

Man Meets Mission



Peter Gibbs Makes a Difference for U.S. SBA Office of Surety Guarantees.

WHEN HE STARTED work in 2005 as Deputy Director for the U.S. Small Business Administration's Office of Surety Guarantees, Peter Gibbs remembers that one particular office in his Washington, DC, workplace was perpetually cluttered with unprocessed claims applications. Gibbs decided to do something about it.

"I used to walk by this woman's office every day," Gibbs recalled. "I said, 'There are a lot of piles in your office. You and I are going to tackle a couple piles a day. We are going to figure it out.'"

And figure it out he did. Those piles of Surety Bond Guarantee Program claims waiting for attention were shrunk down to size. Gibbs was appointed Director of the office in 2016, and by then claim payments went out within 30 days of submission, down from nine months, Gibbs said.

With his retirement from the federal government this past summer, fellow government officials and surety bond

industry professionals have lined up to pay tribute to an effective manager of a key industry partner:

"Peter Gibbs is a visionary and leader with exceptional talents. During his time at the U.S. Small Business Administration, he led the Surety Bond Guarantee Program into becoming a trusted partner of the surety industry. Peter's sense of responsibility to the public and the small business community exemplifies why we are proud to be called public servants," said Jermaine Perry, who took over from Gibbs as OSG's Acting Director.

Another OSG official, Program Analyst Kevin Valdes, explained how Gibbs' influence led the program's operations to new heights:

"After the primary mission to support small business, Peter's leadership focused the Surety Bond Guarantee Program on creating a desirable platform for the surety industry," Valdes said. "Under his direction, program limits

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were raised, turnaround was decreased, and the program became fully electronic. His efforts turned the SBG Program into a bonding tool that fits within the workflow of its surety industry users and better meets the diverse needs of small business.”

NASBP surety bond producers praised Gibbs for his energetic supervision of the office:

“We have been utilizing the SBA Surety Bond Guarantee Program for over two decades. The program provides a great path to success for many small businesses. We have found this program to be a great product to offer our clients,” said Eric Lowey, First Vice President, Alliant. “We have had countless clients obtain bonding through the program and then graduate and go on to great success. Peter has been a great ambassador for the program. As an example, the video conference he put together last year was very well done with a list of speakers that were top shelf. It was fantastic to have a man of this caliber head up this great program.”

The Housing and Urban Development Act of 1970 established the Surety Bond Guarantee Program. Its website says that, in its first year of operations, it guaranteed seven final bonds with a contract value of approximately \$315,000. In fiscal year 2019, it supported approximately 3,300 final contracts, totaling nearly \$1.8 billion.

Gibbs pointed to a problem with the program when he started. It was not seen as customer friendly. Not only were claims processed slowly, but also it was hard to get staff on the phone, and different parts of the organization might give different answers to the same question. Gibbs wanted everyone on the same page and focused on customers.

“For me, customer service was extremely important,” he said. “You had to return calls to people because in this industry people are trying to get a bond written in a day so you can’t take two, three days to respond to people. Managers were supposed to call me if (staff) didn’t respond in 24 hours.”

Among Gibbs’ accomplishments during his tenure were increasing surety company partnerships from 23 to 42; expanding the Quick Bonds program; developing paperless application with approval time under two days; and reducing program fees for small business and sureties.

Surety bond producers took notice as a key industry partner grew ever more flexible and developed a culture of listening to stakeholders.

“He’s always made himself available to agents who are approved to do business with the SBA,” said Devin Moore, President and CEO of Moore Surety Bonds Agency in

Indianapolis. “If I ever had a question and I couldn’t reach someone at the Denver office, I would call Washington; and he would pick up or at least to get back to me right away if I had a question about the surety bond program.”

Longtime Surety Bond Guarantee Program client Michael Williams, CEO of CCI Surety, Inc. based in Golden Valley, Minnesota, called Gibbs “one of the most pro-active directors that had ever been at SBA.”

Gibbs made a point of involving bond producers in program innovations.

“He attended meetings, he would reach out to NASBP, he would reach out to agents, he would fly around the country, he would call people, he would ask people, ‘What do you think if we do this,’” Williams said. “Overwhelmingly, he listened to agents and contractors and then would make the appropriate changes to the program.”

Williams, who has been working with the OSG since 1989, said the office had a reputation for being slow to pay claims and requiring lots of red tape. Under Gibbs, application requirements for 13 forms have been streamlined to four; and the program limits have been raised from \$1.25 million in 1989 to \$6.5 million today (\$10 million if a federal project).

After college, where he earned a B.S. in accounting from Central State University and a masters of entrepreneurship from Western Carolina University, Gibbs worked for a Manhattan construction company. Gibbs, who is black, said he encountered discrimination during his stint in the private sector.

“I found out that one of my colleagues who was doing less work than I was getting paid more than I was. I wanted to go into an environment where people were being paid equally for their job,” Gibbs said.

So he took a job in 1991 as examiner in SBA’s Investment Division Office of Examinations, New Markets Venture Capital, and the Rural Business Investment Program. Gibbs took a break from the SBA during 2006-2010 when he was called up for active service in the U.S. Army, doing logistics in the Pentagon, Afghanistan, and the Middle East. In 2011 he retired as a lieutenant colonel.

Upon retirement this summer from the federal government, Gibbs started up his own small business, Foundation Surety & Insurance Solutions in Bowie, Maryland. “I want to help small businesses establish a foundation so they can grow and do bigger things,” Gibbs said. “Initially, start with the SBA; but I’m hoping that these companies grow into the standard market, and they keep me as their producer.”

For Adam Pessin, President and CEO, Tokio Marine/HCC Surety Group in Los Angeles, Gibbs has been treating his job like a business for a long time.

“He was engaged, reachable, and prepared to make decisions,” Pessin said. “He made a difference.”

Summing up Gibbs’ tenure, Pessin said: “I look at—have you left the place better than how you found it? I believe that’s a good indicator of whether you’ve done a good job. Is the Surety Bond Guarantee Program in a better position? The answer, overwhelmingly, is ‘yes’ for Peter.” ●