

Written Testimony of

Rebecca Askew

CEO and General Counsel

Circuit Media LLC

Before the House Committee on Small Business

“The Role of the SBA’s 8(a) Program in Enhancing Economic
Opportunities”

September 18, 2019

Chair Velazquez, Ranking Member Chabot and Members of the Committee, I would like to thank you for the opportunity to testify before you today. My name is Rebecca Askew and I am CEO and General Counsel of Circuit Media, which provides competitive intelligence to business and legal professionals through print and online media. I am also on the Leadership Advisory Council for Women Impacting Public Policy (WIPP). WIPP is a national nonpartisan policy organization advocating on behalf of women entrepreneurs—strengthening their impact on our nation’s public policy, creating economic opportunities and forging alliances with other business organizations.

I started Circuit media 13 years ago in my basement, and now my company has grown to 60 employees with offices in Denver and Washington, D.C. I am testifying today about a program that has contributed to my success – the Small Business Administration’s 8(a) Business Development program.

The 8(a) program has given my company access to contracts with the federal government that I would not have otherwise had. For example, Circuit Media was chosen to assist The Department of Labor (DOL), Job Corps National Office with the redesign of all 125 Job Corps Centers throughout the United States. The DOL Office of Job Corps (OJC) wanted to refocus this prestigious program to make it more relevant for the future and the youth it serves. Our team implemented change management through the use of customer-centered design, utilizing tools and techniques to understand the students’ and other stakeholders’ needs, wants, and limitations to identify changes that needed to occur to make the program relevant to today’s youth.

I want to make something clear – this program is a hand up, not a handout. As the SBA states, the mission of the program is to help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities.¹ Now in my 7th year of the program, I have been strategic in ensuring that I balance opportunities both in and out of the program. This includes leveraging my WOSB, WBE, and DBE status; competing on local, state, and regional contracting opportunities; and responding to Multi-Award Schedules or MAS through the General Services Administration (GSA). Circuit Media also has a thriving commercial portfolio and we continue to strive to make our commercial work a significant portion of our revenues. I have had immense success in the 8(a) program because I have been cognizant of how to balance 8(a) and non-8(a) work to create a sustainable company – diversifying early was key for Circuit Media.

While the 8(a) program has allowed me to find a successful path forward, I know many companies have not had the same experience. For example, one of the downfalls for any company is relying on 8(a) awards as the majority of their business. So, when it is time to graduate, companies do not have exit strategies to transition out of the program.

One of the ways the Small Business Administration (SBA) is trying to tackle this issue is through the 7(j) management and technical assistance program. According to the SBA, the 7(j) program provides assistance in a wide range of business activities, including marketing, accounting, opportunity development and capture, contract management, compliance and

¹ 8(a) Business Development Program, SBA.GOV, <https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program> (last visited September 13, 2019)

financial analysis.² When I attended a 7(j) training, I found it was geared more towards businesses at the beginning of their lifecycle, instead of those nearing graduation of the 8(a) program. Although this type of training is valuable, it would be beneficial for the SBA to consider having two tracks – one for businesses who are in the beginning phases of the program and one that is more advanced. Utilizing this existing resource could be a way to tackle the issue of businesses struggling to succeed after graduation.

Since the 8(a) program has a time limit of 9 years, one solution is to make sure that other socioeconomic set-aside programs at SBA can be utilized after graduation. Proposals such as H.R. 190, which passed out of this Committee earlier this year, would allow other socioeconomic programs – WOSB, SDVOSB and HUBZone – to take advantage of the sole source requirements currently afforded to individually-owned 8(a) companies. Currently, many of the rules and regulations around these set-aside programs create barriers for the acquisition workforce, who often say they are too complicated or are unaware of how to use them. By making these programs more accessible for federal agencies to use like the 8(a) program, many more small businesses will benefit.

Another challenge for 8(a) businesses is taking full advantage of the program during the first few years. The world of government contracting requires a company to have significant business development and financial acumen. Young companies may not have the internal infrastructure to compete for and perform on government contracts. As the 8(a) program is only nine years in length, I have known companies that felt they wasted valuable time in the

² *Id.*

program just learning how to navigate through the process. There is a sweet spot in the program, where a company is sophisticated enough to take advantage and benefit from the program before they graduate. Additionally, given the length of time it takes for an agency to become familiar with a contractor, changing the criteria for acceptance into the program could help attract companies that can fully utilize the program at the time of entry.

I have greatly appreciated the opportunities afforded to me through my participation in the 8(a) program and have made a concerted effort to extend these rewards to my employees and my community. As a certified green company, Circuit Media has developed and funded campaigns educating businesses and schools across the country on the benefits of recycling and reduction in paper towel usage. In addition, we donate time, money and services to the Trust for Public Lands, Leave No Trace and Denver's Highline Canal Conservancy. We have established an internship program for at-risk youth who attend Denver Public Schools and offer our employees tuition reimbursement and paid time off to volunteer in the community. These are a few examples that demonstrate the extension of 8(a) program benefits beyond the business itself.

In conclusion, the 8(a) program has been beneficial to my growth. As this Committee examines the program, I would urge you to consider changing the criteria for entry into the program to ensure companies can take full advantage of their 8(a) status. Additionally, as stated in my testimony, changes to enhance training offered by the SBA would assist companies as they near graduation. Thank you for inviting me to testify at this important hearing and I look forward to answering any questions.