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“Coronavirus and America’s Small Business Supply Chain”

Good morning. My name is Wynne Briscoe. I am Acting Director of the Southern Region of the Maryland Small Business Development Center. In that capacity, I often consult with owners of small manufacturing companies and based on those experiences, I wish to offer a recommendation to your Committee.

I see the coronavirus epidemic and the supply chain disruptions it has caused for some companies, as offering a great opportunity to address a long-term question: “What opportunities does the current coronavirus crisis offer US small businesses to fill newly emerging supply chain vulnerabilities within other companies, both large and small; and how can these supply chain opportunities for America’s small businesses remain long after the current health crisis has come and gone?”

In other words, I believe that the current crisis offers an opportunity to think and act about supply chain disruption and small business in a way that will last beyond the current health crisis.

When I consult with owners of Maryland manufacturing companies, I insist that they find at least three alternative sources for each key component of the products they produce. For example, if I were advising the owner of a soft drink company, I would insist that they find several alternative suppliers for the artificial sweetener that they need to make their product. That way, my client would be shielded in advance from bottom line vulnerabilities should their principal artificial sweetener supplier suddenly become unavailable.

And because I believe that small business owners should always have a list of alternative suppliers, I believe the current health crisis has created a good opportunity for the SBA to help make that happen.

That’s why I recommend directing the Small Business Administration to produce a nationwide list of companies self-identifying as having supply chain concerns. These could include companies that experienced actual supply chain disruptions resulting from the current coronavirus epidemic, as well as companies where the small business owner simply perceives supply chain vulnerabilities in the future. In other words, it’s a self-identified list that small business owners would opt to be included in. The SBA would produce the list by contacting all the companies it now works with, or has worked with over the past decade or so, through SBDCs and other SBA related organizations. And it would be compiled by having the SBA, as it reaches out to each company, ask each to list any prospective supply chain products or services for which it would like to have additional suppliers.

For example, the SBA outreach canvassing of a larger, Miami-based multi-national corporation hurt by the coronavirus outbreak might uncover the fact that they need to seek new sources and is looking to support its list of American small companies that would be able to step in to supply certain paper products currently manufactured in China for which there is now a shortage. The canvassing of smaller companies might identify a Maryland-based company looking to add to its list of suppliers of the key ingredients it needs to create the specialty desserts it sells locally.

And the SBA doesn't have to do this alone. It could work in tandem with other federal agencies, like Commerce's Minority Business Development Administration, to identify even more small companies having concerns about their supply chains.

Then, the SBA would aggregate its findings into a master list – one consistently revised over time – of the companies, large and small, whose actual or perceived supply chain opportunities have been identified. That master list of companies and their self-identified supply chain opportunities could detail the supply chain opportunities through a combination of NAICS Codes and/or narrative descriptions, such as “paper products” or “artificial sweeteners.” And the list of companies and their supply chain opportunities would be sent on a regular basis, possibly quarterly, to all the organizations which the SBA routinely communicates with, including all SBDCs.

The SBDCs, and others, in turn, would share that list with their own current and former small business clients so that they, subsequently, could directly connect with the identified companies in their state or elsewhere whose supply chains they potentially could support.

This process or something close to it – using the SBA both to identify companies looking to bolster their roster of supply chain suppliers and to share that roster with other smaller companies with whom the SBA and its various programs maintain ongoing relationships – is essential if our nation is to learn from the current crisis and use it to strengthen our nation's economic supply chains well into the future, long after the current coronavirus outbreak has come and gone.

Developing alternative suppliers of key products and services, well in advance of the inevitable next crisis that may arise is how we like to do things in the Maryland Small Business Development Center. It's how I suggest the nation should proceed as well if we look at this current health crisis as an opportunity instead to permanently strengthen America's economic supply chains in ways that benefit America's smaller companies.

I thank you for recognizing the insights America's SBDC consultants can bring in solving this national problem by inviting me to this panel, and I thank you for listening to my suggestion involving creation of a voluntary, opt-in nationwide listing of small business supply chain opportunities.