

ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS

Established by Public Law 106-50

October 1, 2014

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Dear Mr. President and Members of Congress;

On behalf of my colleagues, I am pleased to present you the 10th Annual Report on Veterans Entrepreneurship from the Advisory Committee on Veterans Business Affairs (the Committee).

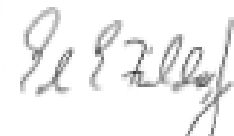
As our Nation's conflicts overseas enter a new phase, America's Veterans find themselves facing continued challenges here at home: for too long now, many have struggled to transition successfully back into meaningful employment and opportunities to create small and independent businesses.

From the arduous challenges in the foxholes to the new exciting challenges in the boardroom, our Nation's Veterans can be a solution to the economic challenges our great Nation faces. By encouraging and inspiring them, America can demonstrate its appreciation of their sacrifices by helping them become a difference in helping to solving the economic challenges we face.

The Advisory Committee on Veterans Business Affairs, chartered by Congress to advise both the Executive and Legislative Branches of government seeks to ensure our Nation's efforts to help our Veterans are coordinated, integrated, and synchronized – and most of all effective.

On behalf of the entire Committee and for those who have served our Nation honorably, we present this report and urge that our recommendations be adopted. This work is critical to help our Veterans continue serving by building great businesses here at home.

Respectfully,



Edwin E. Fielder, Jr.
Chair

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EXECUTIVE SUMMARY

Pursuant to Public Law 106–50 the Advisory Committee on Veterans Business Affairs serves as an independent source of advice and policy recommendations to: the Administrator of the Small Business Administration; the Associate Administrator for Veterans Business Development of the Small Business Administration; the Congress; the President; and other United States policymakers. Further, the duties of the Committee include the following:

- Review, coordinate, and monitor plans and programs developed in the public and private sectors that affect the ability of small business concerns owned and controlled by veterans to obtain capital and credit and to access markets.
- Promote the collection of business information and survey data as they relate to veterans and small business concerns owned and controlled by veterans.
- Monitor and promote plans, programs, and operations of the departments and agencies of the United States that may contribute to the formation and growth of small business concerns owned and controlled by veterans.
- Develop and promote initiatives, policies, programs, and plans designed to foster small business concerns owned and controlled by veterans.
- In cooperation with the National Veterans Business Development Corporation, develop a comprehensive plan, to be updated annually, for joint public-private sector efforts to facilitate growth and development of small business concerns owned and controlled by veterans.

In FY14 the Advisory Committee on Veterans Business Affairs (ACVBA) efforts were focused on examining the effectiveness of Entrepreneurship Programs for Veterans and the level of collaboration between SBA, Industry, Government and the non-profit sector for the support of these programs. The committee met three times and received briefings on several existing and start-up veteran entrepreneurship programs from both institutional and federal agency executives. Based on the committee briefings and individual member efforts, the committee finds the following:

- Significant progress is being made by governmental and institutional organizations to provide programs for veterans who are interested in starting or improving their start-up business operations – but much work remains.
- Awareness and the accessibility of these programs to the veteran’s community need to improve. Our Veterans are flooded with confusing options and the Veterans assistance community needs to provide more clarity on the available options.

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- Tracking and measuring the success of the programs is needed to ensure the programs meet the needs of the veteran's community. Measurable metrics and accountability are required.

The Committee is committed to engaging in the process and supporting the agendas that promote and enhance Veterans' Entrepreneurship. We are enthusiastically dedicated to the duties as directed through PL 106-50 SEC. 203 (c) and with a focus for FY15 on several items to include:

- Advance the urgent concern of capital access for veteran entrepreneurs to key agencies and members of Congress. Our goal is to interview and meet with bankers, credit unions, non-bank lenders, government organizations to discuss the market barriers and regulatory issues related veterans, National Guard Members and Reservists accessing capital as various business stages and provide a list of recommendations that could be by order of difficulty to implement.
- Advocate essential revisions of the Department of Veteran Affairs CVE process through review and analysis of the current program through meetings and interviews with Veterans Administration staff and veteran business owners.
- Attend all meetings of Interagency Task Force on Small Business Development addressing the group on key ACVBA concerns and opportunities.
- Promote and encourage entrepreneur training and education programs such as the Syracuse University Institute for Veterans and Military Families (IVMF) and Department of Defense Transition Assistance Programs. .

LOOKING BACK AT 2014

In FY2014, the Committee scheduled three meetings that were held in the SBA's office in Washington, D.C. on Dec 5, June 11th and September 11th and 12th. During the first meeting on Dec 5, Committee members established three priorities that set the Committee's focus and guided its actions for 2012. These were:

- Identify entrepreneurship programs for veterans (Industry, Government and Non-Profit Sector) and invite Executives from these programs to brief the Committee on their initiatives.
- Identify methods to raise awareness about entrepreneurship programs for veterans across the U. S.
- Identify and encourage collaboration between SBA, Industry, Government and the Non-Profit Sector for the support of veterans' entrepreneurship programs.

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During the three scheduled meetings in Washington, D.C the Committee was briefed by executives from several entrepreneurship programs for veterans to include:

- Rhett Jeppson, SBA Associate Administrator for Office of Veteran Business Development: Update on the focus and priorities of the Office of Veteran Business Development, Interagency Task Force on Veterans Small Business Development.
- SBA Staff: Updates on Government Contracting, Business Development, Mentor Protégé Program, Review of last 2 Advocacy Reports, Boots to Business, IFA/ VetFran Alliance, VBOCs and Capital Access Initiative/ Veteran Lending.
- Luis MacDonald, AutoFlex, Inc.
- Al Munoz USDA: Farm Bill 5, Veteran Agriculture Initiatives.
- Mark Rockerfeller, Street Shares: Crowd Sourcing Start-up.
- Barbara Ashe, EVP Montgomery County Chamber of Commerce: Foundation National Veteran Institute for Procurement Training Program.
- Attendance at the Interagency Task Force on Veterans Small Business Development on Sept 11, 2014.

It is the committee's opinion based on our joint meetings and individual efforts that some limited progress is being made by governmental and institutional organizations to provide effective programs for veterans that are interested in starting or improving their start-up business operations.

There is greater need for awareness of the "institutional programs" such as the Syracuse University's Institute for Veterans and Military Families programs among the veterans' community.

There needs to be continued cooperation among the federal government and the institutions to ensure the programs are accessible to all interested veterans based on their situation and geographical location.

A system needs to be put in place to track the success and the effectiveness of these veteran entrepreneurship programs. Metrics are badly needed. The SBA should take the lead on these efforts to include each District Veteran Business Development Officer, Women's Business Centers (WBCs), SCORE chapter, Small Business Development Centers (SBDCs), and Veterans Business Outreach Centers (VBOCs) have up-to-date information on all program availability and status. The SBA should work with the various institutions and those programs sponsored and

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managed by government agencies to develop and collect information on their program performance matrices to ensure the programs meet the needs of the veteran entrepreneur.

LOOKING FORWARD TO 2015

- Advance the Committee's urgent concern of capital access to key agencies and members of Congress.
- Attend all meetings of Interagency Task Force for Veteran Business Development, addressing the group on key ACVBA initiatives at all opportunities; increase outreach to ITF through official correspondence following each Committee meeting and upon any significant activities worthy of notification.
- Promote and encourage entrepreneur training and education using Syracuse University and DOD TAP programs as examples.
- Advocate essential revisions of the Department of VA Veteran Certification process.
- Advocate SBA SDV Mentor Protégé status.
- Recruit new members to fill Committee vacancies and encourage timely approval of appointees.
- Mapping the landscape of state and federal programs and services for veteran entrepreneurs.
- Extend formal invitations to heads of key federal agencies, private-sector industries engaged in federal contracting and veterans' support groups to remain abreast of current trends, issues and share Committee concerns.

RECOMMENDATION - ACCESS TO CAPITAL

Access to capital remains a critical challenge to our Veteran business owners. Without that access most start-ups cannot start and existing businesses can't grow. Since small business creates the largest share of the nation's new jobs, this should be a national priority. The Committee has decided that its main focus will be on this topic in 2015.

Through interviews and invitations to meet with the Committee, we will discuss the situation with bankers, credit unions, non-bank lenders, governmental organizations such as the SBA, the

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Senate and House Small Business Committees (critical to get needed legislation changed) and any others that are influential parties in this arena. These discussions and other research will help us identify the key problems, the majority of which are currently only basically understood. Related issues that specifically pertain to active duty military, Veterans, National Guard and the Reserves should be further investigated.

Our goal is to provide a list of recommendations that are essential to implement. Some will simply need agreements between lenders and the guaranteeing agencies such as the SBA and others will require legislative solutions.

As America winds down its combat involvement overseas, it is imperative that our Nation show its gratitude to those who have served in its defense by welcoming them and other deserving veterans back into society by offering meaningful paths to economic security. The Committee strongly urges the President of the United States and the Congress to address the pressing needs of military veterans by acting on the recommendations put forth in this Report.