

## **Testimony before the PA House Republican Policy**

**Committee Kara Wasser, CEO**

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Thank you for the opportunity to speak with you today regarding “Economic Development in Northwestern Pennsylvania.” My name is Kara Wasser. I am the founder and CEO of OhanaLink Technologies, a technology development company located in Hermitage, PA where I also live with my husband and our two teenage children. I also have a 21 year old stepson who is currently serving our Country on a US Navy submarine. Before getting into the reason I am standing here today, I want you to know that I am committed to building my company here and even more important, keeping it here. I want to show the next generation, including my children, that Mercer County in Pennsylvania is not only a wonderful place to live, but it is also an area full of opportunity and potential.

Although I could talk about the OhanaLink Technologies mobile products and the incredible impact they have on family communications in healthcare, social and human services, and supporting victims and survivors of domestic abuse, my goal today is to give you a high level understanding of my journey of building a technology company in a location that has traditionally been considered the “rust belt”, and how my personal mission is to take the challenges I have faced to advocate for positive changes on how technology companies are viewed, specifically related to funding opportunities in our region.

Prior to building a technology company, my experience was in banking. I spent 13 years as a real estate lender, but also dabbled in SBA and small business lending. Knowing the requirements of traditional lending, I knew if I wanted to go all in with building my company, I would have to do things that were not traditional to fund the first phase of business, product development. I quit my job, cashed in my pension and 401k, and went all in. It was then that I got the full attention of Ben Franklin Technology Partners who, for about 2 years prior to this, were incredible mentors and guided me as I took my idea and turned it into a business plan. That mentorship and guidance was invaluable to me as a startup. To date, I have received \$232,500 from Ben through three rounds of funding without a

single lien being placed on me personally or my company, outside of an Intellectual Property Security Agreement. They are what I consider the gold standard of economic development organizations for technology startups. They are paving the way to allow economic development organizations to place value on Intellectual Property, similar to a hard asset.

In January 2020, My CFO and I began working with the previous executive director of Penn Northwest Development Corporation and the Governors Action Team, in addition to reaching out to other economic development groups in the county. Shortly following these efforts, Covid-19 put an abrupt halt to any chance I potentially had to receive grants that would have traditionally been slated for women owned technology companies. Much of the funding, and certainly all efforts, had been immediately redirected to covid relief. Although our products are covid impactful, I was unable to get access to any of the funding we needed to move our company forward.

At the same time, it became obvious, that I was dealing with economic development organizations that were in no position to provide funding opportunities for a company that didn't own a building, equipment, or anything else that would be considered "hard assets"...besides my personal residence. Even more disheartening was the lack of understanding of these organizations around what it takes to build a tech company, referencing upfront money, even to the point of being told "you won't make a big enough economic impact". I am here to tell you that I eagerly accepted the challenge.

In the past 18 months, I have built a technology company on less than a shoestring budget, while also creating 13 professional, high paying jobs, and 5 paid internships in partnership with local colleges and universities. As our business grows, we are forecasting the need to create a minimum of 15 additional jobs bringing nearly 8 million dollars in payroll dollars to the area and maintaining a company with an estimated value of \$80 million dollars by the end of 2024 - right here in Mercer County. I'm sure you will agree that this clearly qualifies as economic impact, not to mention that socio-economic impact that our products will provide state-wide.

I do not feel qualified to call out specific groups, nor do I have the knowledge of

the various buckets of funding that are available to a more traditional, manufacturing business, but, what I do know is that I have reached every dead end that exists for a technology company - while steadfastly creating a technology development company that is poised to make a significant economic impact in an area that is averse to funding technology.

In summary, I am here today to bring awareness to existing economic development groups in the county and across the state of the amazing work being done by Ben Franklin Technology Partners, an organization that has correctly placed value on Intellectual Property derived from technology innovation. I would also love to create an opportunity for local investors to learn more about investing in technology companies vs. the traditional real estate and manufacturing businesses that are considered the “norm”. In spite of the many barriers I have encountered in securing funding, I have been surrounded by the most incredible, supportive team and together, we continue to find our own way forward. We see challenges as opportunities. Opportunities to create change and that with our continued outreach to engage and educate organizations around us, we can effect those critical changes necessary so that we can continue to create opportunity and support what we all believe - that Mercer County is the right location for the next generations to live and work.