

Mr. Dustin Rhoades
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Chair Shaheen, Ranking Member Ernst, and Members of the Committee: Good afternoon and thank you for the opportunity to testify today about the challenges and opportunities facing veteran owned small businesses.

With profound gratitude, I stand before you as the CEO of Ability Tech, a company committed to revolutionizing accessibility through innovative technological solutions. Our journey is deeply personal and began with my son, who was born missing 97% of his brain. In 2019, I created a piece of adaptable technology to enable him to play baseball. That inspired us to found Ability Tech and create adaptable technology for individuals from all walks of life. This, coupled with a sincere aspiration to impact the lives of individuals with disabilities, is what got us here today.

Our mission at Ability Tech is both simple and profound: to serve each unique individual, to support the disabled community, and, importantly, to alleviate the financial burdens faced by families dealing with disabilities. We understand the fixed-income limits that many of these families confront. We believe that families and caregivers shouldn't have to choose between medical treatments, bills, therapies, or the quality-of-life inventions that could transform their world. At Ability Tech, we do our best to build affordable adaptive tech and work with families on a budget to ensure they can get the technology they need.

Additionally, we established the Ability Tech Foundation. This nonprofit organization allows compassionate individuals and organizations to sponsor families, lightening the load of financial strain and providing life-changing solutions. Our Blessing Bag project was born out of the simple belief that parents and caregivers, often stranded in hospital rooms far from home, should have one less worry on their minds.

Pursuing entrepreneurship as a veteran has unique challenges. The transition from military service to the unpredictable nature of the business world was a constant challenge during the early days of our venture. Access to capital emerged as a formidable hurdle, compounded by our rural location and the niche nature of the adaptive technology industry. Convincing traditional lenders of the societal impact of our business model became a mission in itself, given the smaller percentage of the population composing our demographic.

Our journey has been enriched by local resources such as the Chamber of Commerce, the Small Business Development Center (SBDC), and the Iowa State University Pappajohn Center for Entrepreneurship. These entities have played a pivotal role in our growth, providing essential guidance, networking opportunities, and resources. Yet, challenges persist, particularly in accessing capital and navigating the intricate landscape of government contracting.

Government contracting emerged as a pivotal part of our growth strategy. Events like Senator Ernst's Entrepreneur Expo in Iowa and the Iowa State University Pappajohn Center for Entrepreneurship's Iowa Veterans Entrepreneurship Conference opened our eyes to the possibilities within government contracting. However, the bureaucratic landscape, particularly dealing with language and the time commitment involved, demanded a steep learning curve. We

commend the efforts made to ensure taxpayer funds are allocated to American companies, but the process requires further simplification and support, especially for small businesses.

The current economic inflation has impacted our business. Rising costs across the board have led us to adapt our strategies to navigate these economic challenges. Our operational costs, encompassing everything from raw materials to utilities, have increased. This directly impacts our bottom line, prompting a review of our budgeting and expenditure strategies. We've had to explore cost-effective alternatives without compromising the quality of our products and services. For example, the costs of raw materials such as aluminum have seen a significant increase of 50%, impacting our product pricing and profit margins.

While we acknowledge the role of the SBA in supporting small businesses, our awareness of its programs, especially those dedicated to veterans, has been limited. The need for streamlined communication and enhanced outreach cannot be overstated. Clear and efficient communication channels, specifically targeted at veteran entrepreneurs, are crucial to ensuring that the resources and programs available are effectively disseminated. Tailored training programs, flexible funding options, and increased networking opportunities would contribute significantly to the success of veteran-owned businesses.

Our engagement with the Small Business Development Center (SBDC) has been positive, facilitated by a strong relationship with our local SBDC Director. However, we emphasize the need for more local tailored resources for veteran-owned businesses. Initiatives like the Pappajohn Center's Veteran Entrepreneurship Conference have started addressing this gap on a state level but require further support and expansion.

Our journey has been enriched by the guidance and mentorship of other small business owners who have walked similar paths. Entities like the Siouxland Chamber of Commerce have played a pivotal role in holding networking events and local business forums, fostering connections within the business community. Senator Ernst's Entrepreneurship Expo and the Pappajohn Center's Veteran Entrepreneurship Conference provided invaluable opportunities for engagement, sharing experiences, and receiving advice. However, the ongoing challenge lies in finding seasoned mentors who are more experienced or established business leaders who understand the need for support.

Looking ahead, our biggest priority is access to funding. As an early-stage small business operating out of our garage, the demand for our products has outpaced our capacity. Our current pace has put our current orders over one year out, and our requests for inventions have stretched our timeline to 30 years. Our unique business structure demands innovative solutions, and federal programs that back veteran-owned businesses to a certain percentage could significantly aid our initial growth, particularly in securing funding to bring manufacturing to Iowa.

In conclusion, I urge the Senate Committee on Small Business and Entrepreneurship to explore opportunities for better supporting veteran entrepreneurs and small business owners. Strengthening small businesses, particularly those led by veterans, requires a multifaceted approach. Streamlined communication, tailored training programs, flexible funding options, increased networking opportunities, and mentorship initiatives are pivotal in fostering a

supportive ecosystem. As we collectively work towards these goals, we pave the way for a more vibrant and resilient entrepreneurial landscape.

Thank you for your time and your consideration. I look forward to working with you to support veteran entrepreneurs and small business owners.