STATEMENT OF
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June 21, 2006

NOMINEE FOR
ADMINISTRATOR OF THE U.S. SMALL BUSINESS ADMINISTRATION

BEFORE THE
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

I would like to thank Chair Snowe, Ranking Member Kerry and the members of the Senate Committee on Small Business and Entrepreneurship for meeting with me today. I would also like to thank all of you who met with me or whose staff met with me. Those meetings were very beneficial to me in understanding your perspectives on how to increase the impact that the SBA has on the constituencies that it serves. I would also like to thank President Bush for nominating me to this position and the many legislators, trade organizations and individuals who have been kind enough to endorse my nomination. Finally, I would like to thank Senator Durbin for his kind introduction and his support.

Many of you have asked why I would like to be a candidate for this position. Very simply, I believe in the value of public service and would like the opportunity to serve in a capacity that is relevant, that I am passionate about, and that draws on the competencies I have developed over almost 25 years in financial and operational leadership positions.

It is easy to get excited about serving the small business community. Small businesses help drive our economy, transform communities, create jobs, and enable people to realize their dreams. It is through small business that we see innovation thrive and grow to become the companies like FedEx and Calloway, both recipients of SBA support. Small businesses take risks that others just wouldn't take, because they believe in a vision and because they know that they will match every $1 of equity they put into the business with an equivalent $10 of sweat equity.

Small businesses are transformative and are often the first to venture into neighborhoods needing renewal or rebuilding. In recent discussions with a member of this Committee, I recalled a striking example of this phenomenon in New Orleans when I visited there this past spring and spent several hours touring the devastation. After leaving the Lower Ninth Ward and seeing virtually no activity for miles, we came upon one conspicuous anomaly—a small independent grocery store, freshly painted white, with sparkling windows, and a bright sign out front. Several people were at work scrubbing the sidewalks in front, stocking the shelves and cleaning the floor, apparently in preparation for an imminent reopening. As I looked at the empty houses all around this lonely sight, I couldn't help wonder who would come to shop, would this venture be successful, and how much of the owners' lives were tied up in making the store a success. During that same trip, I was also fortunate to have the opportunity to hear from several small business

owners in New Orleans who are doing everything they can to claw their way back to viability. A number of them are relying on the SBA to help them in the process.

Small businesses play a vital role in our society, and I have been in the middle of small business activity my entire professional life, rolling up my sleeves to advise friends and family members, working with investors and their portfolio companies on strategic and operational issues, helping franchisees become more effective through training, funding and business process support, and working as an investment banker with successful small businesses that have become large enough to tap the public and private capital markets.

As a result, I have seen first hand how small businesses evolve from an idea, to a fledgling operation, to a sustainable enterprise, to a growing force. I understand the type of support they need each step of the way. I have also witnessed what happens when that small business person with an idea and all the energy in the world to pursue it lacks funding, lacks training, and lacks good advice. It is an opportunity lost for all of us.

I have also listened to the stories of small business people who seek more affordable health care, who are confounded by a regulatory environment that disproportionately burdens small business, and who would like to sell goods and services to the federal government, but are daunted by the difficulty and cost in becoming qualified to do so.

I would like to tell you a bit about my leadership background, which I would describe as being heavy in the areas of finance, strategy and operational change management.

I spent the first half of my career in investment banking and treasury management, where I advised companies on strategic issues, worked with them to gain access to capital, designed complex financial risk management strategies, evaluated investments and dealt with credit issues.

Later I held senior leadership positions in a company with approximately 40,000 employees, multiple operating units and thousands of locations. I served as the company's Chief Financial Officer during periods of expansion, restructuring, and significant changes in the regulatory environment. I also led the company's Strategic Services effort which included Six Sigma reengineering activities, enterprise information technology, supply chain management and strategy. One of our primary objectives in this effort was to work closely with our business units to design processes and technologies to improve our service to our customers and to provide tools to our employees, to improve both the quality of their work lives and their ability to serve customers effectively.

If I am confirmed, I will be taking on the leadership of a large organization with thousands of employees, millions of customers and billions of dollars in financial risk. The SBA is like a big business that serves the needs of small businesses. It is an organization that requires sophisticated financial management, operational responsiveness, and a customer service culture among the workforce. None of this

happens by accident. It requires dogged focus to move the ball forward each and every day.

It is my hope that my background in all aspects of leading a major enterprise, and especially in driving process improvement, managing complex financial issues and leading organizational change will enable me and the team at the SBA to continue to build on the work that the SBA has already accomplished to move this organization forward.

In addition, my leadership style promotes respect, openness, honesty, accountability, and collaboration. I also believe that to be effective, a leader needs to paint a compelling vision and be a tenacious champion of that vision, willing to be outspoken and lead on principle. If I am confirmed, I plan to work hard to drive these operating principles into the organization and to be a visible advocate for the interests of small business.

Finally, if I am confirmed, I look forward to having a close and open relationship with the members of this Committee and its staff and to building an enduring relationship between the Agency and those in Congress who have oversight responsibility for the SBA. This relationship, which I believe can be a collaboration, will be vitally important in realizing the opportunities before us.

Thank you once again Chair Snowe, Ranking Member Kerry and other members of the Committee for openness and your insight into the opportunities which lie ahead for the SBA.