

Testimony of Trena Payton, President

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Good afternoon. Chair Cantwell, Ranking Member Risch, and Members of the Committee, thank you for inviting me to testify today. My name is Trena Payton, and I am President of ABN Technologies, located in Lacey, WA. I am also a member of Women Impacting Public Policy (WIPP), Women Presidents Organization (WPO) and the Washington Women Veterans Advisory Committee (WWVAC).

ABN Technologies is a Veteran-, Women-, and Minority-owned company that I founded in 2003. We provide clients with IT solutions in four core areas: Project Management, Operational Support, Hardware and Software procurement, and Professional Services.

As the Committee considers veteran entrepreneurship programs and how to enhance opportunities for our nation's veterans, I want to discuss my experience with some of the U.S. Small Business Administration (SBA) programs available to entrepreneurs, including the V-WISE Program (Veteran Women Igniting the Spirit of Entrepreneurship) and the SBA Express Loan Program.

Like many young people, I joined the Army to serve my country. The time I spent in the military opened up a new world to a young 19 year-old from the Projects of Los Angeles. My experiences widened the possibilities of what life could hold beyond anything imaginable for me at the time. Once my enlistment was completed, I set my sites on obtaining a Bachelor of Science degree and ever increasing career goals in public and private organizations like U.S. Army, Nordstrom and Washington Mutual. While serving in the private sector, I came to crossroads that led me to consider opening my own business. Like most people, I had no idea where to start or where to turn to get information. Luckily for me, a few blocks from my WAMU office in downtown Seattle was the local SBA office. I began daily visits to the office during lunch breaks because each time I went more questions were answered and I generated more and more questions. The SBA is a great resource for information. Well, I took the leap, and in the span of six months, I started my business out of my second bedroom, quit my job and was living on my savings.

Today, ABN employs 12 employees and last year, 2013, we had revenues of \$8.1 million. But I would not be where I am today without the skills I learned in V-WISE and the SBA's Express Loan Program.

When I started my business in 2003, I made good and bad decisions like most start-up businesses. However, most of the bad decisions I made were due to in part to the piecemeal information that entrepreneurs get, coupled with that soldier's enthusiasm to "get things done." I didn't know what I didn't know. It took over a year to land my first contract. From there, I had enough success to sustain myself and grow the business, but without consistent, repeatable results. Frustrated with my progress, in 2011, I saw an announcement for the V-WISE conference that was targeted for veteran women.

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It promised an intensive immersion into entrepreneurship and a chance to be part of an on-going educational experience and networking opportunities with key industry experts.

I cleared my calendar, bought a ticket and went to the conference, which turned out to be just the thing I needed. I came back from the conference with clarity on how a business plan is not just a document to get you funding, but a road map to future success. The marketing information I received from the federal contracting sessions helped me understand the perspective of the contracting officer and how to market to their requirements. The matchmaking sessions with industry experts gave me a chance to discuss and specify challenges I had and solutions to implement.

The V-WISE program was unique for me because it leveraged the training I received as a soldier to communicate the necessary steps I needed to be successful as an entrepreneur. We shared common experiences on how teamwork lessons learned in basic training and field exercises correlate to the staff meetings and project reviews of the business world. These were things that I thought I knew since my service was long ago and I had had a successful career since that time. But, participating gave me a chance to reconnect to those core principles and refresh my experiences and inspire my challenges with new options and ideas.

The session on government contracting gave me a new perspective on the procurement process and gave me answers to lingering questions. While responding to government solicitations can be overwhelming for the most seasoned company, for those that do not have a dedicated staff, the task can be debilitating. The training I received at V-WISE was what I needed at the time. I was no longer a start-up but not yet a mature business – I was in the middle.

Because only women were in attendance at V-WISE, I felt an atmosphere that was largely one of openness, connecting, partnering, and sharing instead of competition, suspicion, and one-upmanship. Additionally, being at a conference with likeminded women with a shared experience was truly inspiring to me and left me with a kinship that lasts to this day. We were all former soldiers and we wanted to help each other. If there is anything I would add to the program today, it would be have more women share the V-WISE experience and to establish alumni chapters so that the sharing can continue.

Recently, I attended the local V-WISE event in Seattle, WA as a panel member to share my story with other attendees. I also moderate an online website for attendees of the original conference to stay in touch, share information, knowledge and successes.

A critical piece of growing my business was the line of credit I obtained through the SBA's Express Loan Program. As this Committee knows, bidding on a project and then attempting to secure financing is a painstaking process. The line of credit that we have through the Express Loan Program means that we can bid on opportunities, knowing that we have the backing when we win. A development that I was not able to take advantage of but wholeheartedly support is the SBA's decision to temporarily waive fees on Express Loans for veterans up to \$350,000. The Veterans Entrepreneurship Act (S. 2143), Senator Shaheen's legislation to make this fee waiver permanent, is an excellent idea. One that many veterans like me will embrace.

In addition, the Veteran Entrepreneurship and Training (VET) Opportunities Act of 2014 (S. 2396), Senator Pryor's legislation to make permanent several veteran entrepreneurship programs, such as V-WISE and Boots to Business, and to double the number of Veteran Business Outreach Centers (VBOCs) from 15 to 30 over the next five years, would be very helpful to veteran entrepreneurs. I

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personally know that many veterans consider starting and owning a business at some point in their career transition and having resources there to make the connection for them would be a critical component to their decision-making process. My service on the Washington Women Veterans Advisory Committee (WWVAC) has led me to believe that entrepreneurship could also be a viable option for women veterans with a record of incarceration in their history. Something we are exploring as committee.

As my story reflects, federal programs for veterans have been critical to my company's success. Small business programs, especially contracting programs, have leveled the playing field allowing veteran entrepreneurs to thrive. As the head of a women-owned business, I can tell you that access to the federal marketplace is a huge issue. That is why I have been strong supporter of the Women-Owned Small Business (WOSB) Federal Contract Program and the improvements – such as the removal of award caps, which this Committee supported – to make it function effectively. The Senate will have the opportunity to improve it further by adding sole-source authority to the program. This change would help millions of women break through barriers of accessing federal contracts if enacted. The House version of the FY2015 National Defense Authorization Act (NDAA) contains this change.

I would be remiss if I did not take this opportunity to mention a few elements of the procurement process that would make a huge impact to leveling of the playing field for businesses like mine.

- 1) Change in procurement language that would require prime contractor to set-aside a percentage of the total contract dollars to small business instead of the current rule that only requires that a percentage of the subcontracted value be set-aside for small businesses.
- 2) Address the cost of proposing on government contracts set-aside for small businesses. The massive amount of proposal volumes and effort required causes a huge and unnecessary burden on small businesses.
- 3) Commoditizing of support services contracts. The government currently uses the same techniques on support services contracts that were meant for materials. This hurts small businesses only because most large businesses do not bid on work that is procured this way.

I implore the Committee to continue funding V-WISE and the other SBA veteran entrepreneurship programs for all those people like me that are just starting, in a growth plateau, or are being challenged by business issues. I have met and mentored others that found me through the program and am partnering with some of them to work together on new opportunities. In that way, V-WISE is still paying off for me. I know that those who make the time to attend and stay with it will benefit in the same ways I did.

Thank you, and I look forward to answering any questions you may have.