MS. LYNCH: And then they can -- SCORE can be the
8 vehicle, right? I mean there are vehicles that are in place
9 for them to do that B

10 MR. ELMORE: I agree with both of you there. I
11 don't think SCORE is the focus now, they're already on this
12 track. SCORE is a vehicle that can help us be on the track.

13 MS. LYNCH: So what can I do, kick an organization
14 and B

15 MR. ELMORE: And I will give you the political
16 slant. SCORE is the only non-politicize program that SBA
17 has, arguably. And EBV is, as well, because EBV has stayed
18 away from the politics, purposely. But they have to fight
19 their own battles in academia to do what they do.

20 MS. LYNCH: But EBV becomes a vehicle.

21 MR. ELMORE: Exactly.

22 MS. LYNCH: Teach at a university, teach a course B

1 MR. ELMORE: EBV is the model that says to American
2 academia, building up these local initiatives like EBV, which
3 is a collection of small nationals, becomes the vehicle to
4 accelerate our folks when they come home, and becomes the
5 vehicle for volunteers to help B

6 MS. LYNCH: Wouldn't it be cool if the whole
7 campaign could be tied around a 1-800 number, and you would
8 call a call center and someone has a big database and you
9 say, AYou know, I am a PR specialist at da da da,@ boom,
10 boom, boom, AOkay, you can go work at these three
11 organizations,@ or B

12 MR. ELMORE: Well the social media side that these
13 guys are talking about -- and others have talked about, too B

14 MS. LYNCH: Yes.

15 MR. ELMORE: -- could become the vehicle that
16 starts tying those pieces together.

17 MS. LYNCH: The linkage B

18 MR. ELMORE: But I don't think you're ready to
19 launch that yet. I think you're right, we don't know that
20 this is going to work yet. I think we need to craft the
21 message. I think there is a lot of people out here that will
22 respond to a positive message about what do we do. You're

1 right. They're waiting for the ask.

2 MS. HARRIS: They are, they are.

3 MR. SHEPARD: I mean I think we talked about
4 earlier the way to do it is through the motivation, the
5 strategy -- the infrastructure, the leadership, and the
6 strategy to bring it all together. I mean you've got to have
7 all four pieces to make it work. So at least that's what I
8 think.

9 MS. LYNCH: I think, as a committee, if we continue
10 down this path, we can really achieve some traction and real
11 results, and still be advisory, I mean still listen to
12 people's presentations, still give insights, still offer to
13 share resources with the contractor that DoL hires for the
14 TAP program. I mean all those things are important. When we
15 are asked, we will certainly serve. But I think we can have
16 a bigger purpose.

17 MR. ELMORE: Yes.

18 MS. HARRIS: Yes.

19 MS. LYNCH: And it doesn't mean everyone has to
20 donate 4,000 hours of their time to do it, either. It's just
21 leveraging your network, and being simple. That credible,
22 unified voice.

1 MR. CAINE: So I will take for action to create
2 kind of a one-pager, maybe two. I'm like a font 50 guy.

3 (Laughter.)

4 PARTICIPANT: I can read it.

5 MR. CAINE: Yes. I can understand it, then. So B

6 MS. LYNCH: Thanks.

7 MR. CAINE: Okay.

8 MS. LYNCH: And I will take for action setting up
9 our next webinar, if folks are up for that. We could do that
10 in the late March/early April time frame, since our next
11 meeting is May 5th.

12 And then, from that webinar, what I can do is we
13 can kind of develop -- we can see where we are, see where
14 we're going, and then I can develop, from the comments I hear
15 on that, maybe a three-hour working session for our next
16 meeting, which -- I will have hand-outs and break-out groups,
17 and we will bring in the white board, and we will do some
18 facilitation to really figure out where we are on the
19 messaging or strategy, or what this initiative looks like.

20 MR. CAINE: I would say let's potentially, as a
21 follow-up, let's do a sanity check prior to that, to make
22 sure that we're ready to have that. I mean if we're still B

1 MS. LYNCH: To have a working session?

2 MR. CAINE: Yes. I mean B

3 MS. LYNCH: A working session has to strings
4 attached. It's to help us get to a point of doing something.
5 So B

6 MR. CAINE: Okay.

7 MS. LYNCH: We can start a working session -- we
8 could start one right now, if we wanted to. We don't have to
9 be anywhere special. That just helps us accelerate moving
10 the ball forward.

11 MR. CAINE: I just want to make sure we're focused.
12 Previous -- I mean you can -- as a committee, our time is so
13 limited. I remember Patrick talking about this last time we
14 got together. Man, you've got to make sure you're driving
15 towards an objective, right, or it's B

16 MS. LYNCH: Sometimes the working session is about
17 clearly articulating the objectives.

18 MR. CAINE: That's true.

19 MS. LYNCH: So wherever we're at, I can take us
20 from feeling like, AWow, all we do is come and talk about
21 stuff,@ to, AOh, my gosh, we're walking out of there with the
22 product, and with something specific, and we're all buying

1 into it.@

2 MR. CAINE: All right.

3 MS. LYNCH: So I am confident in that.

4 MR. CAINE: Because that's what you do.

5 MS. LYNCH: That's what I do. I get paid really
6 well for it. So I will do it volunteer this time.

7 MR. ELMORE: I need to go work for you.

8 (Laughter.)

9 MR. ELMORE: And I would suggest to you that the
10 reason I was attracted to her the first time I heard her B

11 MS. LYNCH: So first you're grabbing Billy, and now
12 you're attracted to me?

13 MR. ELMORE: -- was because I considered your
14 business an honor-based. I remember your first presentation,
15 and you talked about the lessons you learned, and the
16 leadership lessons you learned in the Marines, and how you
17 were taking those lessons and applying them, essentially, to
18 the civilian sector.

19 MS. LYNCH: That's right.

20 MR. ELMORE: To the Wal-Mart's of the world who
21 didn't understand this sort of honor-based approach to how
22 you perform.

1 MS. LYNCH: Absolutely, yes.

2 MR. ELMORE: And That's what attracted me. And I
3 chased you for two years, or whatever it was, before we
4 finally got you on here.

5 MR. WHITE: Watch it, you're on the record.

6 (Laughter.)

7 MR. ELMORE: That's okay.

8 MS. LYNCH: I was busy building that business.

9 MR. ELMORE: I'm saying it on the record for a
10 reason.

11 (Laughter.)

12 MS. LYNCH: That's awesome. Well, thanks for
13 chasing. Next time I won't run so fast.

14 MR. ELMORE: It wasn't you, it was we were limping
15 along behind.

16 MS. HARRIS: I just wanted to make a comment. We
17 have talked about TAP, we have talked about Reservists,
18 Guardsmen. Is it not true that our target veteran for
19 entrepreneurship is veterans across eras, not only OIF, OEF,
20 not only -- yes, but I mean I think that needs to be said,
21 because we've talked about a lot of stuff today, and you
22 know, TAP is for people -- not people like me, who have been

1 out for 20 years.

2 MS. LYNCH: Right.

3 MS. HARRIS: I'm not going to be involved in the
4 TAP at this point, except other than maybe as a vendor. But,
5 I mean, there are people that are retiring -- because when I
6 was in EBV, I was in class with a lot of people that had
7 recently retired from the military. And they were ready to
8 start their businesses.

9 So we're talking about people across age ranges,
10 anyone, you know, connected with various service branches.
11 And are we also talking about military family members in
12 direct business with the veterans?

13 MS. LYNCH: It seems to be the trend of the
14 Administration B

15 MS. HARRIS: Yes, we need to identify B

16 MS. LYNCH: -- is to include this military family B

17 MS. HARRIS: -- our target audience for this
18 strategic marketing communication PR campaign.

19 MS. LYNCH: Right.

20 MS. HARRIS: We need to know what our customer --
21 end customer looks like.

22 MR. HILL: There is a bigger trend in retirees

1 starting businesses, because they've got capital now. And,
2 of course, they're retiring and want something to do. And
3 that's a natural. But I don't think a lot of them, after
4 careers in other things, they don't see the need to go back
5 to SCORE or someone to get the basic information.

6 MS. HARRIS: Exactly.

7 MR. HILL: They kind of know what they're doing.
8 But there is -- I have seen research on that, that a lot more
9 businesses are being started. But the economy, too, a lot
10 more businesses are -- I don't know if it's as strong as it
11 was a few years ago, but -- and usually in every downturn,
12 start-ups B

13 MR. ELMORE: Well, one of the unique things about
14 veterans, when you get into the data enough, is that two-
15 thirds of our self-employed veterans are over the age of 45.

16 MS. HARRIS: Oh, wow.

17 MR. ELMORE: That's just the opposite of the
18 general population, where two-thirds of the self-employed
19 general population are under the age of 45.

20 Now, I'm not sure that I understand those reasons.
21 I conjecture about it. But that's part of why I've been
22 trying to get advocacy to look into this, what I consider

1 almost a phenomenon that we've come to recognize, is there is
2 something in this community around this self-employment.

3 MS. LYNCH: I think it's the capital piece that
4 Terry is talking about.

5 MR. ELMORE: Yes. Well, I think that's a big part
6 of it. And I think when this other research comes out, that
7 will be part of what that says.

8 MR. HILL: We've got a blip on the screen, because
9 this is a different B

10 MR. ELMORE: Yes.

11 MR. HILL: Some places you can't give money away,
12 and B

13 MR. ELMORE: I think the other thing I would ask,
14 in the context of what we're going to do -- are you able to
15 join us next Friday?

16 MS. LYNCH: I am unable to join you next Friday.

17 MR. ELMORE: Okay. I would hope somebody, other
18 than just me, can join us next Friday at this interagency
19 task force, because I think a lot of what's going to be
20 talked through kind of revolves around this same kind of
21 thinking, you know.

22 We're at a stage after 10-plus years of beating the

1 federal drum that the community is beginning to engage beyond
2 just AWhere is my federal contract?@ And people -- more and
3 more people -- are recognizing there is something important
4 here beyond just, ACan we compete with women or 8A or HUB,@
5 or whatever. How do we do something that enables us and our
6 community to succeed?

7 And that's, I think -- that's part of the
8 difference veterans bring to this mix. We have a community
9 commitment that we exercised when we served. That's the
10 compulsion that a lot of us, even if we got drafted, went
11 forward with, and we still have. And that's a compulsion
12 that a lot of Americans don't exhibit these days.

13 MS. HARRIS: Yes.

14 MS. LYNCH: True.

15 MR. ELMORE: I think that's part of our difference.

16 So, I think we're going to hear and see a lot of
17 this next Friday. And I would urge anybody -- Terry, you as
18 well B

19 MS. HARRIS: When is it?

20 MR. ELMORE: It's going to be 9:00 to 12:00 in this
21 room next Friday, the 25th. And there is going to be some
22 dialogue and discussion on the record amongst this

1 interagency thing, talking about this point, I think, I hope.

2 MS. LYNCH: Ron, what are your thoughts? What are
3 your thoughts with your, I mean, decades of service in
4 promoting entrepreneurship? What makes sense to you?

5 MR. MILLER: Well, I tend to operate down where the
6 rubber meets the road.

7 MS. LYNCH: Yes. That's why I want to know. What
8 makes sense to you?

9 MR. MILLER: Well, I'll tell you what I did. When
10 I got on this committee, I started looking around at my local
11 area to see who I could get involved at my area. And the
12 first guy I went to was the SBDC at the university where I
13 lived. And he was a veteran. And I asked him would he get
14 involved in helping veterans start small business, and he
15 said, AAbsolutely.@

16 And so, he started doing it as much as could on his
17 own. And then, later on, I met with the district director of
18 the SBA. If nothing else, just to let them know that I am
19 there, and I am available, and I am on this national
20 committee.

21 And because we have such a large number of Reserve
22 and Guard people serving, our infantry brigade has been over

1 twice. The engineer battalion where I live has been over
2 three times. And so I asked for a meeting with the adjutant
3 general, and got it. And he got involved, and he opened up
4 our -- he announced the Patriot Loan program at the adjutant
5 general's office, and got everybody in the state to come to
6 this thing that he could. And I think the numbers probably
7 show there is quite a few loans.

8 So, I think the secret is to get people involved
9 that not necessarily would get involved. And we got one of
10 the grants, and this guy is doing a fantastic job, and that's
11 why I asked -- he's going to be in his third year, and I
12 don't know who -- third year. And he is doing a phenomenal
13 job.

14 So, I tend to operate at the local level. And as a
15 matter of fact, our company -- one of the companies of the
16 engineer battalion just came back from deployment, and they
17 had a big welcome home ceremony. Must have been 3,000 people
18 there. And they recognized this committee by presenting me a
19 plaque for doing, you know, the help that we did.

20 For instance, we sent letters to everybody that was
21 deployed in Iraq and Afghanistan, telling them what services
22 that they could get when they return home. And a lot of them

1 took advantage of it.

2 MS. HARRIS: That's good.

3 MR. MILLER: Each one of them got a letter.

4 MS. HARRIS: That is really good.

5 MS. LYNCH: Those are practical, actionable things
6 that B

7 MR. MILLER: Right.

8 MS. LYNCH: And the beauty is that grass roots
9 piece, just doing that.

10 And I think this is relevant. Michael and I, we
11 went four times last year to Iraq in 2010. We started,
12 actually, in September and then we were over there at
13 Christmas. We told the EBV guys, we told Mike Haynie, AHey,
14 look, you know, give us something so we can pass it out and
15 at least make these guys aware that there is something, you
16 know, to look forward to.@

17 So, invariably, at the end of every time that we
18 were out there entertaining -- whether it was a crowd of
19 5,000 or whether it was 5 -- and we would go way, way up
20 north to these young kids, you would finish doing this thing,
21 and then Michael would ask them -- if there was a senior
22 leader in the room, it wouldn't work like this, but you know

1 -- AHow many of you folks are thinking about getting out
2 soon?@ If there was no senior leader in the room, every hand
3 went up.

4 (Laughter.)

5 MS. LYNCH: And then he'd start sharing, AHey,
6 well, there is a program@ -- and it could be anything,
7 doesn't have to be EBV, we just happen to know about that.
8 So we just started to share this. We had this little cool
9 bookmarks to give out.

10 And, Lord have mercy, you know, they would come up
11 and they would want his autograph. But they would walk right
12 over -- because I had the little piece of that -- they would
13 walk right over to me, and I'm just yak, yak, yakking about
14 it, AWell, I didn't know about this,@ AWell, let me have one
15 of those.@ And they have been swamped.

16 That's just from boots on the ground, being in Iraq
17 and Kuwait. Now, Iraq will probably -- they're really --
18 they're going to try and turn over the keys about September.

19 We're still going to have some contingency. But Kuwait is
20 going to be going on forever. And all the folks from
21 Afghanistan are going to be filtering through there, too.
22 It's a perfect place if you want to do some boots on the

1 ground, and getting some information out.

2 And now we're talking about hundreds and thousands,
3 not just hundreds that -- you know, and that's a very simple
4 way to do it.

5 But, boy, when it comes from the horse's mouth,
6 it's way different than -- and, my goodness gracious, on
7 AFN, all their little PSAs that you have, you can't miss it
8 because if you're not out doing something work-wise, you're
9 in a DFAC and you're watching TV. You just are. We've done
10 this plenty of times, too.

11 And right now the big campaign is about PTS and the
12 ability to speak, and they're really great little PSAs.
13 They're not hoaky, they're not embarrassing. But if there
14 was just some blurb that talks about the SBA Advisory Council
15 saying, AHey, you know, look this up,@ whether it's SCORE,
16 any number of things, again, it doesn't have to be EBV, but
17 just some -- AAre you getting ready to get out? I promise
18 you that DFAC will get quiet,@ and they will just look. They
19 just -- I've watched it over and over and over again.

20 (Several people speak simultaneously.)

21 MS. LYNCH: If you're going to try and do this when
22 these guys are redeployed and they're sitting at home, I

1 promise you it's not in their head.

2 MR. SHEPARD: No.

3 MS. HARRIS: That's right.

4 MS. LYNCH: Because you want out.

5 MS. HARRIS: That's right.

6 MR. MILLER: That was the point of this letter.

7 Everybody got a letter before they even know what TAP meant.

8 They knew, when they walked into TAP, that they probably
9 could get some small business assistance here, because they
10 thought about it. You know, they had it with them.

11 MS. LYNCH: They're ready to act.

12 MR. MILLER: That's right.

13 MR. HILL: Well, I spent some time working with the
14 veterans center for business affairs, and we did some
15 programs through them for a number of years. And the thing
16 they always told us was, ATAP is not the first place you want
17 to do it. It's almost the last. Because people coming
18 through there, all they want to do is hit the gate.@ You
19 know, they wanted the information and get out.

20 MS. HARRIS: Yes.

21 MR. HILL: And that changed a lot of the approach
22 and a lot of the information we sent out, too.

1 But I think, you know, at the point that you have
2 hundreds of thousands coming back, that we should factor into
3 the message, the urgency of this.

4 MR. ELMORE: Yes.

5 MR. HILL: Because five or six years ago I met with
6 a delegation from China who wanted to discuss the franchise
7 model. And I'm sitting there thinking, AChina?@ You know,
8 Commies?

9 But what their urgency was, was they knew -- and
10 think about the military there -- they always have a huge
11 population that's coming out of the military. They don't
12 want those folks just wandering around. They want them doing
13 something, building things. And they didn't have the
14 infrastructure projects at the time, and they were seriously
15 looking at an entrepreneur model.

16 MS. CHAMBERS: Oh, that makes sense, Yes.

17 MR. HILL: Now, it's -- you know, it's got -- you
18 talk about scale. But it was an eye-opener to me, because I
19 was thinking, you know, the government there is fully behind
20 this, and wants -- of course, they're fully behind everything
21 they want to be, but it was just a tremendous eye-opener, as
22 I said, that we've got so many people -- and in those days we

1 -- still in the Middle East -- and I think we can -- we
2 should build in some urgency in that message of, AHere they
3 come, folks, let's get ready for them, let's help out.@

4 MR. WHITE: Don't all the troops have access --
5 pretty much all of them -- Internet access over there?

6 MS. CHAMBERS: Yes.

7 MR. WHITE: I mean they're watching TV, they're on
8 a computer, and B

9 MS. CHAMBERS: You bet.

10 MR. WHITE: -- and they're all B

11 PARTICIPANT: I see a head going Ano@ back in the
12 back. Well, I mean B

13 MR. HILL: But back on base you've got access,
14 right?

15 MS. CHAMBERS: In 2009 and 2010 and now -- I am not
16 sure when you were there, but -- are you saying no?

17 PARTICIPANT: 2005 and 2006.

18 MS. CHAMBERS: Okay, probably not. But --

19 MR. SHEPARD: You might have -- out at the FOBs you
20 have some telephone and you have some Internet, but it's
21 probably -- it goes down. And it's not -- and a lot of those
22 troops that I was with, even if it was in the DFAC, they'd

1 grab their food and go out, because they had other things --
2 sleep was more important than watching TV.

3 MS. CHAMBERS: Yes, absolutely B

4 MR. SHEPARD: And talking to their wife or their
5 girlfriend is more important than watching TV. There is a
6 lot of things that you can do over there, even if they're not
7 watching TV. You can still reach them. I mean the vehicles
8 are there. It's not just the B

9 MS. CHAMBERS: Right. But you had it a lot worse.
10 I mean when we were there, very indescribable FOBs, and you
11 can still -- there is an MWR there, and you can go in and do
12 your thing.

13 MR. SHEPARD: I actually -- I paid for a satellite
14 Internet system for my platoon.

15 MS. CHAMBERS: Really?

16 MR. SHEPARD: So that they would have Internet, no
17 matter where they went. And still, some of them were on the
18 Internet, and a lot of them were sleeping.

19 MS. CHAMBERS: Yes.

20 MR. SHEPARD: So they -- we would go on 19-day
21 patrols and be off for 2 and then back out. So it's -- they
22 would -- sleep is more important.

1 MS. CHAMBERS: YES, Yes.

2 MR. SHEPARD: But there are still ways to reach
3 them. I mean the idea is great. There B

4 MR. WHITE: There is also a lot more troops than B

5 MR. SHEPARD: Yes.

6 MR. WHITE: We had, what, 50 behind every 1 out on
7 the lines? I mean I know it's not the same there, and not
8 the same type of -- but there is an awful lot of people -- my
9 point is I think you could be reaching a lot of people on
10 Facebook, or on one of the social networks over there.

11 As the word spread, people would get on it, and,
12 AIf you're interested in starting a business, here are some
13 things you can be thinking about before you come back,@
14 months before. I mean, even SCORE, you know, they were doing
15 workshops online to people in Iraq before they came home.

16 MR. CAINE: I think the tactic -- this is all great
17 stuff -- is we almost -- I have a very dear friend that runs
18 an organization called The Mission Continues, up in St.
19 Louis.

20 And we almost need to be asking, in some ways,
21 asking America to help vets. That's one part of it. But
22 also asking the vets to continue to help America, and grow

1 businesses, and help the economy, and take that
2 entrepreneurial spirit and harness it, and B

3 MS. HARRIS: Yes, that's good.

4 MS. LYNCH: Keep Fighting for America, right?

5 MR. CAINE: Well, I mean, that's really -- that's
6 not a bad point of departure. That's why Eric has got The
7 Mission Continues. It's the same kind of thread.

8 MS. HARRIS: That's good.

9 MR. CAINE: But he is more focused on fellowship,
10 and things like that, and not necessarily entrepreneurial
11 development. So it's all good stuff.

12 MR. ELMORE: Although it's an interesting piece. I
13 mean when they got that big donation -- and if you track some
14 of the media as a generator around them, entrepreneurship was
15 one of the pieces they discussed.

16 MR. CAINE: Yes, we've got to talk to Rob Refkin at
17 B

18 MR. SHEPARD: One of the key ways you can reach --
19 Guardsmen are going to be tough to reach, because the TAP
20 program doesn't last as long for them.

21 MS. LYNCH: And again, though, too, I do want to
22 caution. Not just the new veteran, not just the person in

1 Iraq B

2 MR. SHEPARD: Oh, exactly, exactly.

3 MS. LYNCH: That's one great piece, and I love it,
4 there are some great ideas.

5 MS. HARRIS: It's a piece of it.

6 MS. LYNCH: But think bigger.

7 MR. SHEPARD: Yes.

8 MS. LYNCH: I mean it's the person who is in mid-
9 career in America right now, or they might have been to
10 Harvard and gotten their MBA and they're a veteran, and
11 they've kind of distanced themselves from that veteran
12 association, et cetera, et cetera.

13 MR. SHEPARD: They could still be in and be a
14 Guardsman and they B

15 MS. LYNCH: It's the bigger movement.

16 MR. ELMORE: I used to describe it as those who
17 want to help and those who want to help.

18 MR. SHEPARD: Right.

19 MR. MILLER: When I ran that program in Georgia,
20 believe it or not, the biggest problem we had in our program
21 was finding the veteran, outreaching them, and letting them
22 know what was available to them.

1 MS. LYNCH: John Garcia right there, right? That's

2 B

3 MR. MILLER: And so, what your -- your approach
4 with Google and Facebook, if you can work that, that will be
5 unimaginable results. I mean you won't believe how many
6 people would get that information.

7 MS. LYNCH: We just have to have it. It has to be
8 packaged in a way that it goes viral, right? Because it's
9 just -- I mean I could put it on Facebook tomorrow and once -
10 - what's the next step?

11 (Several people speak simultaneously.)

12 MS. LYNCH: Yes, it's just -- it has to be
13 actionable. It has to be actionable.

14 MR. SHEPARD: And another place you might want to
15 look is the adjutant generals have different programs. In
16 the state of Virginia it's called the Yellow Ribbon program,
17 when Guardsmen come back. Get inserted into that, and make
18 sure that you become prominent B

19 MS. LYNCH: In the interest of time -- we've got
20 about 15 minutes left -- do we just want to kind of volley
21 back and forth with topics for future meetings, or are we
22 feeling very comfortable that the next meeting is a strategy

1 communications component?

2 PARTICIPANT: Yes.

3 MS. LYNCH: Obviously, various people testifying as
4 they come up from grass roots -- because I know there is
5 definitely time to hear these folks. We can have some
6 different topics, but then we can have a work group session,
7 as well.

8 MR. RENTERIA: I think Dan's task is our starting
9 discussion.

10 MS. LYNCH: Okay.

11 MR. RENTERIA: We've got to see what it looks like,
12 and then we B

13 MS. LYNCH: So Dan starts it, the webinar is kind
14 of the middle, the momentum that you were talking about,
15 right? We don't want to lose momentum. The webinar is kind
16 of the middle. And then the work will continue formally when
17 were back here in May.

18 MS. HARRIS: Okay.

19 MS. LYNCH: And then, obviously, the task force is
20 going to be an interwoven part.

21 MR. ELMORE: Well, and we're on that -- I mean what
22 I'm preparing for these meetings -- this is my true

1 confession -- I feel compelled to fill the day, so that when
2 -- so we haven't wasted your time. But arguably, we're
3 wasting your time by filling your day.

4 So, if you get to the point where a day of this
5 kind of discussion and dialogue and coming out of this with
6 what are our next steps, instead of a day of talking heads --
7 me included -- just parading in front of you and talking
8 stuff, I'd love to have a day like that. I'd feel a lot more
9 comfortable B

10 MS. LYNCH: Take you off -- I want you as a talking
11 head, and then the rest B

12 MR. ELMORE: Well, I will be part of the dialogue,
13 take my word for that. But I don't want to have to go
14 necessarily just bring more people to fill three-fourths of
15 your day.

16 MS. HARRIS: Yes.

17 MS. LYNCH: I mean if you give me three hours, I
18 can do a very productive work session, where everybody will
19 feel like we are -- every voice will be heard, and we will
20 have some clear traction.

21 MR. ELMORE: Well, then I'm going to ask you to
22 brief Jeff, and I will do the same.

1 MS. LYNCH: Okay.

2 MR. ELMORE: And if you want to put half the day
3 aside for, you know, this sort of dialogue and discussion,
4 whether it's morning or afternoon or -- I'm fine with that.

5 PARTICIPANT: That would be great.

6 MS. HARRIS: I think half the day for this type of
7 dialogue, to further develop what we're talking about B

8 PARTICIPANT: More use of our time.

9 MS. LYNCH: And to dig into everybody's expertise
10 in here.

11 MR. ELMORE: Right.

12 MS. LYNCH: Speaking of Terry, you're in the public
13 relations business, right?

14 MS. HARRIS: Yes, see?

15 MS. LYNCH: You have messaging. You're on board,
16 right?

17 MR. WHITE: Are you bringing the beer for the next
18 meeting?

19 (Laughter.)

20 MR. ELMORE: I'd like to suggest -- Rod, you're
21 going to be there next Friday?

22 MR. SALSBURY: Yes, I am.

1 MR. ELMORE: Why don't you, then, pay attention to
2 the dialogue and the discussion. And if there is any other
3 thought leaders, if you want to call it that, that present
4 themselves next Friday B

5 MR. SALSBURY: Yes.

6 MR. ELMORE: -- from outside of this committee, and
7 you want me to ask them to come participate, I will do that.

8 MR. SALSBURY: That will be great.

9 MR. ELMORE: Okay?

10 MS. LYNCH: So your common targets.

11 MR. SALSBURY: Yes.

12 MR. ELMORE: There are some other thoughtful people
13 that are thinking around these same ideas and issues that
14 aren't a member of this committee.

15 MS. LYNCH: So that's -- maybe that's where our
16 agenda folks are, are thought leaders, people that are doing
17 something creative, whether they're from industry, or whether
18 they're -- but they're veterans. Veterans is the common
19 entity.

20 MR. RENTERIA: I have two sponsors. And I want to
21 invite somebody to go with me to Vegas. I get 10-room suites
22 for free. And National Association of Broadcasters gets me

1 all the passes, and Dave Guardy B which, Bill knows, is a
2 very good friend of mine. I say we tell our story, drop that
3 YouTube, and there is your video for free. I think the
4 convention is April 13th or 15th.

5 And what I do nationally, I invite veterans. They
6 just got to get there, and I give them a free room for a
7 whole week, and passes B

8 MS. LYNCH: Send information to our whole list,
9 too. Because even if it's not us, we know veterans that
10 might be wanting to B

11 MR. RENTERIA: So -- and it's a great business for
12 business owners, because free convention, free lodging B

13 MS. HARRIS: Which one is this?

14 MR. RENTERIA: This is the National Association of
15 Broadcasting.

16 PARTICIPANT: Generous offer.

17 MR. RENTERIA: And, quite frankly, there is a lot
18 of celebrities that go there, and that is an event to go
19 relationship with the folks we want to speak on our behalf.
20 Because I can bring those guys B

21 MS. LYNCH: More messengers with big reach.

22 MR. RENTERIA: I can bring these guys to Dave

1 Guardy's booth and do the video capture.

2 MS. LYNCH: Yes. The Jon Stewarts of the world,
3 the Daily Show, I mean B

4 MR. RENTERIA: I used to have backpasses to
5 American Music Awards three years, four years in a row, and
6 they are very humble when you put them down to the roots of
7 the American veteran.

8 MS. LYNCH: Yes. You just have to be clear with
9 what you need.

10 MR. RENTERIA: Yes, yes.

11 MS. LYNCH: And concise in your time.

12 PARTICIPANT: Yes.

13 MS. LYNCH: Any last thoughts before we adjourn?

14 (No response.)

15 MS. LYNCH: It's great to see everybody, and great
16 to meet new faces. We're done.

17 (Applause.)

18 (Whereupon, at 3:50, the meeting was adjourned.)