

U.S. SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP HEARING
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TESTIMONY
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Introduction

Chairwoman Cantwell, Ranking Member Risch, members of the committee, thank you for inviting me to testify. As a graduate of the STEP program in 2013, we have positively benefited from the program in successfully entering the export market and growing our business internationally.

I am Bob Campbell, founder and president of Alliance Solutions Group (ASG), a service-disabled, veteran-owned small business out of Newport News, VA with 10 satellite offices around the US, including your home state of Washington. In February 2014, we successfully launched an office in Dubai, United Arab Emirates to serve the Gulf Cooperation Council countries.

Our vision is “Communities prepared with innovative solutions and backed with lasting relationships.” We accomplish this vision by providing emergency preparedness, environmental, health and safety services. Since 2005, we have served in over 100 communities worldwide and envision the growth of these vital services among international clients. We currently provide environmental, health and safety audits and consulting for the United States Air Force worldwide. We have trained military and public sector responders on Chemical, Biological, Radiological, Nuclear and hazardous materials response through approximately 2,000 training and exercise events.

Why Export?

As defense and federal spending have declined and our vision to prepare communities and improve worker health and safety has increased, we have sought access to markets with expressed and unmet needs, economic capacity and adequate infrastructure to support sustained growth of our business. Exporting enables us to share our expertise, experience and values in a way that provides a value-added benefit in other nations. Our services promote development, security and prosperity while increasing US-based revenue that we can re-invest in our employees and development of innovative products and services.

Obstacles to Exporting

In 2010, I made my first attempt at exporting by attending the Special Operations Forces Exhibition in Amman, Jordan. I walked away with 10 new contacts, three that expressed interest and only one that kept contact and requested a proposal. My lack of understanding of the market, regulatory environment, local presence, persistence, and funding limited our ability to capitalize fully and enter the market. In 2011, I began targeting a specific opportunity in Abu

Dhabi by requesting a meeting and providing a presentation. My lack of presence limited our access and ability to convert this opportunity to a sale.

In 2012, we established a strategic plan for entry into the market and began to identify the obstacles to entry. The most significant obstacles to market entry for our business have been: (1) lack of local presence; (2) navigating the regulatory environment (both US and foreign) in regards to export compliance, tax-related, financial, and security issues; and (3) limited financial capacity to invest in exhibitions, marketing, travel and legal consulting.

Now that we have entered the market, new obstacles are emerging:

(1) Price disadvantage due to both competitors with high-knowledge, low-labor cost human resources, and tax treatment disparity between US-owned and foreign entities when operating internationally; and (2) The challenge of assessing potential partners with due diligence and engaging in contracts in a way that adequately protects our interests. The complexity and multitude of risks involved are daunting for a small business and require extensive legal counsel in tax, security, contract law, export compliance, labor law, among other areas.

Benefits from STEP

Fortunately, we have had help along the way from the Virginia Small Business Development Center and Virginia Economic Development Partnership in the form of training, resource networking and grant funding. Through the Virginia Small Business Development Center at George Mason University, we received export acceleration assistance in the Passport to Global Markets program in 2012 and then promptly enrolled in the STEP program which assisted us with approximately \$20,000 for a trade mission to the UAE, market-specific conference and exhibition participation, development of our export compliance program, training, and completion of our first technical assistance agreement. Through STEP we have been introduced to other businesses going global, consultants, law firms and the US Commercial Services in our Consulates. During the year-long program, we utilized the program to the fullest and launched our office in Dubai, in February 2014, just a couple months after completing the program.

In addition to the STEP program, we have also benefited from the Going Global Defense Initiative for defense contractors. Matching federal and state funds from this program enabled our business to become certified in Quality, Environmental and Occupational, Health and Safety Management Systems, a significant competitive advantage for a small business, as these three international certifications garner significant credibility in the global environment.

As a graduate of the STEP program, we were selected in January 2014 to enter the Virginia Leaders in Export Trade program. This will allow us to continue to reap the benefits of the STEP program with a focus on sustaining and growing our exports by leveraging partner resources and additional grant funds.

In April 2014, we were awarded our first international contract in Kuwait as a result of attending the 2010 conference Jordan and travel assistance through STEP. This contract will

provide the financing necessary to break even on our investment within the first year of operations. As a result of another trade mission to Saudi Arabia, Qatar and UAE in May 2014, we are now poised to continue our growth throughout the region.

Reauthorization and Way Forward

Reauthorization of the STEP program will help enable more US businesses to establish their products and services abroad, creating more jobs, generating more revenue and investment, promoting economic development abroad as well as goodwill. Thank you again for inviting me to testify and for your commitment to helping small businesses with international trade and export.