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ARMING YOU FOR SUCCESS IN ENTREPRENEURSHIP

Engaging Veteran-Owned Businesses: Leading Practices for Corporate Supplier Diversity

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ENTREPRENEURSHIP

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About The Institute for Veterans and Military Families at Syracuse University (IVMF)

The Institute for Veterans and Military Families (IVMF) is the first interdisciplinary national institute in higher education focused on the social, economic, education, and policy issues impacting veterans and their families. Through its professional staff and experts, the IVMF delivers leading programs in career, vocational, and entrepreneurship education and training, while also conducting actionable research, policy analysis, and program evaluations. The IVMF also supports communities through collective impact efforts that enhance delivery and access to services and care. The Institute, supported by a distinguished advisory board, along with public and private partners, is committed to advancing the lives of those who have served in America's armed forces and their families. For more information, visit ivmf.syracuse.edu.



About the Coalition for Veteran Owned Business

The CVOB is a coalition of industry leaders committed to providing innovative solutions and thought leadership to grow and support veteran- and military spouse-owned businesses in communities throughout the nation. How will we do it? By connecting veteran, service member and spouse-owned businesses with organizations, resources and information that will help them start or grow their business and employ veterans and military spouses in their communities.

About the Authors

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Elissa Gibbs is the Project Manager for Entrepreneurship and Small Business at the Institute for Veterans and Military Families (IVMF) at Syracuse University where she develops tools, resources, programming, and thought leadership pieces that advance the state of veteran- and military spouse owned businesses. She works to increase opportunities for those businesses in the public marketplace and as suppliers to the private sector. Additionally, she strives to increase their access to capital, networking, and mentorship, encourage their certification and classification, as well as build valuable relationships with both internal and external stakeholders.

MISTY STUTSMAN, M.B.A.

Misty Stutsman is the Director of the Entrepreneurship and Small Business portfolio at the Institute for Veterans and Military Families (IVMF) at Syracuse University. Within this role she is charged with building the Center of Excellence for Veteran Entrepreneurship as well as the Coalition for Veteran Owned Business. In addition she oversees a broad portfolio of nearly a dozen programs and projects that advances and promotes veteran entrepreneurship nationwide through research, resources, supply chain opportunities and tools as well as training and program development.

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Introduction

Veteran employment continues to be an integral part of many companies' veteran strategy; notwithstanding the fact that 60% of veterans work for small or medium enterprises. That said, helping veteran-owned small businesses succeed in the marketplace is increasingly relevant to the American economy. According to a comprehensive study by the Small Business Administration, there are more than 2.5 million veteran-owned businesses (VOBs), that's 9% of all US businesses, with total annual revenues of more than \$1 trillion. These businesses conduct business with other companies (B2B) and consumers (B2C). But no matter who they conduct business with Veteran Owned businesses face the same three main challenges when it comes to scaling their companies;

- ▶ **Appropriate financial capital**—one of the most cited challenges is access to financial capital when starting and growing a business. As a result, a majority of veteran business owners personally finance their business at some point.
- ▶ **Social capital**—strong social capital is a network of diverse personal and professional ties—provides a bridge to connect to others, build new relationships, and enjoy the benefits of the transfer of information, influence, and solidarity. Although veterans often have strong social capital among their military colleagues, their social capital among civilian peers is often weaker, particularly as a result of the geographic mobility and limited civilian connections during their military lives
- ▶ **Successful mentorships**—due to limited social networks, VOBs often have a harder time accessing and leveraging valuable resources, including potential investors, experts, teams, and mentors.

The Coalition for Veteran Owned Business (CVOB), operated by the Institute for Veterans and Military Families at Syracuse University, was founded by First Data and other corporate partners to assist VOBs in addressing these challenges and more importantly in becoming "procurement ready".

The CVOB's Priorities Include:

- ▶ **Increase Opportunities and Information**—Increase access to opportunities and information for veteran and military spouse businesses within corporate supply chains
- ▶ **Create Networking Opportunities**—Create networking opportunities for veteran and military spouse businesses and large companies in order for them to make the connection and learn how to do business with those larger companies.
- ▶ **Create Awareness of and Access to Resources**—Create awareness of existing resources and connect small business owners with education, lending, and networking for entrepreneurs through formalized communications and marketing.



In order to better inform VOBs, the CVOB conducted a survey of partner corporations to learn about their leading practices

related to veteran-owned businesses. Some of these findings are outlined as followed:

1. Establish a supplier diversity policy specific to veterans. The first step in making sure your company is not only ready to hire veteran but also buy veteran, is creating a tailored approach with buy-in from the top of the company. When executive leadership is committed to and enforces a supplier diversity initiative, the program is more likely to be a success. Executive leadership has the ability and authority to enforce supplier diversity programs. They can also help open doors to opportunities that include programming and internal initiatives.

2. Partner with professional groups. There are several Veteran Service Organizations that can help connect you to VOBs, leading practices, and share opportunities with your company. Certifying groups like the National Veteran Owned Business Association (NaVOBA) and the National Veteran Business Development Council (NVBDC) as well as CVOB are leading the charge to get qualified VOBs into your supply chains.

3. Participate in educational and matchmaking events. Raise awareness of your commitment to VOBs and make the connections to your company. Holding regular supplier events allows past, current, and potential suppliers to meet the company as well as other suppliers. This provides a significant venue to network with other suppliers, learn how those other suppliers have been successful or failed, and meet key purchasing individuals from the company.

4. Share your company's expertise. Creating websites, documents, or other training materials keeps suppliers engaged and informed on changing policies and initiatives. In addition it allows individuals in other parts of your company e.g.; marketing, legal, accounting, IT and others to engage with and provide knowledge to small businesses in areas that they may lack expertise.

5. Buy local. When looking to do corporate gifts, catering, or more, look for local VOBs and other small businesses who may not be ready for the larger spend targets.

6. Establish mentorship programs for potential suppliers. Mentor-protégé programs help both sides of supplier diversity. By pairing a VOB with a more established supplier or a senior leader within your company, the VOB can learn how the buying company operates, makes decisions, selects suppliers, etc. The VOB will also make connections with various stakeholders and learn the ins-and-outs of what's necessary to do business with that company. These types of programs/trainings improve a VOBs ability to compete with other suppliers.

7. Implement company-wide payment terms. By creating special payment terms (ex. 15 days to pay), companies help the smaller VOBs with their cash flow – this allows them to pay their employees and other bills in a timely manner, enabling their growth and development.

8. Form military/veterans affinity groups within the company. Creating these groups helps to better inform and engage employees across departments. When employees have a personal or emotional connection to a group, they are more likely to support programs or practices that involve that population.

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Helpful Hints for Veteran-Owned Businesses

1. Do research on the companies you would like to sell to – understand what types of products/services they buy and ensure that you meet their specific needs
2. Seek out supplier events such as open calls, networking opportunities, and matchmaking events, in order to learn and get connected
3. Take advantage of organizations like the IVMF and Bunker Labs and the free training they provide to VOBs. Join the Coalition for Veteran-Owned Business (CVOB) to learn about upcoming events and learning opportunities
4. Take advantage of educational and training materials offered by large companies (ex. Walmart's How to Become a Supplier website)
5. Get certified via organizations such as NaVOBA, NVDBC, and the VA

CVOB Partner Companies



REFERENCES

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