

Committee on Small Business
Subcommittee on Health and Technology

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I have had the honor and privilege of serving my country since I was 19 years old. It began with my service in the U.S. Navy and has continued through my work with my small business with agencies within Department of Defense, Department of Homeland Security, Department of Veterans Affairs, and a number of Federal civilian agencies.

Good morning, I am Jeannette King, President & CEO of Strategic Resolution Experts incorporated, or SRE. I am both honored and humbled by the invitation to speak to this esteemed body and have the opportunity to not only represent Women owned businesses, but also Service Disabled Veteran owned, Veteran Owned, 8a Small disadvantaged businesses and HUBZone Certified small businesses, all small business types for which I am certified.

I would like to speak on the challenges and successes I have experienced since founding SRE in 2007. First, I will speak about access to capital. Second, I will speak on small business programs and how they have influenced my business both positively and negatively. Third, I will speak about being a Woman owned small business who also happens to be A Service Disabled Veteran.

1. Access to Capital

I started SRE in 2007, with \$10,000, I was and still am, a single Mother with no access to any other capital. I have no husband or any family with money. I left a job making over \$100,000 per year to live near or below poverty level for nearly 5 years. During this time, I cashed in all of my 401ks, deferred all of my student loans, and prayed I could feed my son Cody and keep our house. During this time my Mom and Stepdad agreed to put a second mortgage on their home to try and help me stay afloat. In 2009 I was ready to go back to work for a company as I could no longer pay my mortgage with one credit card and pay that credit card with another and on and on until I had maxed out several cards and the line of credit which used my disabled, retired parent's home as collateral. I was offered and accepted a full-time job with a company but a few days before I was scheduled to start they asked if I would work as a 1099 consultant

instead. I agreed as long as the contract was with SRE. I made enough money in four months to pay my bills for about six months. During that time, I submitted and received my 8a/small disadvantaged designation and that September landed 2 small prime contracts with the IRS.

Soon after that I received a significant prime contract with Defense Threat Reduction Agency through my contacts and relationships I had been fostering for 5 years. Once I received that contract -ONLY THEN- could I get a line of credit through the business with SBA backing under the Patriot Express Program (which I think is now obsolete). Only when I really didn't need the line of credit could I get it, because even with all of the guaranty programs, small businesses still have to qualify under a bank's underwriting guidelines.

So, a poor, single mother from WV who served in the military can only rely on a miracle to find a way to start and finance a business. I don't know the answer to this challenge, but would be happy to work with this body to work to find solutions.

2. Small Business Programs

I possess every small business designation available (with the exception of Alaskan Native) and here are my thoughts.

Every program is designed to help people like me find the doors to open in Government contracting and they do. I'll start with the challenges first and then provide the positives.

Challenge 1: The Paperwork

The amount of paperwork required to obtain my 8a designation was well over 1,000 pages and was initially denied first because my paperwork was misplaced and a second time because I don't fit into one of the protected classes, despite overwhelming documentation and evidence. Lucky for me, SBA's lawyers overturned the denial because I clearly demonstrated Social and Economic disadvantage.

Challenge 2: My SDVOSB and VOSB

Designations via the Vetbiz/VIP database are equally time and paperwork intensive and while extending verifications for 2 years has helped, it is still about 8-10 hours of time to complete and respond to questions throughout the process. That does not sound like a lot of time to most but as a small business owner, time is money.

Challenge 3: Woman Owned Business

Woman owned and Economically Disadvantaged Woman Owned designations require the same paperwork as 8a. It is somewhat streamlined because I am 8a, but once that expires in 2019 I will spend 20 hours gathering all of the information as required.

Challenge 4: HUBZONE Designation

This has by far been my most challenging experience and along with an enormous amount of paperwork, there are also policies in place at the SBA that don't follow the legislation and made me have to have my employees work more than 40 hours a month (which is the law) in order to get the designation. This costs me approximately \$360 per year per HUBZONE employee. Again, doesn't sound like much until you have 35% of your workforce costing that and it is not legally required. I am happy to talk about this in more detail offline.

4. My Successes

Thanks to these various programs and the support and guidance I receive from my WV SBA office in Clarksburg WV, I have a line of credit, I have grown SRE to a multi-million dollar company and I use the HUBZone program as it was intended - to help disadvantaged individuals in economically depressed areas become trained and qualified to obtain sustainable jobs.

Our HUBZone program employs 2 full-time employees in 2 states and 12 part-time employees in an additional 3 states and Washington DC. Our program focuses on three populations; Veterans, college students, and those people in economically depressed areas with dying industries, such as Southern WV where coal mines have left 10's of thousands of families on the brink of financial ruin. We provide these people a job, 10 hours per week, and work with them to develop a comprehensive training plan that provides both soft skills, technical skills, and in many cases life skills. We test their aptitude, personality, and interests to determine what is best for them and their future. During FY 2016, our HUBZone employees took advantage of 2127 hours of training, successfully completed 622 courses, and earned 97 certifications. Four (4) of our employees are currently in college and two (2) family members are joining Job Corps training as a result of our HUBZone development program. These individuals rely on our program for so much more than a paycheck, and that I am very

proud of. We also employ Veterans who are in transitional housing and provide them training and support throughout their transition.

Being a Woman owned and Service Disabled Veteran owned Small business is an opportunity to use our nurturing hearts and spirits to serve others and improve our communities, our states, our country, and the world in which we live. I do this by providing jobs across 12 states, providing training and educational opportunities to people who may not otherwise have them, by providing volunteer services across the globe in the form of over 1,000 hours of paid time for my employees and nearly 1/2 million dollars in charity. I believe I have an opportunity and an obligation to use SRE to make the world a better place.

In closing, I am thankful for all of the work our legislators and our Small Business Administration advocates have done on my behalf and others like me. Last week SRE won a \$9 million dollar prime contract award with one of our core agencies and a \$25 Billion dollar multiple award Indefinite Delivery Indefinite Quantity (IDIQ) with another core agency. Now my work really begins. Thank you for your service to our nation and your time today and God Bless America.