

## **U.S. Small Business Administration Dennis Byrne Interview with Joseph Loddo (3-12-10)**

Dennis Byrne: The U.S. government is the world's largest buyer of goods and services. Military and civilian purchases total \$500 billion dollars a year. Federal agencies are required to establish contracting goals, with at least 23 percent of government contracting dollars going to small businesses.

Hello, I'm Dennis Byrne with the U.S. Small Business Administration, *Your Small Business Resource*. With me today is Joe Loddo, SBA's Associate Administrator for the 8(a) Business Development Program. Welcome, Joe.

Joseph Loddo: Thanks, Dennis.

Dennis Byrne: There are some, Joe, in the small business community, who believe that doing business with the government is too complicated. They say it involves too much red tape.

Joseph Loddo: Well, things have changed. The SBA's 8(a) Business Development Program was created to help small, disadvantaged businesses compete in the American economy and access federal procurement markets. It is up to small business owners to aggressively market their firms to those agencies that will buy their products and services.

Dennis Byrne: Joe, I understand that SBA has made it easier to apply for 8(a) certification. How is that?

Joseph Loddo: Well, SBA deployed the Business Development Management System in July of 2008. Significant improvements, including the electronic application, supported by checklists, for certain documents that must be sent in by mail, those include the financial statements or the Board of Directors Minutes, etc. Another improvement includes uploading certification information so the firm only has to update the subsequent annual review information. The annual review process is also electronic instead of the previous paper-intensive process. The agency has a statutory requirement to process a completed application within 90 days. I'm happy to report that the current processing time is 72 days.

Dennis Byrne: Joe, what factors should a company consider before applying to the 8(a) program? It is believed that small business owners must compete against large businesses and multinational corporations.

Joseph Loddo: To qualify for the program, the firm must be at least 51 percent owned and controlled by an individual who meets the SBA's definition of socially and economically disadvantaged. The individual should also be of good character, a U.S. citizen and show a reasonable potential for success. The individual must have an adjusted gross income of less than \$200,000, averaged over the last two years, total assets less than \$3 million at the time of application, and a personal net worth of \$250,000 or less, adjusted to exclude the personal residence and the business assets, is also a requirement.

Dennis Byrne: How long can a company participate in the 8(a) program?

Joseph Loddo: The socially and economically disadvantaged individual and the firm are eligible for only one nine-year period.

Dennis Byrne: Given the state of the economy, has there been any effect on the program's enrollment?

Joseph Loddo: Since the announcement of the American Recovery and Reinvestment Act in February of 2009, applications have doubled from more than 200 applications per month to well over 400 applications per month. Even with this significant increase, the talented staff located at SBA's certification centers in Philadelphia and San Francisco has been able to remain within the statutory requirement of 90 days.

Dennis Byrne: Well, that's good news for small businesses, Joe. Our thanks to Joe Loddo, Associate Administrator for the SBA's 8(a) Business Development Program and thanks for being with us today, Joe. Expanding into government contracting can be a great opportunity for your small business.

You can learn more about the 8(a) program and other SBA programs and services at [www.sba.gov](http://www.sba.gov). Until next time, this is Dennis Byrne with SBA, *Your Small Business Resource*.

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