



U.S. SECURITIES  
AND EXCHANGE  
COMMISSION

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OFFICE OF THE ADVOCATE FOR  
SMALL BUSINESS CAPITAL FORMATION

Foundational  
Business Plan

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## MESSAGE FROM THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION



As a new office within the U.S. Securities and Exchange Commission (SEC), we began building out the Office of the Advocate for Small Business Capital Formation (OASB) in 2019 by engaging in the same work that the thousands of startups across the United States engage in each year: developing a business plan. Starting with our enabling legislation as guideposts, we crafted a statement of our office's mission to guide each decision we would make, keeping small businesses and their investors' needs for capital formation first of mind. As every business must do, we followed that by defining our target market and began identifying the capital formation needs of small business market segments.

With the mission and target market established, we outlined the products, programs, and services this office will deliver, established projected launch dates, and began identifying critical components of each such offering to ensure we scale in a lean and efficient manner—again, adopting a business-oriented mindset to solutions targeted at businesses.

Thanks to the foresight of many leaders in Congress and within the SEC, OASB is now “open for business” and ready to advocate for small businesses and their investors. As a startup within the government, we look forward to strengthening the voice of small businesses and their investors, and delivering practical solutions that work for the small businesses who make this country such a vibrant place to live and work.

A handwritten signature in black ink, appearing to read "Martha Legg Miller".

Martha Legg Miller  
Advocate for Small Business Capital Formation

## ABOUT THE OFFICE

The Office of the Advocate for Small Business Capital Formation (OASB) was created by the SEC Small Business Act of 2016 (P.L. 114-284) and officially commenced operations in January 2019.

As an independent office reporting directly to the Commission, OASB is statutorily charged with the following functions:

- » Assisting small businesses and their investors in resolving significant problems they may have with the SEC or with self-regulatory organizations (SRO);
- » Identifying areas in which small businesses and their investors would benefit from changes in SEC regulations or SRO rules;
- » Identifying problems that small businesses have with securing access to capital;
- » Analyzing the potential impact on small businesses and their investors of proposed SEC regulations and SRO rules;
- » Conducting outreach to small businesses and their investors to solicit views on capital formation issues;
- » Proposing appropriate regulatory and legislative changes to the SEC and Congress to mitigate problems identified with small business capital formation and to promote the interests of small businesses and their investors; and
- » Consulting with the Investor Advocate on such regulatory and legislative changes and other small business issues.



OASB will also proactively work to identify any unique challenges faced by minority-owned small businesses, women-owned small businesses, and small businesses affected by natural disasters.

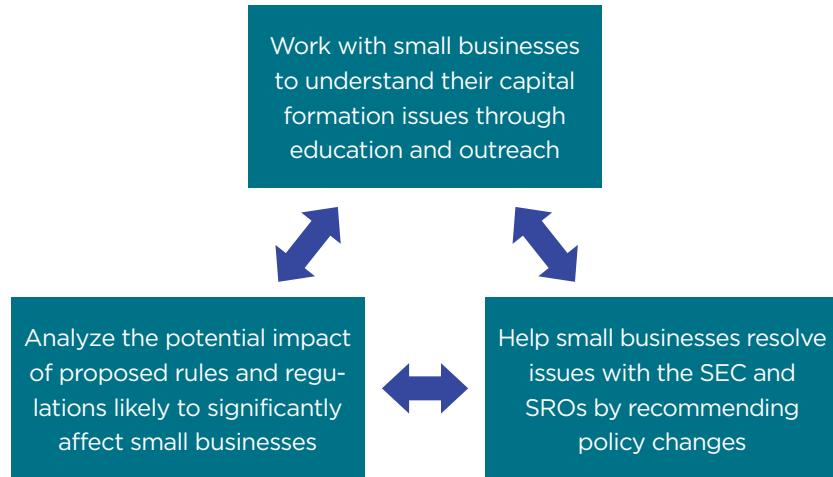
### Reporting Obligation

Annually, the office will submit a report to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services that provides:

- » Statistical information and a full and substantive analysis of the issues on which the office has worked over the past year;
- » Information on steps that the office has taken to improve small business services and the responsiveness of the SEC and SROs to such needs; and
- » A summary of the most serious issues encountered by small businesses and their investors, including any unique issues encountered by minority-owned small businesses, women-owned small businesses, and small businesses affected by natural disasters, with an inventory of the action taken, time to resolution, and recommendations made.

## OUR MISSION

OASB's mission is to advocate for small businesses and their investors to foster better access to capital markets, strengthening the voice of small business within the SEC and the broader regulatory landscape.



### Core Tenets

- » Small businesses are **job creators**, generators of **economic opportunity**, and **fundamental to the growth** of the country.
- » **One size does not fit all** for small businesses.
- » Good work *has been done* by the SEC, but **we are not done**.
- » Small business policy should **facilitate trust and confidence** in capital markets to encourage efficient allocation of investment dollars.
- » Serve as a **collaborator** with, and **contributor** to, other SEC divisions and offices and SROs, not as an auditor.

### Values

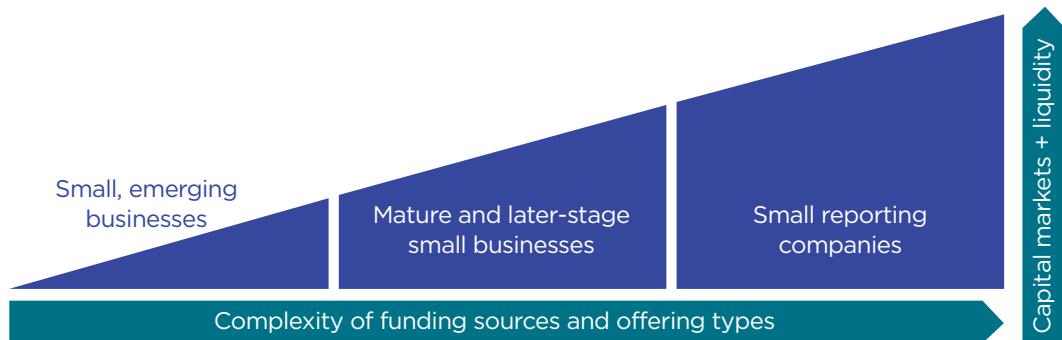
- » **ACCESSIBILITY**—engage with both small businesses and their investors and with the SEC, SROs, and Congress on a regular basis through a variety of channels.
- » **TRANSPARENCY**—be visible and open in our approach to supporting small businesses and their investors.
- » **PRAGMATISM**—approach problems with a solution-oriented mindset by making practical recommendations.
- » **EFFICIENCY**—operate like a lean start-up, maximizing resources and focusing activities where the office can have a measurable impact.

## TARGET MARKET: SMALL BUSINESSES AND THEIR INVESTORS

The office is charged with supporting emerging, privately-held small businesses and publicly-traded companies with less than \$250 million in public market capitalization, along with their investors.

The Office of the Investor Advocate and the Office of Investor Education and Advocacy continue to be dedicated resources focused on investor-specific issues.

### Market Segmentation



### Target Market Strategy

OASB will prioritize allocating time to businesses without significant resources for paid advisors, attorneys, and advocates on capital formation matters. One size does not fit all for small businesses, and the office recognizes that individual companies and their investors across market segments will vary in their access to capital formation resources. While the office will focus efforts on giving a voice to companies and their investors who are not regularly heard in Washington, DC, and at the SEC, OASB is committed to being accessible to all small businesses and their investors.

### Marketing and Promotion

To reach the office's targeted markets, OASB must become visible within existing small business and investor communities, offering resources and opportunities to meaningfully engage with the SEC on policy and education matters.



## PRODUCTS, PROGRAMS, AND SERVICES

	What	Launch	Key Components
MVP Minimum Viable Product	Small Business Capital Formation Advisory Committee	2Q19	<ul style="list-style-type: none"> <li>» Technical formation and constitution</li> <li>» Track Committee recommendations to which the Commission must respond</li> </ul>
	Constituent Relationship Management (CRM) System	2Q19	<ul style="list-style-type: none"> <li>» Create a CRM to develop metrics on issues and touchpoints</li> <li>» Craft a tool that is efficient and provides accountability</li> </ul>
	Government-Business Forum on Small Business Capital Formation	3Q19	<ul style="list-style-type: none"> <li>» Co-locate with existing event to increase engagement</li> <li>» Reserve location</li> <li>» Plan programming and panelists</li> <li>» Prepare a report with Forum's recommendations to which the Commission must respond</li> </ul>
	Annual Report	4Q19	<ul style="list-style-type: none"> <li>» Report on analyses and activities of the office</li> <li>» Communicate recommendations and forward-looking vision for the office</li> </ul>
Full Scale Programming	Direct Outreach	2Q19	<ul style="list-style-type: none"> <li>» Conduct outreach to small businesses and their investors</li> <li>» Host regional events to solicit perspectives on small business issues</li> <li>» Invite small businesses and investors to meet with Commissioners and staff</li> <li>» Work with SEC regional offices on small business issues and resources</li> </ul>
	Policy Analysis and Evaluation	2Q19	<ul style="list-style-type: none"> <li>» Analyze the impact of proposed policy changes on small business capital formation</li> <li>» Respond to issues raised through outreach efforts and develop policy recommendations</li> <li>» Work with SEC and SRO staff during regulation drafting to provide functional feedback</li> </ul>
	Issue Resolution with SEC and SROs	2Q19	<ul style="list-style-type: none"> <li>» Work with small businesses and their investors to resolve significant issues with the SEC and SROs</li> <li>» Develop resource map for common small business issues</li> <li>» Create online small business education on recurring issues</li> </ul>
	Inter-Agency Small Business Collaboration	3Q19	<ul style="list-style-type: none"> <li>» Work with other federal agencies to identify programs targeting small businesses and their investors</li> <li>» Educate the small business and investor community about government resources</li> </ul>
	Educational Resources	4Q19	<ul style="list-style-type: none"> <li>» Serve as an SEC point of contact for non-interpretive small business inquiries</li> <li>» Increase accessibility of SEC tools and programs for issuer education</li> <li>» Develop additional SEC educational resources</li> <li>» Host external events to proactively promote issuer education</li> </ul>



## SEC SMALL BUSINESS ADVOCATE ACT OF 2016

OASB was established pursuant to sections 4(j) and 40 of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78d and 78qq), as added by the SEC Small Business Advocate Act of 2016 (P.L. 114-284) and amended by the Small Business Access to Capital after a Natural Disaster Act (title IX of division S of Public Law 115-141). To read more about this legislation, click [here](#).

## CONTACT INFORMATION

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