

The Small Business Imperative:

Veterans, SDVOBs, and the next 10 Years...

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The Role of Small Business

Our History

'entrepreneurship is the most empowering, the most democratic, the most freedom-creating phenomenon in the history of the human race'

- **99%** of all businesses in the U.S. employ **less than 500 employees**
- **60%** of all U.S. workers employed by small business
- Small business-dominated industries provided **11.1 million new jobs** between 2004 and 2008, virtually all of the new jobs created during that time period.
- Small businesses are most likely to generate jobs for young workers, older workers and women, provide **67 percent of first jobs** and produce **55 percent of innovations.**
- **A path forward for those disenfranchised**



The *State* of Small Business

Our Present – A New Paradigm

• Knowledge & Technology Obsolesce

- ✓ Engineering – 4 years
- ✓ Medicine – 3 years
- ✓ Aerospace – 3 years
- ✓ Business Schools ‘teach’ *change*

• Socio-Economic Change on a *global scale*

- ✓ China, India, Israel, Chile, Vietnam...lead the U.S.
 - New product/service introduction rates
 - Patent issuance rates
 - Employment growth
 - Wealth Creation

The *State* of Small Business

Veterans, SDVOBs, and the next 10 Years...

**Entrepreneurship is the engine that drives change...an age
of *omnipresent entrepreneurship*:**

- ✓ **more choices**
- ✓ **more innovation**
- ✓ **more technological advances**
- ✓ **more opportunity**
- ✓ **more change**

→ = **More Small Business Creation....**

The Small Business Imperative:

Veterans, SDVOBs, and the next 10 Years...



Veterans & Small Business – An Overview

Veterans, SDVOBs, and the next 10 Years...

- Eighty-million small businesses in the United States, four million (about five percent) are veteran-owned (*Small Business Administration, 2007*).
 - **But**, less than 1% registered with DoD??
- Prior military service STRONG predictor of small business ownership (*SBA, 2008*)
- The success rate of veteran owned-business startups is almost **twice** that of other business startups, attributable to the experience the veterans have gained in the Armed Services (*Small Business Administration, 2007*).
- And the **intangibles**... *'sole custody of my future'*



Veterans & Small Business – The Challenge

Veterans, SDVOBs, and the next 10 Years...

- Starting a business is hard...most fail
- Path discouraged by counselors, vocational rehabilitation
 - *Inadequate training, decades of established processes (Policy & Mindset)*
- Training for veterans in entrepreneurship and small business management is limited, and specialized.
 - SBDCs, SCORE, etc – ‘generalists’
- Without demonstrated skills & training, access to start-up capital is difficult
 - ✓ Bonding
 - ✓ Loans/Lines of Credit



Post 9/11 Veterans - SDVOBs

Veterans, SDVOBs, and the next 10 Years...

- More than **2-million** deployed to Iraq and Afghanistan since 2001
- Rate of disability among those returning unprecedented in U.S. history
 - Advancements in medical technology/the 'means' of warfare
 - ***Conservatively, experts suggest rate exceeds 30% (600,00 to date)***
- The average age of these men and women is 25; many come from small towns with less than 5,000 inhabitants.
- For many of these Americans, history says that 'traditional' employment will represent a lifelong challenge.
- People with disabilities more than twice as likely to be self-employed

"a social and economic tsunami that will overwhelm the ability and resources of the public sector for a generation"

– Associated Press, November 2007



The EBV: A Way Forward

- *A Program designed to make a difference:*
 - *World-class training in entrepreneurship and small business*
 - *Absolutely free to veterans with disabilities, funded privately*
 - *3 Phase/14 month intervention*
 - *Designed to both educate and motivate...create an experience*



EBV: The Program

Phase 1: EBV Online (*approx. 30 calendar days*):

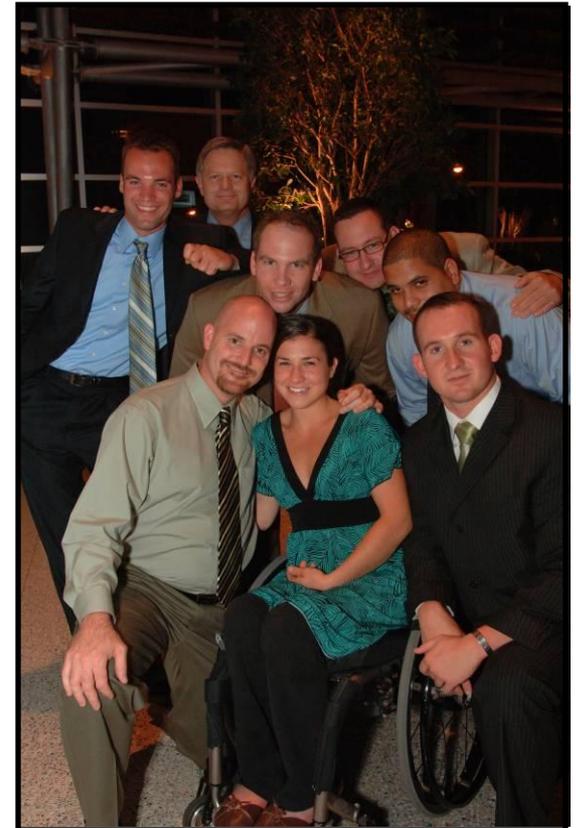
- The foundation - the language of business
- Readings, assignments due daily
- Interact with their classmates

Phase 2: EBV Residency (*approx. 9 calendar days*):

- Located at host University
- Classroom-based, INTENSE
- Unique experience – *THEIR* business idea

Phase 3: Mentorship (*ongoing*):

- Virtual Mentorship
- Content area experts
- Local mentor initiative
- Access to the professional networks of alumni



EBV: Advancing Veteran Entrepreneurship

- ***Qualifications: A Competitive Program***
 - *OIF/OEF Veteran*
 - *Service-Connected Disability*
 - *a **passion and commitment** to business ownership*



EBV: Advancing Veteran Entrepreneurship

- **Cost:**

- Free to qualified and accepted candidates
- Transportation, meals, lodging, program cost

- **Application & Schedule:**

- Summer Offerings (May – August)
- Rolling admissions
- Applications at www.whitman.syr.edu/EBV

The EBV: A Way Forward

- **A Difference...one veteran at a time**

- **EBV Class #1 (2007 pilot):**

- *20 students*
- *Representing 14 states*
- *All four military service branches*
- *Officer & Enlisted*
- *Average age is 26*
- *Each with a service connected disability **AND...***
- ***A passion for entrepreneurship...***



The EBV: *A Way Forward*

- **A Difference...*one hero at a time***

- ***EBV Class #1 – September 2009:***

- *70% venture creation (operating, positive revenue)*
 - *11% back to school*
 - *11% employed full time*
 - *18 of 20 remain actively engaged with EBV (business plan, mentorship, etc)*
 - *4 graduates with \$1M+ ventures*



John's Story:

Veterans, SDVOBs, and the next 10 Years...

PATRIOT CONTRACTORS, INC.



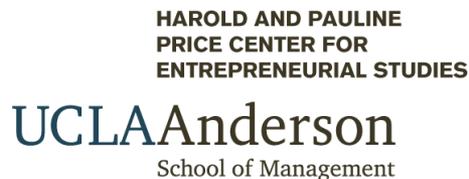
236220 – Commercial and Institutional Building Construction
238390 – Other Building Finishing Contractors
238290 – Other Building Equipment Contractors
236210 – Industrial Building Construction
238990 - All Other Specialty Trade Contractors



Our Way Forward:

The EBV Consortium of Schools

To advance entrepreneurship as means to open the door to business ownership opportunities for veterans with disabilities, and to design and deliver educational programs to assist veterans with disabilities in the many steps and activities associated with creating and sustaining an entrepreneurial venture.



EBV: Advancing Veteran Entrepreneurship

- **Outcomes:**

- More than 300 graduates, 46 states, active, guard, reserve
- National Best Practice Designations:
 - Department of the Army – Community Covenant Program
 - McGraw-Hill/Irwin Award for Innovation/Academy of Management
 - Department of Labor/VA for Self-Employment for People w/ Disabilities

- **National Partners:**

- DLA Piper – legal partnership
- Ernst & Young – Entrepreneur of the Year Program
- Lockheed Martin & ITT Defense – Supplier Diversity Program
- US Army Wounded Warrior Program – Priority Transition Program

EBV: Advancing Veteran Entrepreneurship

- **The Future:**

- Expansion – likely additional schools for 2011
- National Partnership Initiative
 - Supplier Diversity Relationships w/ Large Primes
- EBV Families; SBA Programs



Final Thoughts: Actionable 'Suggestions'

Veterans, SDVOBs, and the next 10 Years...

- Ride the Wave – leverage the opportunity
- Network with each other....
- Don't think about short-term goals – focus on long term sustainability
- Advocacy - 'Fix' Veteran Benefit Act 2003; certification
- Embrace Social Media
- Engage the network of VOB organizations/association



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