



Statement
of
Gozump
Incorporated

ON: *“Military to Entrepreneurship: Private Sector Initiatives to Help Veterans Pursue Business Opportunities.”*

TO: House Committee on Small Business

**BY: Charleston Malkemus, Founder and CEO, Gozump Inc.
Testifying on behalf of the U.S. Chamber of Commerce
Foundation**

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Gozump champions home buying for military families across America in order for them to achieve financial freedom. We accomplish this through technology, training, and advocacy.



U.S. CHAMBER OF COMMERCE FOUNDATION

The U.S. Chamber of Commerce Foundation (USCCF) is a 501(c)(3) nonprofit affiliate of the U.S. Chamber of Commerce dedicated to strengthening America's long-term competitiveness by addressing developments that affect our nation, our economy, and the global business environment. USCCF presents a broad range of programs that promote a greater understanding of economic and public affairs issues.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

**BEFORE THE COMMITTEE ON SMALL BUSINESS OF THE U.S.
HOUSE OF REPRESENTATIVES**

**“Military to Entrepreneurship: Private Sector Initiatives to Help
Veterans Pursue Business Opportunities.”**

**Testimony of Charleston Malkemus
Founder and CEO, Gozump Inc.**

Good morning, Chairman Graves, Ranking Member Velázquez, and distinguished members of the Committee. My name is Charleston Malkemus and I am the founder and chief executive officer of Gozump, Inc. Thank you for providing us with an opportunity to share our understanding of the importance of aiding a service member’s transition to entrepreneurship.

The "next" greatest generation of America is coming home. Over the next 5 years America will have more than a million service members coming home, who have been fighting this nation's battles for over a decade. They have endured every hardship known to man. They have been diplomats and community leaders, restoring people's homes and freedoms, problem solvers of unparalleled complexity, and, leaders of some the nation's best and brightest. All of them volunteered to serve and potentially sacrifice for the greatness of this country. They represent less than half a percent of America and are this country’s greatest resource.

We have an opportunity to capitalize on the surge of veteran talent coming home in order to move America forward. Whether through America’s small businesses or leading new ventures, veterans have a wealth of capabilities that are ideally suited to solving this nation’s problems. While they will be confronted with many challenges reintegrating into civilian life, none will be greater than finding a way to continue to serve. Communities and businesses will benefit the most from directly engaging veterans with their problems and providing them with the resources and equipment to overcome them.

Private sector initiatives have to be prepared for transitioning veterans. Hiring Our Heroes, a program of the U.S. Chamber of Commerce Foundation, is an excellent example of the efforts necessary. Working with their vast network of chambers and strategic partners, Hiring Our Heroes has been creating a movement across America. They are rallying communities to find veterans and their spouses meaningful employment while supporting the work of veteran-friendly businesses, like Gozump, who have made ongoing commitments to veterans in their community.

Background on Gozump

Gozump's story began way back on the battlefields of Iraq. During my second deployment I was leading a Scout Sniper Platoon through OPERATION STEEL CURTAIN when I received an email about the real estate market back home. In late 2005 the market was already showing signs of weakening and I needed to sell my townhome in San Clemente, California. I remembered the process of moving across the country when I was transferred to Camp Pendleton California and how difficult it was to find, finance, insure, and move into a new home. Now I was being confronted with the challenges of selling my home. I needed an application capable of connecting me remotely and giving me control over the process. Unfortunately one did not exist. I realized very quickly these were not isolated issues, but problems that were about to rock the nation.

When the real estate market came crashing down in 2008, I recognized the same friction points where sweeping across the country. Americans needed a simpler and more affordable way to understand and manage the process of buying and selling a home. Fully aware of the magnitude of this problem I began a very deliberate endeavor to solve it. After years of research, planning, and recruiting, Gozump launched in June of 2012 with a team of Marines on a mission to combat one of the most frustrating and inefficient processes in the Internet age, buying a home.

Buying a home requires the concerted collaboration of multiple parties. One transaction often encompasses three major industries, a dozen specialists, and thousands of dollars. Each party comes with its own regulations, licensing, conduct and costs. In other words there is a reason this is complicated.

Gozump's mission is to champion home buying for military families across America in order for them to achieve financial freedom. We accomplish this through technology, training, and advocacy. When we began building one of the most comprehensive technology platforms for home owners and buyers, we understood the inherent complexities of real estate could not be reduced beyond a certain point. We immediately began developing a curriculum around real estate to pair with our technology. While this will give consumers the tools and knowledge they sorely lack to make better decisions much of the inefficiencies we would change are in the hands of regulators. At every opportunity we continue to advocate for a more optimal administration of real estate transactions particularly on behalf of military families.

Active duty Service Members are often required to relocate every three years. The sheer velocity of movements around the country make this a particularly distressing problem in terms of cost, friction, and stress for the military household. We are one hundred percent committed to the elimination of this problem for the US

Military. When we began reaching out to community organizations to tackle this and other issues facing military families, we had the honor of working and partnering with some incredible organizations: the American Red Cross, the United Way, and the U.S. Chamber of Commerce Foundation to name a few. Many of which have come out in force to support the military community and the variety of issues facing them.

U.S. Chamber of Commerce Foundation

My initial interaction with the U.S. Chamber of Commerce Foundation and their Hiring our Heroes program goes back to when I was the unit commander of a 156 Marine reserve detachment. Most of the Marines under my charge were struggling to find employment. Some were sleeping in their cars, because they couldn't make ends meet. Others were trying to go to school to have a better future. All of them were hard working Americans with too much pride to seek out relief. I had a lot of active duty Marines, who joined the reserve unit to ease the transition, and saw first hand how difficult it was for them.

I sat on Joint Task Forces for veterans, participated in regional board discussions, and attended enough business breakfasts to make this assessment. The campaign to support posttraumatic stress disorder (PTSD) appears to have had a negative impact. While sympathetic, many American business owners feel completely alienated from their military and PTSD has only increased this feeling. Most business leaders, who struggle with hiring veterans, cite the liability of PTSD as the number one concern. Others question their capabilities, business skills, or how best to manage them. Despite these potential concerns, veterans in business remain unaffected and consistently lead the charge for recruiting and hiring other veterans. While veteran led businesses continue to be a cornerstone for veteran employment, the Hiring Our Heroes program has greatly reduced the separation between America's military and businesses.

The US Chamber of Commerce Foundation with its vast network of state and local chambers as well as their extensive list of strategic partners has convinced a lot of mainstream companies to hire veterans through their Hiring Our Heroes program. Having sent many of my Marines to their job fairs I've had ample feedback on their experiences. For those companies interested in tapping into the talent of America's fighting men and women it is one of the best places to be.

When we began Gozump we recognized that Hiring Our Heroes and their job fairs was an incredible resource for engaging the veteran community. We've used their job fairs for both awareness and recruiting campaigns with much success. In fact a Hiring Our Heroes job fair is where we shaped a lot of our opinions about transitioning service members.

Many of them were immediately drawn to Gozump purely because we were a team of Marines. They craved to be valued, respected, and understood for who they were and what they had accomplished as Military men and women. They commented on our camaraderie and commitment to each other, which resonated with their military experiences. Most importantly they deeply desired to continue to serve. In choosing the military they had chosen a life of purpose and now they were confronted with the challenging task of finding one in corporate America. Our mission to change real estate forever captured the same idealistic fervor that led many of them to enlist.

This knowledge has fueled my active support for veterans in startups. As an American veteran I've enjoyed great satisfaction working in the startup community and have found combat veterans to be ideal candidates for startups. With a high operational tempo, grand mission statements, and equity-based compensation a startup is the closest replacement for military life. Veterans are not only familiar with high stress, volatile, fast paced working conditions; many of them thrive in them. Most have already worked in small, driven, and focused teams like those found in startups across the country and perform better. They've been conditioned to work insane hours to accomplish incredible objectives. Startups and even small businesses simply give veterans an ability to be rewarded in proportion to their achievements either through compensation, promotion, or both; and, most smaller companies can do it better than larger ones.

With 1.5 million military members transitioning over the next five years small businesses have a tremendous opportunity to tap into this talent pool and propel their operations forward. Hiring Our Heroes job fairs already provide access to the veteran community. All small businesses have to do is effectively communicate their objectives and allow veterans to use their tactical abilities to engineer solutions and make things happen.

Hiring Our Heroes is leading the charge for transitioning veterans and their spouses into meaningful employment opportunities. Their active network of businesses, strong reputation with the military, and pervasive job fairs have done more than any other organization to bring military and business communities together. Even with this much success they persist, finding ways to catalyze communities and advance their mission.

Last year Gozump had the great honor of being selected for a national competition, which highlighted the efforts of veteran-friendly small businesses. Small businesses are 96% of the Chamber's member companies. They recognized an opportunity to support those small businesses showing dedication and innovation in hiring our veterans. Through Hiring Our Heroes, the U.S. Chamber of Commerce

Foundation teamed up with Spike TV's Hire A Vet campaign to host the first national competition to find the most veteran-friendly small business in America.

After receiving strong applications from across the country, Gozump was selected as one of the eight finalists and continued to advance to the Final Four. As part of the competition we were judged on our innovative recruiting and retention strategies for veterans, our leadership and engagement in the veteran community, and our ongoing commitments. This allowed us to form relationships with our fellow contestants and learn a lot from their initiatives. The competition was a great platform for rallying local communities around their contestants and encouraging other small businesses to join this movement. We received active support from Members of Congress, local commissioners, mayors, and business leaders, which really helped to highlight the vital role veterans and veteran-owned businesses play in our local economy.

In an effort to build on this momentum and carry on the spirit of the Chamber Foundation's initiative, Gozump led an 81-mile march. Over Labor Day weekend we marched from Palm Beach to Miami Florida carrying a flag from the battle of Fallujah. We picked up supporters in every town en route to the Mayor of Miami's office where we presented him with the flag as a symbol of American heroism. We urged community members to turn to the next greatest generation of Americans coming home. After over a decade of war and sacrifice their perseverance would be crucial to moving America forward.

Moving America Forward

Startups across America are continuing to find ways to advance processes and industries through technology. Their access to data is not only a vital component of their success, but often a primary factor in preventing it. If we are to fully realize the benefits of American innovation, government efforts at all levels to modernize and make available public information are necessary.

Entrepreneurs and small businesses remain the beating heart of the American economy. When I was first introduced to the Small Business Administration (SBA), about 15 years ago, their resources and networks were the dominant ones available to entrepreneurs. Over the years I've engaged, or made use of, a variety of their programs, including, Veteran Business Outreach Centers, Small Business Investment Companies, and the Service Corps of Retired Executives. Since then, the landscape for entrepreneurs has changed dramatically. Cities across America are developing startup incubators, accelerators, Meetup groups, and networks of advisors and investors. The access to capital is shifting away from traditional lending in favor of equity. A plethora of bloggers, events, and conferences have given entrepreneurs

access to an endless supply of resources and advice. The process of launching a business has been completely disrupted and accelerated.

Today the private sector has a strong bias for lean startups that find creative ways to bring minimally viable products to market. This type of methodology has caused a fundamental shift in the way entrepreneurs start businesses. A business canvas model is replacing the traditional business plan. Product research and development happen concurrently with market feedback. And traction in many cases is prioritized before revenue. Entrepreneurs skilled in executing these methods reduce their risks, costs, and time to launch.

Many veterans with their financial resources, independent spirit, risk tolerance, commitment to serve, and management capabilities will naturally choose entrepreneurship. Studies have shown they are forty-five percent (45%) more likely to start a business, twice as likely to succeed, and favored by consumers seventy percent (70%) of the time. Those coming home, who do choose entrepreneurship, are going to need both direction and resources to be successful. Unfortunately a national veteran program for entrepreneurship on par with the Chamber Foundation's initiative for employment does not exist. Even within the private sector we've noticed a shortfall in programs focused on veterans transitioning into entrepreneurship, and resources on startups available to veterans. As a result, our team has decided to initiate a veteran focused program in South Florida and we encourage other communities and established programs to do the same.

Veterans are best positioned to solve problems, whether as valuable team members in America's small businesses, or leading new ventures. This absolute commitment to service is what we love about America's military, and happens to be the most powerful ingredient to a successful transition. With or without direction they will find problems to be solved. We are already beginning to see the formation of non-profits, enterprises, and initiatives all across the country helmed by veteran leaders. The communities and businesses that effectively orient our veterans will benefit dramatically from their efforts. They only need to direct them toward problems at home and provide them with the limited resources and equipment to overcome them.

Conclusion

Paving the way for America's future begins with the next greatest generation. The U.S. Chamber of Commerce Foundation and the private sector are both poised to play pivotal roles in the country's ability to capitalize on the surge of talented veterans coming home. Programs like Hiring Our Heroes, which can orchestrate action at the local, state, and national level, are vital to veterans finding employment

where they can create value for our small businesses. Programs that can prepare and equip veterans for entrepreneurship will equally benefit the future of America's economic competitiveness.

GoZump is one small example of the impact these programs can have and how beneficial they can be in supporting America's current and future small businesses. As a team we've been active participants in both the veteran and startup communities of South Florida. Collectively we have volunteered hundreds of hours in support of regional initiatives to advance both of these causes and will continue to do so on behalf of moving America forward.

Chairman Graves, Ranking Member Velázquez, and members of the Committee, I thank you again for the opportunity to testify and look forward to answering your questions.