

“Supporting America’s Startups: Review of SBA Entrepreneurial Development Programs.”

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It is the opinion of this author, there is no better time to be a startup entrepreneur in the U.S. than at this moment. The financial conditions are certainly favorable, as well as the economic outlook for the future; not to mention the traditional negative and or skeptical mindset regarding entrepreneurship is a thing of the past. Entrepreneurship is currently thought of not only in a positive light, but is considered the ‘thing to do’, especially if you are a millennial or a veteran, and if that is the case, it is thought of as the way to achieve autonomy, success and independent wealth.

Furthermore, research conducted after each major war since post-WWII tells us veteran entrepreneurship significantly increases after each major war, and the Iraq and or Afghanistan war is no different. Research has also shown veterans make the best entrepreneurs, as they acquire skills and character that are conducive to what is required for entrepreneurial success. An example of these character traits are as follows: excellent work ethic, sound understanding of the need for a plan and the necessity to follow the plan, veterans are risk-adverse, and failure is NOT an option, among other traits. In addition, these new veterans are the most educated and technologically trained service members than any before them. When considering this, combined with the previously mentioned character traits gained by military service, you have a sector of the population that is prime for taking on entrepreneurship and thereby, control over their future.

On the other hand, Startups have many challenges, as any form of entrepreneurship does. In particular, the Startup is immediately challenged when it comes to startup capital. A Startup is like any small business, funding is the biggest obstacle to confront; along with lack of experience or knowledge as an entrepreneur. With that said, the following statistics provide validity to what is observed in the startup and entrepreneurial community: Approximately 50% of small businesses fail in the first 4 years, with the leading cause being incompetence and lack of managerial experience at 30% and 82% of businesses fail due to cash flow deficiency. When considering these assumptions, please see the Startup rankings by state listed below...

Startup Activity and Rankings

- Among the twenty-five largest states, the five states with the highest startup activity in the 2017 Index were California, Texas, Florida, Arizona, and Colorado. Seventeen out of the twenty-five largest states had higher levels of startup activity in 2017 compared to last year.
- In the twenty-five smallest states, the five states with the highest startup activity in the 2017 Index were Nevada, Oklahoma, Wyoming, Montana, and Idaho. Eleven smaller states had higher Startup Activity Index measures this year.
- Among the twenty-five largest states, the four that experienced the biggest increase in ranks in 2017 were Massachusetts, Tennessee, Washington, and Minnesota. The three that experienced the biggest negative shifts in rank in 2017 compared to 2016 were Louisiana, Maryland, and Virginia. (*2017 Kauffman Index of Startup Activity Ewing, Marion Kauffman Foundation*). Per the aforementioned study, Startup activity in a region in the U.S. is driven by the rate of new entrepreneurs joining the economy in a given month, the number of new entrepreneurs entering the market that are driven primarily by ‘opportunity vs necessity’, and the number of Startups in a region that are new employer businesses.

SBA Entrepreneurial Development Programs

The U.S. Small Business Administration (SBA), Office of Veterans Business Development's (OVBD) premier entrepreneurial development program is, the Veteran Business Outreach Centers located throughout the U.S., with each Center responsible for a geographic Region that covers multiple states. For example, the Center this author oversees as Director of Region III (Virginia and West Virginia), is the Old Dominion University Veterans Business Outreach Center (VBOC) located at Old Dominion University, as a part of the university's Institute for Innovation and Entrepreneurship (IIE), 4111 Monarch Way, Suite 106, Norfolk, VA 23508. With this being said, the SBA has 22 active centers across the nation as a result of funds designated by Congress to the SBA in support and strong understanding of the importance of entrepreneurship, and or small businesses to our national economy. This Center is located 5.2 miles from Naval Station Norfolk, the largest Naval Base in the world, who transitions out approximately 10,000 Sailor's each year for the last 6 years and is expected to continue to do so going forward, as the post war downsizing of our troops continue. These numbers do not include any other branch of service in the Hampton Roads region, and as record shows there are many installations in the region who transition out thousands of veterans in the Hampton Roads area and the state of Virginia each year.

Transition Assistance and working to support the Transition Assistance Program (TAP) in each of our regions is paramount to the main requirement for VBOC's. This support includes organizing, facilitating and instructing the nationally known 2 day introduction to entrepreneurship program, **Boots to Business** (B2B), whose training is conducted on military installation's throughout areas of regional responsibility. The secondary requirement is to offer 'other' business and or entrepreneurial trainings and outreach. Lastly, and vitally important, is the one-on-one business advising provided to our startups and small business owners in all phases of the business cycle, as well as those whom qualify and are positioned for government contracting within the military and or DoD sectors. VBOC instructors and advisor's, along with their local and regional community resource partners are '*boots on the ground*' support for entrepreneurial clients. However, the SBA, Office of Veterans Business Development (OVBD), and our other SBA resource partners such as: SBA District Offices, U.S. Department of Agriculture (USDA), SCORE, Small Business Development Center's (SBDC), Women's Business Center (WBC), Procurement Technical Assistance Center (PTAC) and others make up the resource network that is KEY to the support needed to overcome the obstacles to success discussed in the previous section; access to capital and managerial experience and or know-how to start and or grow a business.

To summarize, startup's and entrepreneurs must self-fund and or in military terms, '*bootstrap*' their startup costs through their savings, friends and family investments, and if they are lucky they can access some non-traditional funding; such as online forms of funding like StreetShares (e-bay meets shark tank), crowdfunding (Kick-starter, Go Fund Me and others). Due to the explosive and thriving entrepreneurial ecosystem that is currently prevalent throughout the nation, startups and entrepreneur's also have a new option which consists of 'pitching' their business idea and or concept to organizations and or institutions that are holding startup 'Pitch Competition's' with often hefty prize monies going to the winner and runner-up. These forms of outside-the-box funding is often times the difference between a small startup getting off the ground or not, because traditional forms of capital are not usually a viable option for these new entrepreneurs. These new forms of startup capital are taking place all over our cities, regions, states and the country as a whole, and when combined with experienced business advisors (research says startups who have access to business advisors, mentors etc. are 26.3% more likely to succeed), like those at the SBA, VBOC's and other SBA resource development programs mentioned, explains why we are starting and growing more small businesses in the U.S. than ever before.

Exhibit 1:

Old Dominion University Veterans Business Outreach Center Metrics:



**Old Dominion University Veterans Business Outreach Center
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2ea. Business Counselors, 1ea. Administrative Assistant
Over 1900 Active Business Clients (Virginia, W. Virginia,
Delaware, Maryland, Pennsylvania)
Over 175 Veteran-Owned Business Start-ups in past 5 years
Over 1,500 Jobs Created
Over \$350M in Revenue
Over \$10M in Capital Investment