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Office of the Press Secretary

For Immediate Release

July 11, 2014

President Obama Announces New Partnership with the Private Sector to Strengthen America's Small Businesses; Renews the Federal Government's QuickPay Initiative

As a part of his Year of Action, the President is using the power of his pen and phone wherever he can on behalf of the American people to create jobs and help hard-working Americans get ahead. Today, the President will announce the creation of SupplierPay, a new partnership with the private sector to strengthen small businesses by increasing their working capital, so they can grow their businesses and hire more workers.

To launch SupplierPay, the President is bringing together 26 companies – both large and small – that have committed to the [initiative](#). For the larger companies, joining SupplierPay demonstrates a recognition that a healthy supply chain is good for business. For the small business suppliers, benefiting from SupplierPay means having more capital to invest in new opportunities, new equipment, and new hiring.

President Obama, Senior Advisor Valerie Jarrett, National Economic Council Director Jeff Zients, and Small Business Administrator Maria Contreras-Sweet will host a meeting at the White House today with these businesses and their suppliers to discuss what more can be done to strengthen small businesses, building on the successes of the QuickPay program.

SupplierPay builds on the success of the Federal Government's QuickPay initiative, which President Obama launched in 2011. QuickPay requires federal agencies to expedite payments to small business contractors with the goal of paying within 15 days. As a result of QuickPay, we have already seen well over \$1 billion in cost savings for small businesses since 2011, leading to greater investment and job creation. SupplierPay is the private sector's equivalent, where companies have committed to pay small suppliers faster or help them get access to lower cost capital.

Also today, the President is renewing QuickPay for federal small business subcontractors, where the government pays its large contractors faster and, in return, requires them to pay their small business subcontractors faster. QuickPay for small business subcontractors, which began in 2012, was only available temporarily for many small business subcontractors. Today's announcement means faster payment for all small business subcontractors and even more business opportunities, more investment in small businesses, and more hiring.

The following companies have signed on to SupplierPay:

Apple	Lockheed Martin
AT&T	Milliken
Authentix	Molina Healthcare
Cardinal Health	Nissan
Coca-Cola	PG&E
CVS	Philips
Ericsson	Rolls Royce
FedEx	Rothschild North America
Honda	Salesforce
IBM	Textura
Intuit	Toyota
Johnson & Johnson	Walgreens



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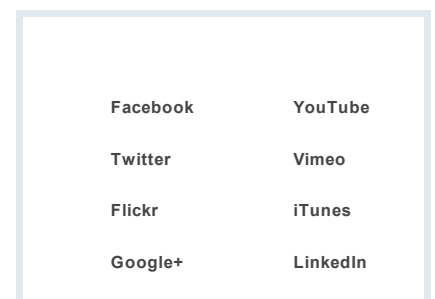
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QuickPay and SupplierPay: Growing our Small Businesses

- The President's QuickPay initiative has strengthened small contractors working with Federal Government, cutting in half the time it takes to get paid, reaching 172,000 small businesses, covering \$220 billion in contract awards, and generating well over \$1 billion for small businesses – freeing up capital to invest and hire new workers.
- By renewing QuickPay for small business subcontractors, the initiative can expand its impact as large federal contractors pay their small suppliers even faster.
- The SupplierPay initiative builds off this successful model as large private sector companies are committing to pay small suppliers faster or help them get access to lower cost capital.

ADDITIONAL BACKGROUND:

Small business play a vital role in the American economy – employing half of our country's workforce, creating nearly two out of every three new American jobs, and often being the source of the next great American innovation.

Small businesses were disproportionately impacted by the Great Recession, losing 40 percent more jobs than the rest of the private sector combined. When the President took office small business credit markets were effectively frozen. Today, trends are moving in the right direction; according to a recent survey, small business confidence is near the highest levels since the fall of 2007 and small businesses are back to creating two of out of every three net new jobs.

Small business capital access has been an area of focus for this Administration, starting with the Recovery Act in 2009, the Small Business Jobs Act in 2010 and the JOBS Act in 2012. Collectively, this legislation has been instrumental in driving improvement from the depths of the recession. The Administration has achieved record SBA small business lending volumes and recent Federal Reserve Small Business surveys indicate improved access to financing. Yet, more can be done – too many small businesses still struggle to access the capital they need:

- A 2014 Pepperdine and D&B study reported that 66 percent of small businesses found it "difficult to raise new business financing."
- Capital access challenges are magnified by the fact that small businesses are waiting longer to get paid for their products and services. According to different estimates, small business invoices go unpaid for 55-60 days on average and payments "past due" are increasing. As a result, small businesses are spending unnecessary funds to cover cash flow issues caused by late payments. These are funds that could be otherwise spent on growing their business and creating new jobs.

SupplierPay Case Studies:

Company Commitment: Intuit

- By signing onto the White House's Small Business Supplier Financing Pledge, Intuit commits to taking active steps to lower the working capital costs of its small business suppliers.
- 10 percent of Intuit's suppliers are small businesses – approximately 315 companies. Most of its small business suppliers are creative agencies, product development partners and marketing services firms, including many that are women-owned, minority-owned, or veteran-owned.
- In 2009, when the economy was down and the impact was especially hard on small businesses, Intuit temporarily changed payment terms to pay its small business suppliers more quickly. Since then, the accelerated payment terms were adjusted back as the economy started recovering.
- In support of the White House's pledge, Intuit is making a permanent change to its payment term policy to accelerate the payment terms for its small business suppliers who will now be paid within 10 days. This will help those small businesses get the cash they need faster.

Company and Small Business Supplier Case Study:

Molina Healthcare and March Vision Care

- Molina Healthcare's commitment to SupplierPay and the White House's Small Business Supplier Financing Pledge is an outgrowth of the company's experience working with March Vision Care, one

of its small business suppliers.

- In 2005, Glen March and his wife Cabrini started March Vision Care, a minority and woman owned business, with the idea of providing vision care plans primarily to Medicaid participants. March Vision was able to land Molina as its first customer, but struggled to access financing as they were turned down by banks and investors.
- Molina recognized Glen and Cabrini's potential and provided seed capital directly to them as a new supplier.
- Today, March Vision Care has grown to over 100 employees, contracts with several healthcare providers and members in 18 states and the District of Columbia.
- In response to the President's call to action, Molina is expanding its commitment to its small business suppliers, and in addition to providing favorable working capital, will be creating a seed investment fund to back the launch of other small business suppliers.

Company and Small Business Supplier Case Study:

Apple and Metal Impact

- Metal Impact, in Elk Grove Village, Illinois is a small supplier working with Apple as part of its domestic manufacturing initiative for the Mac Pro. Metal Impact provides components to the cylindrical aluminum enclosure and is one part of Apple's \$100 million Mac Pro Project, which relies on component and equipment suppliers from 23 states.
- This partnership represents 18 new jobs and millions of dollars in revenue to Metal Impact.
- Building the Mac Pro would not have been possible without the manufacturing expertise of dozens of U.S. small businesses, and Apple is supporting the White House's commitment to ensuring that small businesses get paid faster and have reasonable financing rates so they can continue to hire and grow.

Impact of the QuickPay Initiative:

QuickPay Has Delivered Meaningful Results: QuickPay has accelerated more than \$220 billion in payments to federal contractors and generated savings well over \$1 billion for small suppliers, increasing growth and jobs. When businesses get paid faster, their financial footing gets stronger. And with nearly \$90 billion each year in federal contracts going to small businesses, cutting in half the time it takes for them to receive payment is a powerful way to help businesses make the decision to go ahead and buy another piece of equipment or hire another worker.

Examples of QuickPay's Impact

The ELOCEN Group

- The ELOCEN Group offers consulting services in construction management, interior design, information technology, and facilities/logistics. ELOCEN's work has totaled over 40 million square feet in new construction and renovation space managed.
- "QuickPay has had an incredible impact on the ELOCEN Group. It has resulted in more working capital, a greater number of satisfied subcontractors and a more profitable overall bottom line for the company." Necole Parker, CEO of The Elocen Group

Sarakki Associates, Inc.

- Sarakki Associates Inc. is a multi-disciplinary engineering firm that specializes and provides services to local, State and Federal Governments in Systems Engineering, Information Technology, Border Crossing System, and Intelligent Transportation Systems. SAI started as sole proprietor in 1995 and was incorporated in 2001.
- "Our company has been a prime contractor to the Federal Government for the past eight years and has experienced firsthand the difference QuickPay has made on the business. It has improved our bottom line by reducing the cost of doing business and has allowed the company to pay our subcontractors faster. I no longer have to dip into my personal savings when managing cash flow."