

Testimony of
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U.S. Senate
Committee on Small Business and Entrepreneurship

*Pathways to Women's Entrepreneurship: Understanding
Opportunities and Barriers*

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Good morning, and thank you to Chair Cardin, Ranking Member Ernst, and the Members of the Committee on Small Business and Entrepreneurship for the opportunity to share my experience as a female business owner and government contractor in Maryland. My name is Adrienne Somerville. It is my honor to highlight the incredible benefit of how technical assistance helped me in my pursuit of business ownership.

Introduction and Overview

I am the Founder and CEO of two small businesses, Adrienne Somerville Consulting Group LLC, and Talent & Technical Solutions Corporation (TTSC). The Adrienne Somerville Consulting Group LLC collaborates with diverse leaders to ensure their success by providing them with ethical, transparent, repeatable, and affordable talent management solutions to improve accountability and ownership at all levels to build strong performance because building strong performance builds profit. In addition, the Talent & Technical Solutions Corporation (TTSC) is focused on building IT solutions that result in data analytics to help build companies' talent portfolios.

Through both of my businesses, I work with companies to get smart on talent management. My team and I are experienced in helping businesses understand their needs, identify which resources are needed to optimize efficiency across their organizations and create a strategy to implement these efficiencies. Interestingly, the most difficult client I have faced are those of my two businesses. These challenges, I later learned, are similar to those that women across the nation experience, including but not limited to accessing sources of funding, navigating available information and tools available for business owners, and identifying effective mentorships.

Despite these obstacles, I utilized public and private support to build my companies - thanks to my collaboration with various SBA resource partners. Navigating the unique landscape that is entrepreneurship has taught me not only how to be effective in my craft, but the benefit of being business savvy as well. Many women entrepreneurs, especially those starting out, continue to face the same obstacles, and I think it is necessary to address these issues head-on to bolster the economic opportunity of women in business.

Utilization of Resource Partners in Business Growth

In my experience growing and scaling my two businesses, I have had the opportunity to work with three different Small Business Administration (SBA) resource partners in various capacities. I was able to benefit from SBDC-, WBC-, and SCORE support, all of which helped me as a business owner in different ways. I have seen firsthand the unique value and impact that each resource partner has had in supporting business at various capacities and stages of development.

SCORE Support

SCORE supported me in my pre-business establishment. The organization provided me with robust access to the training materials early on in the process. I was able to leverage tutorials, manuals, books, algorithms, and structural outlines, which helped me lay the groundwork for the creation of my business. I also benefitted from the guidance and financial pitches available through pitch competitions, where I was connected to funding avenues that many business owners starting out are not aware of.

SBDC Support

Once established as a business, I was connected with and benefitted from the local SBDC network in Maryland as well, which helped me in the application of tools, identification of resources, and establishment of local mentorship. Through this resource, I was able to identify local opportunities in the community to support more targeted areas to have a greater impact.

WBC Support

As my business infrastructure was built out, the Balt Metro WBC and Women's Business Center of Virginia were able to guide me through the process with a designated program targeted for my business. This resource was critical in providing assistance to support the needs I had as a woman in business.

Specifically, I utilized the UPSCALE initiative, Utilizing Procurement Systems for Certifications/ Contract Awards to Accelerate and Leverage Economic Empowerment for Women Entrepreneurs. The program provides focused support designed to meet the needs of women business owners through training, 1:1 mentorship, panel discussions, conferences and special events, and support programs.

I attended training on certifications, digital, IT / Communications, conferences, and more, which allowed me to work on my access plan. Beyond 1:1 mentorship, they also frequently host specific networking events, and hold sessions to teach you about business needs, like capital management and forecasting.

Through this program, I was able to apply for a WOSB certification in the state of Virginia, which opens up doors for many other small business recognitions in the state and increases my company's visibility and network. As a microbusiness without a development team, the WBC helped provide a one-stop shop when approaching this certification process, which opens up doors for many other small business recognitions in the state and increases my company's visibility and network.

Challenges and Opportunities in Support of Women-Owned Small Businesses

Finding Funding

By far, the biggest barrier to entry in building my businesses was accessing sources of funding. This obstacle continues to be true for women business owners across the nation. I was faced with difficulty identifying capital opportunities to support the purchasing of business development tools and resources, which were expensive and needed to enable my business to scale. Ultimately, it was my work with resource partners that helped me identify these avenues for private and philanthropic capital which took my business to the next level.

This is a trend that transcends my personal experience. A Harvard Business Review study from 2021 showed a substantial drop in venture capital funding for women-led startups in 2020 (2.3%) compared to the prior year (2.8%) - separate from the overall decrease in VC funding.¹

When pursuing loans that are often needed to start a business, women traditionally have less established relationships with traditional banking institutions and are unable to obtain working capital and loans without assistance. We saw this play out over the pandemic with the inequitable rollout of PPP funds, and are continuing to see it take place today.

As a solution, I ask the Committee for the following solutions to create capital challenges for women business owners:

- *Reform SBA lending programs to ensure utility for women entrepreneurs.*
- *Increase funding, and designate funding for WOSBs, to the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.*
- *Incentivize early-stage investment in women-owned companies through additional federal programs.*
- *Measure equitable deployment for the Department of Treasury's State Small Business Credit Initiative (SSBCI) funding allocations.*

Support for SBA's Resource Partners

Finally, I have also faced the difficulty that many small business owners face navigating the multitude of resources available for entrepreneurs and the confusion associated with which tools to focus on for useful information that is relevant to the business. I can best compare this scenario to drinking from the firehose. You need a strategy to be effective in your efforts. As I mentioned earlier, SBA resource partners provided me with the tools and strategy during my entrepreneurial journey to set me up for success.

In my experience, resources provided by the SBA were more academic in nature and helpful in providing examples for documents, especially during the structuring of the business and the more nascent stages of its development. It is the resource partners that each uniquely supported my needs throughout my entrepreneurial journey.

¹ "Women-Led Startups Received Just 2.3% of VC Funding in 2020." *Harvard Business Review*, 25 February 2021, <https://hbr.org/2021/02/women-led-startups-received-just-2-3-of-vc-funding-in-2020>. Accessed 22 July 2023.

When considering the role of resource partners in supporting business owners, I ask that the Committee consider:

- *Reauthorize the WBC program, along with other resource partners, in the statute.* Modernization of this program would enable the soon-to-be 160 WBCs across the nation in their support of women's business owners. Chair Cardin recently S.2184, the *Women's Business Centers Improvement Act of 2023*, calling for the reauthorization of the WBC program and bipartisan support of reauthorization is critical.²
- *Increase appropriations FY24 funding for the WBC program to \$30 million.* Increased funding will enable WBCs to expand their reach and provide more extensive services to a larger number of women-owned, and all small businesses.
- *Expand reach to economically disadvantaged regions.* Develop policies and incentives to encourage SBA resource partners to establish centers in rural areas and economically disadvantaged regions. This will help ensure that entrepreneurs in these areas have access to vital resources and support when they continue to struggle with broadband and similar location-based challenges.
- *Encourage resource partner collaboration with other Agencies and Organizations.* Establish policies that encourage collaboration between SBA resource partners and other federal agencies, local governments, nonprofit organizations, and academic institutions. This collaboration can foster a more comprehensive and coordinated approach to supporting small businesses.
- *Focus on technology adoption.* Support policies that enable SBA resource partners to assist small businesses in adopting technology solutions that can improve their operations, productivity, and competitiveness.
- *Streamline Reporting and Administrative Requirements.* Simplify reporting and administrative requirements for SBA resource partners to reduce administrative burdens and allow them to focus more on delivering services to small businesses.
- *Designate marketing-specific funding for resource partner services.* To increase the visibility and understanding of the role of SBA resource partners, designated funding for marketing of services can help entrepreneurs best utilize those available in their area.

Navigating the unique landscape that is entrepreneurship has taught me not only how to be effective in my craft, but the benefit of being business savvy as well. Many women entrepreneurs, especially those starting out, continue to face the same obstacles, and I think it is necessary to address these issues head-on to bolster the economic opportunity of women in business.

²13 June 2023, <https://www.congress.gov/bill/118th-congress/senate-bill/2184/text>. Accessed 23 July 2023.

Thank you for your time and interest today in hearing my experience as a women entrepreneur, I am honored to address the Committee and look forward to answering any questions.