



# Women Impacting Public Policy 2010 Annual Leadership Conference Washington, DC

Remarks by Cathy Martine, Executive Vice President of Small Business Solutions

## **Introduction**

Thank you, Avis (Jones-DeWeever) and thank you Barbara. On behalf of AT&T, we appreciate being part of the Women Impacting Public Policy Conference, and especially this part of the program that highlights innovations fueled by women-owned business.

Let me also recognize the two leaders of the U.S. Small Business Administration who are with us: Deputy Administrator Marie Johns, and Assistant Administrator for Women's Business Ownership, Ana Harvey. The common theme that unites all of us, whether from government or the private sector, is our belief that small business will be a main driver as the American economy regains momentum and achieves new vitality.

Certainly this is our belief at AT&T. Our company is deeply committed to promoting and supporting small business, including the 8 million women-owned businesses that provide a \$3 trillion pillar for this nation's economy. We were gratified earlier this year that our efforts were recognized by the Women's Business Enterprise National Council, as well as the National Association for Female Executives.

And you can be assured we aren't resting on our laurels! This setting today is the ideal place to announce that AT&T has just launched a small business women's forum, designed to drive innovation and operational excellence by encouraging the sharing of new ideas, different perspectives and proven best practices. It is comprised primarily of women who lead minority-owned businesses and are suppliers to AT&T.

Today I'd like to share our thinking on how technology innovation is providing opportunity for the small businesses. Since my main frame of reference is AT&T's own small business customers, I will borrow from a few of their stories along the way.



## **Innovation through a Technology Lens**

Over time, there has been a subtle yet telling shift in how the term “innovation” is commonly used. If you look up the formal definition, you will read something like “the act of introducing a new thing or method.” The key attribute is newness.

But in today’s business environment, innovation always means more than just an interesting novelty. It means creating value and utility. Innovation is not just new; it must also make a difference.

Not surprisingly, this shift in meaning has paralleled the recent revolution in communication and information technology. Innovation became tangible in the form of personal computers, laptops, netbooks and smart phones. Today the trend continues with devices like the iPad that start as consumer sensations and then migrate to business. And, most important of all, are all the mobile applications that make these devices do pretty much whatever we need them to do.

You and I don’t crave these innovations just because they are new. We crave them because of the value and utility they bring to our lives and our businesses. And nowhere is this felt more strongly than in companies like yours that may be small today, but have big ideas and ambitions.

## **Pressure on Small Business**

These days, of course, everybody is talking about small business as the hope of the future. There is a constant watch in the media, in government, and throughout the investment world for signs that America’s more than 25 million small businesses are reigniting job growth with a surge of new hiring.

When I talk to small business owners, however, I find that many of them are concentrating on smaller-scale heroics. They are fighting through the toughest conditions they have ever experienced. Their goals are to keep the bottom line positive and protect the current workforce. They come to us for tools to get the same work done with less resource. They want to grow, sure – but first they want to survive!

Yet, the same tools that help with near-term cost management also set the stage for growth. For example, in Arkansas, a small regional trucking company deployed our Tele-Nav technology to track its fleet in real time, so it could make accurate deliveries to customers spread out over a 200-mile radius. The immediate goal was to get more value out of 16 trucks. But by creating more capacity and a lower expense structure, the company also opened the door for expansion.



This is how the best innovation always works. It solves an immediate problem and maybe prevents a few others from ever developing. And in the process, it sets the stage to get aggressive at the first sign of growth opportunity.

At AT&T, we believe that small businesses will lead the coming economic recovery. To succeed we need the best technology available. Over the past 3 years AT&T has invested a total of \$55 billion in our network and we're investing another \$19 billion this year. Our deployment of new solutions and enhancing broadband capacity reflects this conviction, because small businesses stand to gain the most from breakthroughs such as faster data speeds.

The emergence of smartphones has stimulated growth in dynamic mobile applications. Last year, Americans downloaded more than 800 million apps – many of them created by small businesses. So, innovation is helping to set the stage for small business to once again be the engine of American job growth.

### **What Small Businesses Want**

To understand how this is likely to unfold, let me share what we believe about the expectations of small businesses. That is, what our customers seek to gain when they invest in innovation. These expectations fall into four big buckets.

#### **First – flexibility**

Flexibility is an inherent advantage of smaller enterprises – one of the main ways that startup company can cause headaches for, and sometimes displace, larger and seemingly stronger competitors. They expect their communication solutions to reinforce this competitive edge. When I think of how a communications solution can deliver flexibility, here is what comes to mind:

- Anything that allows small businesses to respond faster.
- Anything that enables them to serve their own customers with greater convenience or serve their needs in new ways
- Anything that cuts through bureaucracy and finds a more direct path to deliver value.

These benefits capture precisely how technology is supporting innovation for one of our home health care customers in Florida. This customer uses mobile videoconferencing – with our devices and wireless network – for virtual visits to patients located hundreds of miles away at their homes, or local clinics or nursing homes. The visiting nurse or doctor can connect with a specialist and review the case in real time. For instance, if the patient is a diabetic with wound issues, a specialist can evaluate high-resolution images and other data that duplicate what the on-site caregiver is seeing in person.



This is flexibility in action ... bringing speed, adding convenience, and providing the most direct path from patient need, to expert response.

Plus, our customer realizes tremendous time and cost savings compared to the old model of on-site evaluation and care. Today's mobility solutions – with smartphones, amazing apps, laptops, netbooks, broadband and Wi-Fi – are allowing small businesses to leverage their natural flexibility and improve the bottom line.

Which leads to the customer's second expectation for technology innovation.

### ***Enhanced efficiency and higher productivity***

Our customers want to know – “how can we do more with less?”

Let me tell me tell you how we answered this question with an architectural firm in Indianapolis. On any given project, the firm has a lot of moving parts that need to be coordinated with employees, clients, and other parties. The architects and designers spend much of their time in the field, which complicates the process.

Right now you may be thinking ‘that sounds like *my* company.’ And indeed, it is a common challenge for a small firm to have to connect a lot of dots that may be constantly moving. A few years ago, the answer would have been meetings, couriers, more meetings, lots of paper and lots of time. Today, for this firm, the work gets done efficiently with laptops, smart phones and 3G wireless data cards that transmit high-res, detailed images and drawings. Because the company has a wireless solution that allows simultaneous conversation and web surfing, virtual meetings can happen any time.

Which brings me to the small business customer's third expectation for innovation – make it simple and affordable, but with real value.

### ***Simplicity and Affordability***

Simplicity takes cost out of operations, and it also helps the small customer grow by lowering the barriers to new ventures. To this end, AT&T recently joined a new initiative led by IBM that streamlines the process for small businesses to become suppliers to large, global companies. Other industry leaders involved include Bank of America, Citigroup, Pfizer and UPS. Collectively, our six companies award about \$150 billion in contracts each year, and we've agreed to use a common approach for small businesses to compete for our business. A new website called the Supplier Connection will serve as a portal into all the bidding processes. This truly is innovation that simplifies.

By affordable – well, we all know what that means. Communication providers like AT&T, who are leaders in this space, understand that the small business customer's budget is always lean and usually rigid.



Yet, at the same time, small businesses place real value on expertise, especially in areas like telecom, where they may not have enough in-house resources. Small businesses spending more than \$50 billion a year on telecom services and equipment, and the vast majority of them want to spend this money with a true partner, not just a vendor.

One of my favorite examples involves our partnership with a small business in New York, who we helped break new ground in an area of real social significance – Breath Alcohol Ignition Devices. If a driver has had too much to drink, the car won't start. And if he or she has a history of DUIs, the car's refusal to start sends an immediate wireless alert to the probation officer and/or the court. We collaborated with the customer to develop this innovative solution and provided the network for transmitting the alert – which includes the driver's name, date and time of incident, breath alcohol reading, photo and current GPS location.

In this case, we were partnering with an entrepreneurial team that is eager to learn and open to our ideas. This is one of the beauties of small business customers, one of the many attributes that make them such a pleasure to work with.

### ***Minimize risk while Ensuring Security and Protection***

There's a fourth and final expectation when small business customers invest in technology innovation. They want to minimize the risk involved in growth, ensure their day-to-day security and protect their ability to keep going in the event of disaster.

At AT&T, we are able to take some of our large enterprise solutions and scale them down to fit the small customer – sophisticated and robust, without being overwhelming in price or complexity. Good examples are our 24/7 virtual tech support service, and our online data backup, which ensures that business information can be recovered in the event of a disaster.

In a similar way, we have adapted our website design and hosting solutions to meet small business needs and budgets. So when our customers are competing against much larger providers, they can offer a high level of capabilities to overcome the potential concerns about awarding business to a smaller company.

Flexibility. Efficiency. Affordability and simplicity with value. And risk reduction. At AT&T, we know that when we deliver in these areas, there are no limits on what small businesses can do with their own powers of innovation. We see the proof every day in the extraordinary creativity, energy and resourcefulness of the customers we serve.

It inspires us to envision new ways to add value – not only in the products and services we offer, but in meeting other needs as well. One of those needs is access to capital, which has become unusually challenging, as you know.



## Financing for Small Business

And on the heels of yesterday's news that President Obama signed a bill that included \$30 billion in new lending for small businesses, I wanted to provide some more good news – this from AT&T.

I take great pleasure in officially announcing a big breakthrough for small firms that need communication investment capital. AT&T Capital Services is opening its loan portfolio to small businesses that are seeking to deploy wireless solutions.

We have initiated this access because this is what small businesses tell us will make a real difference. With the traditional financing market largely choked off, AT&T is helping fill the gap, so that small customers can become more competitive and aggressive by implementing wireless solutions.

We're making loans of as little as \$1,000, to help ensure that even the smallest businesses can take advantage. Customers can preserve their bank lines of credit while also avoiding big upfront outlays of capital. Since AT&T holds its own paper, there is the added assurance of knowing the loan will not be resold. And the rates are very competitive as well.

This is innovation – just like our network and devices and apps. It helps to unleash the power of the small business segment. It will fuel dynamic change and accelerate the creation of jobs.

And on that note, the time has come to recognize an entrepreneur and company that exemplify the power of small business innovation to exert an enormous impact. It is my honor now to present the WIPP AT&T Innovator of the Year Award.

## AT&T Innovator of the Year Award

Since 1994, the Consumer Financial Service Corporation – led by Loy Sheflott – has been bringing new ideas and better ways of serving customers to America's financial industry. Loy's company has become one of the most respected marketing consultancies in the country for banks, brokerage firms and wealth managers. The firm has risen to the top of the field by avoiding cookie-cutter solutions and identifying distinctive areas of opportunity for its clients. Superb analytics and fresh thinking are the hallmark. Over and over, clients use words like "creative" and "innovative" to describe Loy and her team.

Loy Sheflott exemplifies the purpose of this award – to honor small business innovation that is truly impactful, and to encourage sharing of best practices and high impact. At this time, please join me in welcoming and congratulating Loy Sheflott, founder and president of Consumer Financial Services Corporation.