

RESEARCH BRIEF | OCTOBER 2024

Military-Connected Entrepreneurship Ecosystem:

Advancing Military-Connected Entrepreneurship

Walmart 





The Advancing Military-Connected Entrepreneurship initiative, funded by Walmart, aims to address the unique challenges faced by military-connected entrepreneurs. Over the past two decades, significant progress has been made in providing training and support to these entrepreneurs. However, they still face hurdles such as leveraging social connections, finding mentors, securing financial resources, and acquiring essential business and management skills. For many specific topic areas, there are opportunities to improve the understanding of entrepreneurship within veteran and military-connected communities. One such opportunity is to address the gaps in entrepreneurship training for growth-stage Veteran-Owned Businesses (VOBs) or businesses with military-connected owners aiming to scale up to business-to-business and large-scale commercial models.

Through this initiative, IVMF aims to achieve several research and programming objectives. The research objectives include enhancing insight and understanding of military-connected entrepreneurship, identifying economic, political, and socio-cultural barriers to business ownership for people with different military backgrounds, assessing business readiness for corporate procurement and other special focus areas, and identifying interventions that IVMF can deliver to improve procurement readiness and opportunity capture in commercial procurement. The programming objectives focus on developing and delivering programs to address gaps identified through our research and insights, and fostering procurement readiness among veteran and military spouse business owners so they can do business with large companies.

CONTEXT

Walmart and the D’Aniello Institute for Veterans and Military Families (IVMF) are long-time partners in the effort to better support veterans, military spouses, and other military-connected individuals in their entrepreneurial journey. Starting in 2023, Walmart and IVMF began a series of conversations with key stakeholders like the Coalition for Veteran Owned Businesses (CVOB) and veteran small business owners to examine the existing resources available to military-connected businesses, then identify any gaps or barriers. This summit is a key component of our ongoing efforts to identify and address gaps in the entrepreneurial ecosystem for military-connected businesses.

One area with potential for immediate impact is helping military-connected businesses achieve and accelerate their corporate procurement readiness. More companies today are looking to bring veteran-owned businesses into their supply chains. For example, Walmart’s sourcing from veteran-owned suppliers in FY24 was \$1.2 billion. Walmart and IVMF are working to identify and address the education, networking, and programmatic gaps in the entrepreneurial ecosystem to help military-connected businesses scale up their companies and successfully prepare for, identify, acquire, and execute opportunities to enter private sector procurement contracts.

The Military-Connected Entrepreneurship Ecosystem:

GROWTH, EMPOWERMENT & CONNECTIVITY SUMMIT

The primary goal of the summit was to foster collaboration, share best practices, and develop actionable insights to support military-connected entrepreneurs. In March 2024, this summit was hosted to bring together military-connected and Veteran-Owned Businesses (VOBs), corporations, and non-profits to discuss their experiences with corporate procurement. This report summarizes the findings from the summit, along with additional insights from IVMF research, and actions IVMF has taken to begin implementation of these recommendations. As of the release of this report, some of the support mechanisms that are discussed here have already been implemented, such as the Veteran Institute of Procurement (VIP) for corporations, which VIP has established in partnership with the National Veteran-Owned Business Association (NaVOBA) and others are underway.

The summit provided a platform for entrepreneurs, corporations, and non-profits to discuss their experiences navigating access to corporate procurement opportunities. For military-connected entrepreneurs, it was a chance to share their successes and challenges and inform corporate partners about their perspectives on barriers or needs around corporate contracting. For corporate partners, it was a chance to hear from military-connected entrepreneurs and learn more about strategies to better identify, support, and work with military-connected suppliers and contractors. The summit aimed to produce actionable next steps for improving the military-connected entrepreneurship ecosystem, particularly in preparing and supporting military-connected businesses as they pursue private sector procurement opportunities.

This conversation was an important step towards improving the military-connected entrepreneurship ecosystem so that VOBs and other military-connected businesses have what they need to be successful in making the next step into the private sector.



KEY INSIGHTS FROM THE DISCUSSION

- 1 Relationships are key. Identifying the right people to talk to within a corporation currently takes a lot of time and effort.** Better opportunities to network and to learn who to connect with are needed. Participants suggested a need for coaching and mentoring, opportunity matchmaking facilitated through gatherings like EDGE, and the need for more ways to network with key decision makers in their specific market, whether that be products or services.
- 2 Entrepreneurs expressed a need for better information to improve their capabilities.** This included knowledge of best practices or feedback from military-connected business owners who had successfully won corporate contracts, feedback on unsuccessful bids, better portals for finding contract opportunities, and more guidance on the language and terms specific to a particular customer or market.
- 3 Finally, engagements between corporations and military-connected businesses need improvement.** The discussion touched on the need for better transparency about how corporates work with military-connected business from procurement to how VOBs are presented to endpoint customers. Many asked for better platforms to identify procurement opportunities, more efficient payment systems or capital access to mitigate the risk to small businesses, and easier ways for corporations to identify military-connected businesses.

DISCUSSION GROUP RECOMMENDED PRIORITIES BY TOPIC

At the summit, participants were asked to focus their small group discussions (around 8 people per group) around four key topic areas. For each topic area, discussion groups worked to identify and recommend 1-3 priorities for advancing the ability of the military-connected entrepreneurship ecosystem to improve engagement with corporate opportunities.

THE ORGANIZED DISCUSSION TOPICS WERE THE FOLLOWING:



- 1 **Enhancing Access and Readiness for Corporate Procurement**
- 2 **Ecosystem Integration and Collaboration**
- 3 **Capability Development and Competitive Positioning**
- 4 **Corporate Engagement and Support Strategies**

Topic 1 Priorities—Enhancing Access & Readiness for Corporate Procurement

The first topic discussed how to enhance access and readiness for military-connected businesses to engage in corporate procurement, asking participants to identify important priorities that need to be addressed to better support access and readiness.

SUBMISSION PORTALS	CAPITAL ACCESS	STRUCTURE/PROCESS	EXTERNAL SUPPORT
Add feedback mechanisms in submission portals	Provide information on what type of capital is available and appropriate	Align incentives of supplier diversity point of contact with buyer priorities	Centralize a repository or entity responsible for coordinating corporate outreach to VOBs
Share portal best practices to minimize wasted time and effort	Address personal credit as a barrier to capital access	Create more favorable net terms to increase participation	Partner with funding institutions
Provide a clearer roadmap, including a clear contact person within the company	Invoice financing options or ways to identify more favorable terms	Facilitate knowing who to connect with in corporate system for capital or procurement	Use government as evidence of past performance

Topic 2 Priorities—Ecosystem Integration & Collaboration

The second discussion topic asked participants to consider how the military-connected business ecosystem operates in terms of preparing businesses to interface with corporations. Participants discussed how well the military-connected entrepreneurship ecosystem is positioned for supporting businesses that want to engage in corporate procurement, and what needs to happen to foster more collaborations in the space.

ECOSYSTEM	SUPPORT NEEDS	EDUCATION NEEDS	CORPORATE INSIGHTS
Networking events to increase corporate awareness of VOBs and make personal connections	Nonprofit coordination to help with understanding and getting certifications	Awareness of where to start given time and resource constraints of business owners	More transparency on how companies connect with VOBs, and how/what they purchase via contracts
Platform to connect VOBs to opportunities, such as repository for corporates to find VOBs hosted by a third party like IVMF or NaVOBA	Back-office support for software and infrastructure	Specific training for corporate versus government	Way to learn language or terms unique to corporate customer
Incorporate more VOBs into CVOB to improve networking; facilitate networking opportunities with decision makers	Information sharing forum so veteran owners can find and network with other vets who have been successful	Help developing market research strategy to understand corporate procurement space	Clarity on how corporations value military connections; at procurement stage and point of sale

Topic 3 Priorities—Capability Development & Competitive Positioning

The third discussion topic sought to identify ways to support capability development and improve the competitive positioning of military-connected businesses as they compete for corporate procurement opportunities. Participants discussed what their top business or personal needs they needed to address in the way of trying to get corporate ready.

CAPABILITIES NEEDED	IMPROVING COMPETITIVENESS	SUPPORT SYSTEMS
HR and human capital	Access to capital	Access to programs similar to SkillBridge
Branding, marketing, and fractional employment	Contacts and referrals	Create a Veteran Institute of Procurement (VIP) for corporations
Payroll and process systems	Faster payments	Create “common app” of supplier diversity for all companies to find VOBs

Topic 4 Priorities—Corporate Engagement & Support Strategies

The fourth discussion topic was intended to identify potential action steps to guide corporations in improving their engagement and support strategies for military-connected businesses. Participants considered whether corporations were receiving enough feedback or insights from military-connected businesses to alleviate pain points and improve opportunities for success.

CONNECTION	ENGAGEMENT	PROCESSES	SUPPORT
Create mechanisms for VOB coaching and mentorship within corporation	Learn capabilities of military-connected businesses across industries	Improve allocation of resources like HR support or pro bono	Peer to peer or teaming opportunities for VOBs to share resources
Hosted matchmaking opportunities to connect VOBs, corporates, and end-users	Build relationships between the right contacts in corporation and military-connected business owners	Limit take it or leave it contract negotiations	Guide military-connected businesses to better position themselves to corporate partners
Replicate CVOB model but for smaller companies	Improve corporations’ ability to find and interact with military-connected businesses	Flexible payment terms	Access to customer and forecasting data

- ▶ The discussion groups gave military-connected businesses, corporate partners, and entrepreneurship ecosystem service providers the opportunity to discuss in detail the experiences of small businesses in navigating the process of learning about, preparing for, seeking, and executing corporate procurement contracts.
- ▶ Although the main goal of the summit was to generate a list of actionable priorities for the topics discussed, the conversations provided unique opportunities to gather additional insights from the wide range of experiences and viewpoints in the room.
- ▶ Researchers from the IVMF facilitated the small group discussions and recorded additional themes and perspectives from the conversations that can serve to further inform efforts to enhance military-connected entrepreneurship.
- ▶ Detailed themes and conversation topics from these small groups are presented below, organized into thematic groups that include challenges for military-connected businesses, entrepreneurship ecosystem gaps, insights for corporate partners, and collaboration opportunities. Data points from the 2022 National Survey of Military-Affiliated Entrepreneurs (NSMAE) are included throughout to provide additional context to the topics discussed. While grouped here for ease of organization, all these topics can be insightful to businesses, corporate partners, and military-connected entrepreneurship ecosystem providers looking to better understand and advance entrepreneurial opportunities for the military community.





CHALLENGES FOR MILITARY-CONNECTED BUSINESSES

Scaling Challenges for Small Businesses

Veteran-owned small businesses often face difficulties scaling up to meet the large order volumes required by corporations like Walmart. This includes sourcing materials and fulfilling large orders that exceed their current capacity.

DATA INSIGHT

34%

of military-affiliated entrepreneurs needed **more than \$50k** to grow or expand their business in 2021, indicating significant capital requirements for scaling.

Challenges with Distribution and Marketing

Discussions highlighted difficulties of navigating distribution channels and marketing products effectively in the retail space. This includes issues with getting products on shelves, managing relationships with distributors, and the high costs associated with marketing and promotion.

DATA INSIGHT

41%

of military-affiliated entrepreneurs rated accessing distribution channels as difficult, and **47%** rated marketing their business as difficult, underscoring the complexity of these tasks.

Effective Use of Certification

While veteran-owned business certifications are valuable, their utility varies significantly across different procurement contexts. The importance of leveraging these certifications appropriately in both government and corporate sectors is discussed.

DATA INSIGHT

70%

of military-affiliated businesses hold certifications, yet many struggle to make a profit through procurement channels - **45%** of certified businesses report that none of their revenue comes from clients that require certification.

Challenges with Procurement Models

The complexity of navigating different procurement models and the need for businesses to adapt their strategies and offerings accordingly is a recurrent theme. In particular, many discussed differences between products and services.

DATA INSIGHT

58%

of military-affiliated businesses are service-based, **11%** are product-based, and **31%** are a combination of both, reflecting the diverse nature of their offerings and the need for adaptable procurement strategies.

Understanding Financial Implications

The discussion brings to light the financial considerations small businesses must make when entering into contracts with larger corporations. An example given was the necessity of hiring additional staff to fulfill a contract, which can significantly impact a small business's operating margin and revenue requirements.

DATA INSIGHT

21%

of military-affiliated entrepreneurs are unsure of how to perform financial analysis, and **23%** are unsure of how to develop a financial system and internal controls, highlighting the need for better financial management skills.

Access to Capital and Inventory Management

A key challenge for VOBs is accessing the capital needed to buy inventory and grow their businesses. This includes knowing what capital source to use. This is often a barrier to entering or expanding within the corporate procurement space.

DATA INSIGHT

40%

of military-affiliated entrepreneurs agree that 'the types of resources available in my community are relevant to my business needs,' indicating a lack of adequate support and resources.

Need for Mentorship and Support

The value of mentorship, whether from larger corporations or through formal programs, is emphasized as a means of navigating the corporate procurement landscape more effectively. Many described their experience as figuring it out on their own.

DATA INSIGHT

32%

of military-affiliated entrepreneurs agree with the statement 'I rely on other entrepreneurs for guidance and support,' emphasizing the importance of mentorship and peer support.

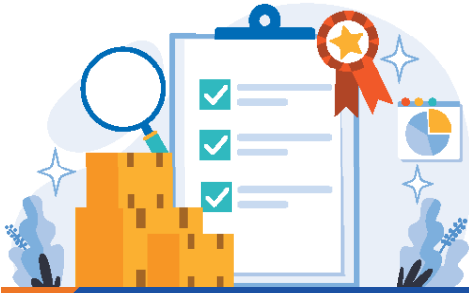
Technology and Infrastructure Requirements

The challenges of meeting the technological and infrastructure requirements of large corporate contracts are noted, with a suggestion for grants or support in this area.

DATA INSIGHT

21%

of military-affiliated entrepreneurs report being unsure of how to implement new methods of production, marketing, and management, reflecting a need for technological and infrastructural support.



ACTION STEPS FOR MILITARY-CONNECTED BUSINESSES

- ▶ Military-connected entrepreneurs face many technical challenges in seeking corporate procurement. Seeking out mentoring, educational, and networking opportunities can build the requisite knowledge to improve opportunity recognition and procurement readiness.
- ▶ Being capital-ready is key to scaling for corporate contracts, but that is only the first step. Not only should military-connected entrepreneurs be prepared financially for new contracts, they must also prepare for other resourcing challenges such as manufacturing support, cash flow management, and hiring.





ENTREPRENEURSHIP ECOSYSTEM GAPS

Need for Support in Capability Development

There is a clear need for support in developing business capabilities, such as infrastructure, access to capital, and building a track record of past performance. This is essential for businesses to be competitive in corporate procurement.

DATA INSIGHT

18%

of military-affiliated entrepreneurs cite 'lack of experience in entrepreneurship or business ownership' as a top barrier to achieving their entrepreneurial goals, indicating a significant need for capability development support.

Leveraging AI and Technology

Discussion around the use of AI and technology focused on how it can serve as a force multiplier for businesses, helping to streamline operations and compensate for smaller workforce sizes.

DATA INSIGHT

21%

of military-affiliated entrepreneurs report being unsure of how to implement new methods of production, marketing, and management, highlighting the need for better technological integration.

Creating Opportunities for Collaboration

The dialogue suggested a desire for more collaborative opportunities within the veteran business ecosystem, including better pathways for connecting with corporations and improving visibility for veteran-owned businesses.

DATA INSIGHT

71%

of military-affiliated entrepreneurs reported utilizing entrepreneurial resources related to their business, showing a strong engagement with available resources but a need for improved collaboration opportunities.

Importance of Relationship Development

Success in securing corporate contracts often comes down to building relationships with key decision-makers rather than just registering in supplier databases. The significance of direct conversations and networking cannot be understated.

DATA INSIGHT

12%

of military-affiliated entrepreneurs agree that finding corporate contracts that require certification(s) is easy, emphasizing the importance of building strong relationships for procurement success.

Translating Government Contracting Experience to Corporate Opportunities

For businesses transitioning from government to corporate contracting, understanding how to effectively translate their experience and past performance is crucial.

DATA INSIGHT

53%

of military-affiliated entrepreneurs earning revenue through certifications make part of that revenue from government contracts, indicating a need to translate this experience to the corporate sector.



ACTION STEPS FOR ECOSYSTEM GAPS

▶ The veteran entrepreneurial ecosystem can create more networking opportunities to connect veterans with the right corporate decision-makers - in their community, industry, or the appropriate buyer within the corporation.

▶ Educators in the veteran entrepreneurial ecosystem can identify and develop resources related to the specifics of corporate contracting, such as: differences between government and corporate opportunities, developing the necessary business infrastructure, or guidance on how to build a successful track record and readiness qualifications.



INSIGHTS FOR CORPORATE PARTNERS

Veteran-Owned Business Recognition

There is a perception among participants that being a veteran-owned business does not significantly advantage them in corporate procurement processes compared to minority or women-owned businesses.

DATA INSIGHT

31%

Across national veteran-focused certifications, on average **31%** of military-affiliated entrepreneurs were unsure if those certifications are helpful to their business.

Supplier Diversity Programs

While supplier diversity programs are viewed positively, there's a feeling that more could be done to actively match VOBs with real opportunities rather than just encouraging registration in databases, and to better promote VOBs to consumers.

DATA INSIGHT

33%

of military-affiliated entrepreneurs agree that there are enough resources to assist them through the certification process, suggesting that more could be done to actively support these businesses.

Feedback and Communication Gaps

Entrepreneurs express frustration over the lack of feedback or communication from corporations after pitching their products or services, including internal process knowledge gaps among corporate contacts. This lack of dialogue leaves businesses in the dark about how to improve or adapt their offerings for future opportunities.

DATA INSIGHT

12%

of military-affiliated entrepreneurs agree that finding corporate contracts that require certification is easy, highlighting the need for better feedback and communication.

Prioritizing Veteran-Owned Businesses

Participants discussed the potential for corporations to prioritize military-connected businesses in procurement processes, similar to government models that set aside contracts for specific business categories.

DATA INSIGHT

79%

of military-affiliated entrepreneurs are sure of their ability to take calculated risks, indicating a readiness to engage in prioritized procurement opportunities.

Improving Engagement and Support Strategies

The participants discussed how corporations can improve their engagement with and support of veteran-owned businesses. This includes providing more opportunities for direct communication, feedback, and guidance on how businesses can better align with corporate procurement needs.

DATA INSIGHT

50%

of military-affiliated entrepreneurs know only **2 or fewer** people they can rely on for help with their business, underscoring the need for better engagement and support strategies.

Scale of Opportunities

Several called for corporations to craft contracts and opportunities that are appropriately sized for small businesses, considering their unique capabilities and limitations.

DATA INSIGHT

51%

of military-affiliated entrepreneurs were 'sure' or 'somewhat sure' of their ability to set market share goals, indicating a need for appropriately scaled opportunities.

ACTION STEPS FOR CORPORATE PARTNERS

▶ Corporations can be more proactive in seeking military-connected suppliers and contractors by meeting veteran-owned businesses where they are. Connecting with entrepreneurs at veteran-focused networking events, or hosting your own, can create opportunities for businesses to learn about, or pitch directly to, corporations rather than recruiting through impersonal application portals and websites.

▶ Military-connected entrepreneurs are interested in the 'why' when corporations seek to work with them. Communicating why and how your corporation works with military-connected small businesses is key to building trust. Partner with veteran-owned businesses by helping them understand how your company will connect their products or services to end-users or consumers.



COLLABORATION OPPORTUNITIES

Navigating Corporate Procurement Portals

The cumbersome process of registering on multiple corporate supplier portals is highlighted as a significant time sink with little return on investment unless there's a clear opportunity at hand. Suggestions were made for creating a more unified or streamlined approach to these portals to reduce the administrative burden on small businesses.

DATA INSIGHT

45%

of military-affiliated entrepreneurs indicated that navigating the local resources is not easy. Furthermore, **12%** of military-affiliated entrepreneurs cite 'startup paperwork and bureaucracy' as a top barrier to their entrepreneurial goals, indicating the need for simplified procurement processes.

Corporate Relationship Development

The conversations emphasized the importance of developing enduring relationships between small businesses and larger corporations. Such relationships depend on having good networking opportunities, must be cultivated with care, and severing ties usually requires significant missteps. The goal is to understand how to build relationships that are robust and long-lasting, benefiting both parties.

DATA INSIGHT

51%

of military-affiliated entrepreneurs report that expanding their business's products or services to a national market was 'difficult' or 'very difficult,' underscoring the need for strong corporate relationships.

Mentoring and Support

There was an emphasis on the value of mentoring relationships, not only from large corporations to small businesses but also potentially among larger companies and subcontractors. This mentoring can provide essential insights and support to navigate the corporate landscape, which can significantly differ from government contracting environments.

DATA INSIGHT

53%

of military-affiliated entrepreneurs earning revenue through certifications make part of that revenue from government contracts, highlighting the need for mentorship in transitioning to corporate opportunities.

Crafting Appropriate Opportunities

A critical challenge for small businesses in working with large corporations is scale. Participants argued that corporations should become subject matter experts in creating contracts and projects that are appropriately sized for small businesses. For instance, a multimillion-dollar contract over several years may not be feasible for a smaller entity, which could struggle with resource allocation and financial sustainability.

DATA INSIGHT

23%

of military-affiliated entrepreneurs cite 'irregular income' as a top barrier to achieving their business goals, indicating the need for appropriately sized and structured contracts.

Value of Conversations and Compensation

Continuous conversations are valuable for understanding each other's needs, capabilities, and constraints. Communication between businesses and corporations can help address the importance of fair compensation and structuring contracts in a way that is sustainable for smaller businesses.

DATA INSIGHT

31%

of military-affiliated entrepreneurs expressed uncertainty about their ability to control costs, highlighting the need for clear and fair compensation structures.

ACTION STEPS FOR COLLABORATION OPPORTUNITIES

- ▶ Ecosystem and corporate collaborations can benefit the most from networking and relationship-building opportunities. This includes supporting ecosystem development, as well as facilitating military-connected entrepreneurs' direct access to resources like pro bono corporate services.
- ▶ Communication is key. Organizations supporting military-connected entrepreneurs should facilitate two-way conversations: solicit feedback from veterans on what is needed and how well processes work, while helping corporations communicate their needs and priorities to military-connected business and those working to educate and train entrepreneurs.



POST-CONFERENCE AND SUMMIT SURVEY

Following their participation in the Veteran EDGE conference, military-connected entrepreneurs who attended the summit expressed high confidence in their ability to successfully expand their businesses:

How confident are you in your ability to continue to grow your business?



How confident are you in your knowledge needed to continue to grow your business?



ONE VETERAN ENTREPRENEUR PARTICIPANT REMARKED:

“The Military-Connected Entrepreneurship Ecosystem: Growth, Empowerment & Connectivity Summit was very interesting and could lead to some actionable partnerships with some additional time for discovery and networking.”

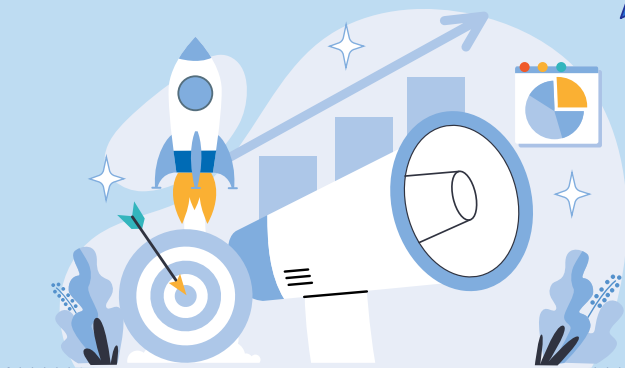
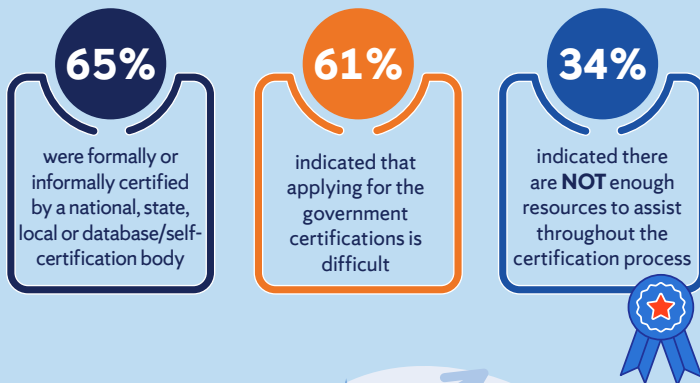




SNAPSHOT OF MILITARY-CONNECTED ENTREPRENEURS

Data from the 2022 National Survey of Military-Affiliated Entrepreneurs (NSMAE) informs our efforts to strengthen the military-connected entrepreneurship ecosystem. Below are highlights from recent IVMF reports on some of the different challenges faced by veteran and military spouse entrepreneurs.

Veteran Entrepreneurs



Market

- ▶ **47%** indicated that marketing their business was difficult
- ▶ **28%** indicated that they are unsure how to conduct market analysis as it relates to their business venture

Financial

- ▶ **72%** are able to financially sustain themselves/family with income of their business (compared to **26%** that are not able to)
- ▶ **34%** do not have at least 3 months of typical income set aside in case of an unexpected financial event

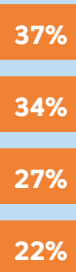
Social and Cultural Context

- ▶ **83%** started their business more to pursue an opportunity (i.e., identified an opportunity and left employment to pursue it, wanted to create and grow a business, etc.) while **17%** started their business more out of necessity (i.e., no employment options, unable to work, etc.)
- ▶ **46%** consider themselves to be a social entrepreneur (a social entrepreneur is an entrepreneur that develops products and/or services that create solutions to social, cultural, or environmental issues)

BARRIERS TO ENTREPRENEURSHIP

Financial Barriers

- ▶ Lack of access to capital
- ▶ Lack of financing
- ▶ Current economic situation
- ▶ Irregular income



Regulation, Business Climate, and Policy Barriers

- ▶ Taxes and legal fees
- ▶ Federal regulations and policies



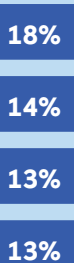
Social and Human Capital Barriers

- ▶ Problems finding good employees/contracted personnel
- ▶ Lack of mentors for my business



Cultural and Knowledge Barriers

- ▶ Lack of experience in entrepreneurship or business ownership
- ▶ Fear of failure
- ▶ Personal health issues (disability, etc.)
- ▶ Lack of knowledge or education on the business world



To read more on the veteran entrepreneurial ecosystem, visit:

<https://surface.syr.edu/cgi/viewcontent.cgi?article=1405&context=ivmf>

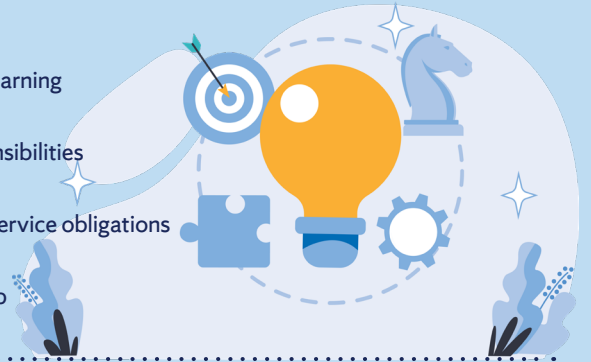


Military Spouse Entrepreneurs

67%
Indicated this business is their first business.
77% started the business more to pursue an opportunity than out of necessity

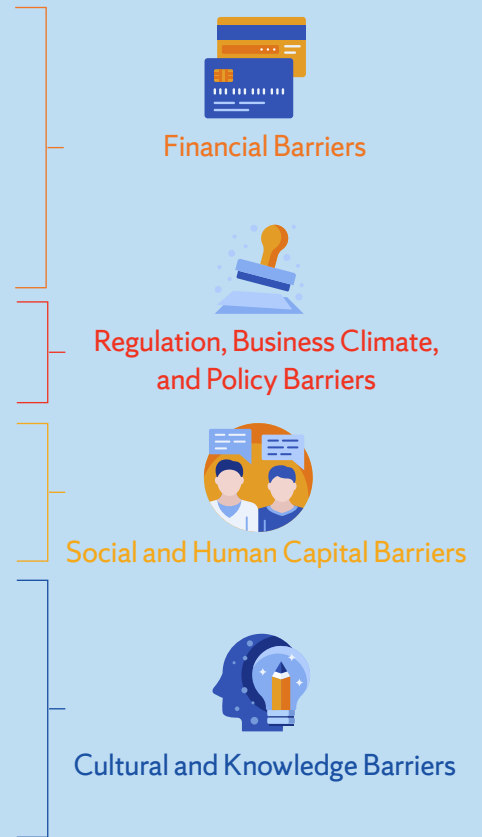
REASONS FOR STARTING YOUR BUSINESS

- 67%** Identified a good business opportunity and decided to pursue it
- 50%** Wanted a challenge to pursue in my life
- 23%** Did not need to, but wanted to earn more income
- 17%** Needed to supplement my income beyond what I was earning
- 13%** Could not work a job due to child care/caregiver responsibilities
- 12%** Could not work a job due to spouse/partner's military service obligations
- 11%** Needed a main source of income and could not get a job



BARRIERS Top problems or barriers that hindered entrepreneurial goals.

- 30%** Lack of access to capital
- 29%** Lack of financing
- 24%** Irregular income
- 18%** Current economic situation
- 23%** Lack of experience in entrepreneurship or business ownership
- 22%** Taxes and legal fees
- 19%** Lack of mentors for my business
- 18%** Problems finding good employees/contracted personnel
- 18%** Fear of failure
- 13%** Lack of experience in management/accounting
- 11%** Relocation to another city, state and/or country
- 11%** Childcare struggles



To read more on military spouse entrepreneurs, visit:

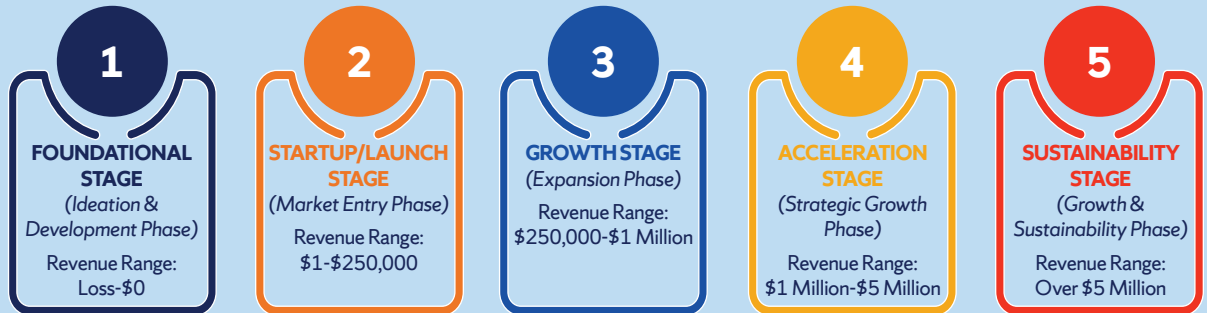
<https://surface.syr.edu/cgi/viewcontent.cgi?article=1460&context=ivmf>



Military-Connected Small Business Profiles

In addition to the different challenges for veteran versus military spouse entrepreneurs, the needs and challenges of military-connected businesses can also vary by size and business stage. Below are some findings from NSMAE on military-connected business at different stages of growth.

SMALL BUSINESS CATEGORIES



FOUNDATIONAL STAGE (IDEATION AND DEVELOPMENT PHASE)

KEY CHARACTERISTICS

Sole proprietorship dominant (**75%**), focusing on business ideation and planning without revenue generation.

INDUSTRY TRENDS

Leading sectors include professional, scientific, and technical services, indicating a preference for skill-based entrepreneurship.

TOP CHALLENGE

Securing initial funding and developing a viable business model.

TOP 5 OPERATIONAL DIFFICULTIES

- 1 Applying for grants from nonprofits (**73%**)
- 2 Acquiring a new customer (**65%**)
- 3 Applying for loans (**63%**)
- 4 Exporting your businesses' products or services to a national market (**59%**)
- 5 Marketing your business (**58%**)

TOP 3 MOTIVATIONS

- 1 Identified a good business opportunity (**72%**)
- 2 Wanted a challenge (**58%**)
- 3 Did not want to work a job/wanted to quit working a job (**21%**)



STARTUP/LAUNCH STAGE (MARKET ENTRY PHASE)

KEY CHARACTERISTICS

High percentage of business certifications (**64%**), indicating a strategic move towards formalizing business operations as they enter the market.

INDUSTRY TRENDS

Significant movement into construction and retail trade, alongside a continued strength in professional, scientific, and technical services, showcasing a broadening of entrepreneurial efforts.

TOP CHALLENGE

Balancing the transition from idea to market entry with effective resource management and customer acquisition.

TOP 5 OPERATIONAL DIFFICULTIES

- 1 Applying for grants from nonprofits (**69%**)
- 2 Finding good or qualified salesperson for your business (**57%**)
- 3 Exporting your businesses' products or services to a national market (**57%**)
- 4 Social media management (**54%**)
- 5 Marketing your business (**52%**)

TOP 3 MOTIVATIONS

- 1 Identified a good business opportunity (**66%**)
- 2 Wanted a challenge (**53%**)
- 3 Wanted to earn more income without needing to (**23%**)



GROWTH STAGE (EXPANSION PHASE)

KEY CHARACTERISTICS

Majority of businesses have certifications **(84%)**, indicating a mature approach to leveraging competitive advantages in scaling operations.

INDUSTRY TRENDS

Expansion into construction and professional services, signaling a solid foundation in both traditional and knowledge-based sectors.

TOP CHALLENGE

Scaling operations, expanding the customer base, and leveraging significant funding rounds for growth.

TOP 5 OPERATIONAL DIFFICULTIES

- 1 Finding a good/qualified salesperson for your business **(68%)**
- 2 Applying for grants from nonprofits **(61%)**
- 3 Social media management **(48%)**
- 4 Finding a local business incubator/nonprofit that helps business owners **(41%)**
- 5 Exporting your businesses' products or services to a national market **(41%)**

TOP 3 MOTIVATIONS

- 1 Identified a good business opportunity **(73%)**
- 2 Wanted a challenge **(59%)**
- 3 Wanted to earn more income without needing to **(24%)**



ACCELERATION STAGE (STRATEGIC GROWTH PHASE)

KEY CHARACTERISTICS

Advanced focus on venture capital and strategic partnerships, with a significant number of businesses having certifications **(86%)**, preparing for larger scale strategic moves.

INDUSTRY TRENDS

Dominance in professional, scientific, and technical services, with a notable presence in construction, indicating a pivot towards high-value, expertise-driven markets.

TOP CHALLENGE

Maximizing profits through new revenue channels and strategic partnerships, while preparing for significant corporate actions like IPOs.

TOP 5 OPERATIONAL DIFFICULTIES

- 1 Finding a good/qualified salesperson for your business **(73%)**
- 2 Applying for grants from nonprofits **(52%)**
- 3 Finding time to network **(46%)**
- 4 Finding a local business incubator/nonprofit that helps business owners **(45%)**
- 5 Acquiring a new customer **(42%)**

TOP 3 MOTIVATIONS

- 1 Identified a good business opportunity **(81%)**
- 2 Wanted a challenge **(61%)**
- 3 Wanted to earn more income without needing to **(17%)**



SUSTAINABILITY STAGE (GROWTH AND SUSTAINABILITY PHASE)

KEY CHARACTERISTICS

Emphasis on global expansion and strategic alliances with a strong base of businesses holding certifications **(92%)**, showcasing a commitment to leveraging competitive advantages.

INDUSTRY TRENDS

Continued emphasis on professional services, alongside expanding footprints in sectors like construction and wholesale trade, demonstrating broad market influence.

TOP CHALLENGE

Leveraging financial strength for sustainable growth and maintaining industry leadership through diversification and strategic partnerships.

TOP 5 OPERATIONAL DIFFICULTIES

- 1 Finding a good/qualified salesperson for your business **(68%)**
- 2 Applying for grants from nonprofits **(46%)**
- 3 Acquiring a new customer **(43%)**
- 4 Social media management **(41%)**
- 5 Exporting your businesses' products or services to a national market **(37%)**

TOP 3 MOTIVATIONS

- 1 Identified a good business opportunity **(76%)**
- 2 Wanted a challenge **(55%)**
- 3 Wanted to earn more income without needing to **(25%)**

To read more on access to capital and resources across revenue stage, visit:



SUMMARY, CONCLUSIONS, AND NEXT STEPS

The Military-Connected Entrepreneurship Ecosystem: Growth, Empowerment & Connectivity Summit, sponsored by Walmart, provided a vital forum for military-connected businesses, corporations, and other stakeholders to share experiences and strategies for navigating corporate procurement opportunities. This summit served as a critical meeting point where various entities could exchange ideas and develop actionable insights aimed at improving the entrepreneurial landscape for military-connected individuals. By fostering a collaborative environment, the summit highlighted key areas where military-connected businesses could enhance their business practices and better align with corporate procurement requirements.

Key insights from the summit emphasized the importance of relationships, better access to information and guidance, and improved connectivity between corporations and military-connected businesses. Participants discussed the significant role of mentorship and networking in bridging the gap between military-connected businesses and corporate opportunities, stressing that personal connections often serve as gateways to business growth and development. Additionally, the summit underscored the necessity for tailored resources and support systems that cater specifically to the unique challenges faced by military-connected entrepreneurs.

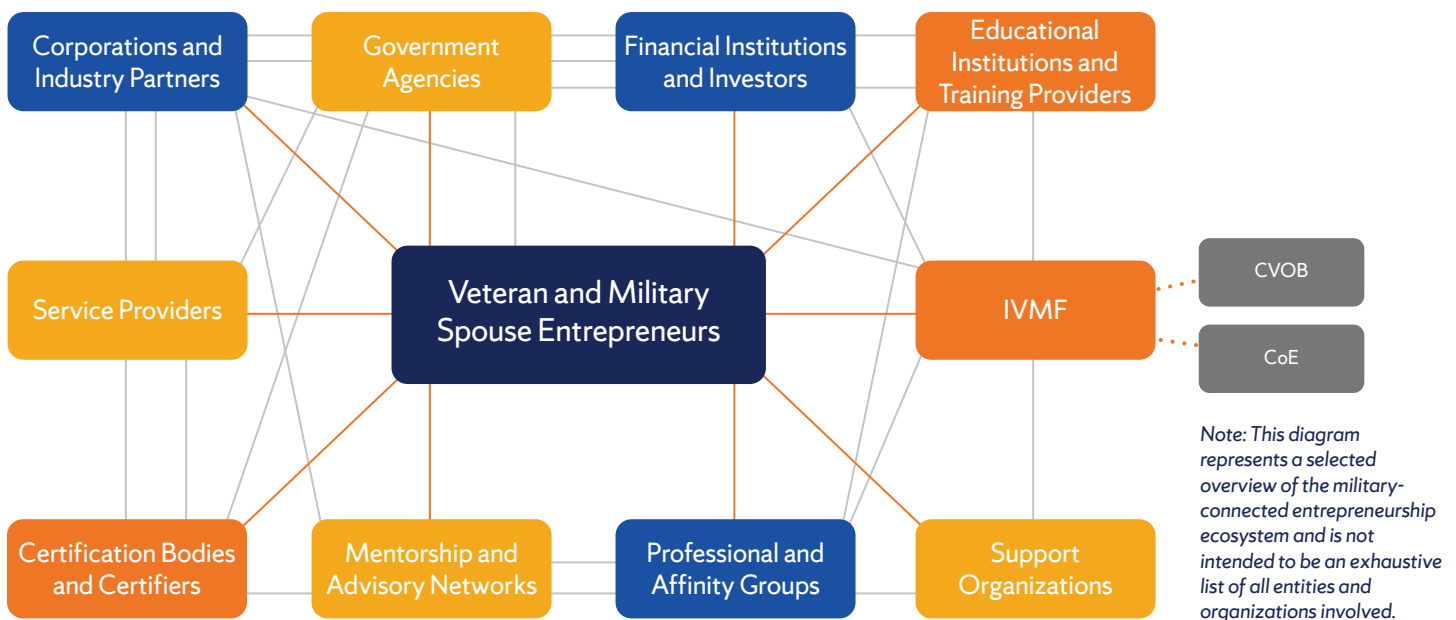
Summit Conclusions

- **Networking, mentorship, and tailored resources are critical in empowering military-connected businesses for success in the private sector.** The discussions revealed that effective mentorship programs and strategic networking opportunities can significantly impact the ability of military-connected businesses to navigate and succeed in the corporate procurement landscape.
- **There is a strong need for platforms that enhance direct engagement with corporate partners and foster mutual understanding and collaboration.** The creation of such platforms would not only streamline communication but also facilitate better alignment of expectations and requirements between military-connected businesses and corporations.
- **Establishing a council for corporations and practitioners delivering programs could enhance collaboration, streamline information sharing, and provide a forum to share best practices.** This council would be instrumental in ensuring continuous improvement and innovation within the military-connected entrepreneurship ecosystem.

Next Steps in Advancing Military-Connected Entrepreneurship

Walmart and the IVMF are committed to identifying and addressing barriers in the entrepreneurial ecosystem, aiming to support military-connected entrepreneurs in achieving their goals, growing their businesses, and building thriving communities throughout the U.S. This ongoing collaboration will focus on developing innovative solutions and implementing best practices to ensure that military-connected businesses are well-equipped to meet the demands of corporate procurement processes. By continuing to work together, Walmart and IVMF strive to create a supportive environment for military-connected entrepreneurs, ultimately contributing to the overall economic growth and vitality of their communities.

Key Components of the Military-Connected Entrepreneurship Ecosystem





IVMF Initiatives

IVMF has already begun several initiatives to address the needs identified in this research. In January 2024, IVMF marketed the opportunity to military-connected businesses to participate in virtual sessions held in February and early March. These sessions focused on becoming procurement ready, assessing their own readiness, and hearing from suppliers about their requirements. In March 2024, IVMF hosted a procurement track consisting of three sessions at Veteran EDGE for firms prepared to engage in commercial contracting, using IVMF research insights to inform the “Doing Business with Big Business” mainstage. The first session was “How to be Procurement Ready,” with the other two sessions developed in partnership with Walmart. From April to December 2024, IVMF will provide a regular cadence of scheduled interventions focused on specific opportunities, such as Open Call for those who attended the Q1 virtual sessions or the Veteran EDGE session. Interventions will include assigning mentors, pitching, brand development, and “workshop” or “hot-seat” style events for deeper company analysis while allowing others to learn.

IVMF is also creating a network of CVOB partners who will serve on a corporate council to be launched in Spring 2025 - this council will specifically assist as SMEs in ongoing procurement readiness efforts. Throughout these efforts, IVMF is developing and collecting baseline data from session participants to track their outcomes and determine the efficacy of the technical assistance delivered.

Walmart is Committed to Veterans and Military Communities

Walmart is dedicated to supporting veterans and military families through various initiatives focusing on employment, education, entrepreneurship, and well-being. Since 2013, Walmart has hired more than 533,525 veterans and military spouses, and more than 60,000 veterans have been promoted. Their educational efforts include a \$1 billion investment in career-driven training and development by 2026, along with philanthropic investments to build skills-based systems. Walmart directly supports veteran-owned businesses by spending \$1.2 billion with veteran-owned suppliers in FY2024 and is a founding member of the Coalition for Veteran Owned Business. Finally, Walmart prioritizes well-being by supporting health and wellness programs, including access to affordable healthcare, mental health resources, and community-based wellness initiatives. Since 2011, Walmart and the Walmart Foundation have invested more than \$44 million in job training, education, and innovative public/private community-based initiatives. Some key partnerships include the Manufacturing Institute, Education Design Lab, Hire Heroes USA, Wreaths Across America, Institute for Veterans and Military Families, and the Doughboy Foundation. For more information, visit the [Veterans page](https://corporate.walmart.com/purpose/opportunity/veterans), (<https://corporate.walmart.com/purpose/opportunity/veterans>).

SOURCING FROM VETERAN-OWNED SUPPLIERS

In fiscal year 2024, Walmart spent \$1.2 billion with veteran-owned suppliers. This initiative is part of Walmart’s broader strategy to support diverse suppliers, ensuring that veteran-owned businesses have significant opportunities to thrive in the retail market. By doing so, Walmart strengthens its supply chain while contributing to the economic empowerment of veterans transitioning into entrepreneurship.

SUPPLIER INCLUSION PROGRAM

Walmart fosters a diverse supplier base by providing equal opportunities for U.S. companies owned, managed, and controlled by veterans and other diverse groups. Through its Supplier Inclusion Program, Walmart partners with various advocacy organizations to identify potential suppliers. In FY2023, Walmart spent over \$1.3 billion with diverse suppliers, demonstrating its commitment to supporting small businesses and enhancing its product offerings with diverse and unique items. For more details, visit the [Supplier Inclusion page](https://corporate.walmart.com/suppliers/supplier-inclusion), (<https://corporate.walmart.com/suppliers/supplier-inclusion>).

Through strategic partnerships, significant investments, and dedicated programs, Walmart continues to play a pivotal role in supporting veteran and military communities across the nation.

RECOMMENDATIONS AND CHECKLIST

To advance military-connected entrepreneurship, targeted support for military-connected businesses, corporate partners, and those delivering programs is essential. The following recommendations and checklist address the specific needs and challenges faced by military-connected entrepreneurs, enhancing their ability to succeed in the corporate procurement space and fostering a more collaborative and supportive ecosystem. These recommendations are designed to be comprehensive and actionable, ensuring that all stakeholders can contribute effectively to the growth and empowerment of military-connected entrepreneurs.

RECOMMENDATIONS

For Military-Connected Owned Businesses

Networking

- ▶ Actively participate in networking events to build relationships with corporate decision-makers and other military-connected businesses. Networking provides opportunities to share experiences and learn best practices.
- ▶ Engage in mentorship programs for guidance on navigating corporate procurement processes. Mentors can offer valuable insights and advice tailored to the unique challenges faced by military-connected businesses.

Capability Development

- ▶ Focus on developing business capabilities, such as infrastructure, access to capital, and marketing strategies, to be competitive in corporate procurement. Building robust business systems is crucial for long-term success.
- ▶ Leverage military-connected business certifications appropriately in both government and corporate sectors. Certifications can open doors to exclusive opportunities and enhance credibility.

Market Intelligence

- ▶ Gather market intelligence and utilize available resources, such as the SBA and local entrepreneurial networks, for business planning and support. Understanding market trends and demands can inform strategic decisions.
- ▶ Conduct regular competitive analysis to stay ahead in the market and identify potential areas for growth and innovation.

For Corporate Partners

Communication and Feedback

- ▶ Create platforms for direct communication and feedback with military-connected businesses to understand their needs and provide guidance on aligning with corporate procurement requirements. Open dialogue can bridge gaps and foster mutual understanding.
- ▶ Develop regular feedback loops to continuously improve engagement strategies with military-connected businesses.

Supplier Diversity

- ▶ Enhance supplier diversity programs by actively matching military-connected businesses with opportunities and promoting their businesses to consumers. Supplier diversity initiatives can drive innovation and reflect corporate social responsibility.
- ▶ Ensure transparency in procurement processes with clear guidelines and feedback mechanisms for military-connected businesses. Transparency builds trust and encourages participation.

Contract Sizing

- ▶ Craft contracts and opportunities appropriately sized for small businesses, considering their unique capabilities and limitations. Right-sized contracts ensure that military-connected businesses can meet deliverables without overextending resources.
- ▶ Simplify contract terms and conditions to make them more accessible to small businesses.

For Practitioners in Veteran and Entrepreneurship Programs

Collaboration and Resources

- ▶ Create opportunities for collaboration within the military-connected business ecosystem, including better pathways for connecting with corporations. Collaborative efforts can pool resources and amplify impact.
- ▶ Develop and provide resources that address the specific needs of military-connected entrepreneurs, such as training for corporate contracting and support for capability development. Tailored resources can address gaps in knowledge and skills.

Training Programs

- ▶ Provide training related to corporate contracting, market research, sales, pitching, financing, and the latest technology. Equipping military-connected businesses with these skills can enhance their competitiveness and operational efficiency.
- ▶ Offer continuous education programs to keep military-connected businesses updated on industry trends and best practices.

Infrastructure and Performance

- ▶ Assist military-connected businesses in building a track record of past performance and developing the necessary infrastructure to be competitive in corporate procurement. A solid performance history can boost confidence and credibility.
- ▶ Provide guidance on building strong financial management systems to support business growth and sustainability.



CHECKLIST FOR ADVANCING MILITARY-CONNECTED ENTREPRENEURSHIP

For Military-Connected Owned Businesses

- Attend networking events and build relationships with key corporate contacts.
- Engage in mentorship programs for guidance on corporate procurement.
- Discuss financial literacy and education with mentors and advisors.
- Give back by mentoring and sharing resources with other military-connected entrepreneurs.
- Expand your network by engaging with national and local military-connected entrepreneurial resources.
- Explore local, regional, and virtual business incubators and accelerators.
- Develop business capabilities (e.g., capital access, marketing strategies).
- Perfect your pitch to corporate partners.
- Leverage military-connected business certifications effectively.
- Seek assistance with the certification process.
- Gather market intelligence and utilize local SBA resources for support.
- Invest time in market research and analysis.
- Conduct regular competitive analysis to stay informed and strategic.

For Corporate Partners

- Offer mentorship programs to guide military-connected businesses through corporate procurement processes.
- Create platforms for direct communication and feedback with military-connected businesses.
- Implement feedback mechanisms to improve military-connected business engagement and performance.
- Provide training and resources to help military-connected businesses meet procurement requirements.
- Streamline certification and procurement processes across sectors.
- Ensure transparency in procurement processes and provide clear guidelines.
- Simplify contract terms and conditions for accessibility.
- Develop appropriately sized contracts and opportunities for small businesses.
- Facilitate networking events specifically for military-connected businesses.
- Enhance supplier diversity programs to actively match military-connected businesses with opportunities.
- Recognize and promote the achievements of military-connected businesses within the company.

For Practitioners in Veteran and Entrepreneurship Programs

- Collaborate with other programs and service providers to enhance resource accessibility.
- Connect with local corporations to better assist military-connected businesses.
- Familiarize yourself with relevant resources to strengthen your local referral network.
- Learn about local and regional small business incubators and accelerators.
- Educate yourself and your organization about military-connected entrepreneurship resources.
- Facilitate collaboration opportunities within the military-connected business ecosystem.
- Support military-connected businesses in building infrastructure and a track record of past performance.
- Develop training programs related to corporate contracting, market research, sales, pitching, financing, and the latest technology.
- Offer continuous education programs to keep military-connected businesses updated on industry trends and best practices.
- Provide assistance and educational opportunities related to corporate contracting and financing.
- Provide guidance on financial management systems for business growth.

These recommendations and checklist items aim to improve the military-connected entrepreneurship ecosystem, ensuring that military-connected businesses have the resources and support they need to succeed in the private sector. The Walmart and IVMF partnership for Advancing Military-Connected Entrepreneurship emphasizes ongoing collaboration and innovation, addressing the unique challenges faced by military-connected businesses and outlining a path forward for their successful integration into the private sector.



D'ANIELLO INSTITUTE FOR VETERANS AND MILITARY FAMILIES (IVMF) is the first national institute in higher education singularly focused on advancing the lives of the nation's military, veterans, and their families. Through its professional staff and experts, and with the support of founding partner JPMorgan Chase Co. as well as U.S. Navy veteran, IVMF Advisory Board Co-Chair, University Life Trustee and Co-Founder & Chairman Emeritus of the Carlyle Group Daniel D'Aniello '68, H'20 and his wife, Gayle, the IVMF delivers leading programs in career and entrepreneurship education and training, while also conducting actionable research, policy analysis, and program evaluations. The IVMF also supports veterans and their families, once they transition back into civilian life, as they navigate the maze of social services in their communities, enhancing access to this care working side-by-side with local providers across the country. The Institute is committed to advancing the post-service lives of those who have served in America's armed forces and their families.

ABOUT THE MILITARY-CONNECTED ENTREPRENEURSHIP ECOSYSTEM: GROWTH, EMPOWERMENT & CONNECTIVITY SERIES

With generous support from Walmart, the purpose of this initiative is to bridge gaps in existing research on entrepreneurship among veterans and the military-connected community. Our research objectives aim to enhance insight and understanding of military-affiliated entrepreneurship, identify economic, political, and socio-cultural barriers to business ownership, assess corporate readiness for procurement and other specialized focus areas, and identify interventions that the IVMF can deliver to overcome these barriers. The programming objectives focus on developing and delivering programming that addresses these gaps and prepares veteran and military spouse business owners for procurement readiness to do business with large companies. This effort strives to provide actionable insights to guide the development of research, programs, and interventions that support military-affiliated entrepreneurs in achieving and accelerating their business success.

ABOUT WALMART

Walmart Inc. (NYSE: WMT) is a people-led, tech-powered omnichannel retailer helping people save money and live better - anytime and anywhere - in stores, online, and through their mobile devices. Each week, approximately 255 million customers and members visit more than 10,500 stores and numerous eCommerce websites in 19 countries. With fiscal year 2024 revenue of \$648 billion, Walmart employs approximately 2.1 million associates worldwide. Walmart continues to be a leader in sustainability, corporate philanthropy, and employment opportunity. Additional information about Walmart can be found by visiting corporate.walmart.com, on Facebook at facebook.com/walmart, on X (formerly known as Twitter) at twitter.com/walmart, and on LinkedIn at linkedin.com/company/Walmart

ACKNOWLEDGMENTS

Special thanks to Walmart, Fiserv, Amazon, Johnson & Johnson, JP Morgan Chase & Co., Comcast NBCUniversal, AT&T, U.S. Bank, Cushman & Wakefield, APTIM, Lockheed Martin Corporation, NaVOBA, DAV Patriot Boot Camp and the 51 participating military-connected small business owners for joining in the conversation.

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|--------------------------|---|---|
| ACJ Luxury Maintenance | scDataCom | Veterans4You |
| EXPANSIA | Cazar Logistics LLC | CS1 Mindset, LLC |
| TeamWorx Security | M3 Services | Fire Department Coffee |
| SeeKing HR | Bravery Wlnery | Black Box Safety, Inc. |
| Arbo's Cheese Dip | Brotallion | Schnell-Tech Solutions LLC |
| TRIDENT 11 | Monster Grass | Grind Goods |
| Clicksuasion Labs | Blue Horse Services/E9 Holdings | Pretty Thai |
| Vertical Athletics | Black Box Safety, Inc. | Goldschmitt and Associates LLC |
| Bon AppéSweet | Novo Communications | YourSix |
| Fit4Me | Triangle Ways REI Holdings, Inc. | Green's Plumbing/Modern Heating/NMG LLC |
| Fire Department Coffee | Professional Management Enterprises, Inc. (PME) | Virginia Wealth Ventures |
| Spartan Shield Solutions | Mr. Electric of Queensbury | Excel Medical Staffing |
| Office Libations | Pulido Construction Cleaning Services | Stay In Charger |
| RedTrace Technologies | Dominguez Design-Build, Inc. | Scholes Marketing |
| Rollors | LaunchTech | Authentically American |
| HumCap | Drummond Carpenter PLLC | Nationwide Pharmaceutical |
| Wambeke & Associates | Battle Sight | |

Data insights in this brief come from the 2022 National Survey of Military-Affiliated Entrepreneurs, a multi-year study of veteran and military spouse entrepreneurs. This effort is one of the first national initiatives to develop data-driven research focused on military-affiliated entrepreneurship. The research seeks to gain better insights and understanding of military-affiliated entrepreneurs and identify economic, political, and socio-cultural factors that serve as barriers to entrepreneurship for military-affiliated individuals. To learn more about this study and other briefs, publications, and presentations visit <https://ivmf.syracuse.edu/nsmae>

Post-conference survey data is based on the responses of 37 summit participants who completed the follow-up survey from the Veteran EDGE conference where the summit took place.

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SUGGESTED CITATION

Maury, R.; Pritchard, A. (2024). Military-Connected Entrepreneurship Ecosystem: Advancing Military-Connected Entrepreneurship. Syracuse, NY: D'Aniello Institute for Veterans and Military Families, Syracuse University.