Vet


erans are more likely to become entrepreneurs as compared to nonveterans.1 They account for 9 percent of all nonfarm businesses in the United States, and their businesses employ nearly 5.8 million people, according to the most recent data from the U.S. Census Bureau.2 Although little to no research segments them out, anecdotal evidence suggests Reserve Component (RC) service members are a unique part of this continuing trend of veteran business owners, and the mark they are making should not go unnoticed.

Born Problem Solvers

"I was a young kid who knew my backyard in Minneapolis," said Sergeant BreAnna Fisher, who was inspired by the events of 9/11 to enlist in the Minnesota National Guard. "Joining the military gave me something to belong to, and I could give to the greater good. So I headed out to conquer the world."

SGT Fisher's ambition led her to become the go-to person for technology issues within her unit. "If it had a plug, I was expected to know how to fix it," SGT Fisher said. But it was a discussion with her commander about spotty Internet service and the possibility of missing his child's birth back home during deployment that put SGT Fisher on the path to her entrepreneurial future. She organized a nonprofit Internet service provider and, in six weeks' time, she supplied 80 people with Internet access in their rooms. When their tour was extended to 18 months, SGT Fisher's ambitious project filled a critical need to connect with home—and her commander saw his baby being born.

Professional, scientific, and technical firms make up the largest percentage of veteran-owned businesses today; the company SGT Fisher went on to found is one of them. Using the GI Bill to go back to school, SGT Fisher took entrepreneurial coursework that helped her build upon what she had learned in the National Guard. Her education, combined with her natural determination, has helped her do well with her new company, DoDrinks, a consumer engagement platform built for brands so they can connect with young consumers through a mobile device.

Driven to Achieve

A commonly held belief is that military service helps create successful entrepreneurs, but what may be truer is that many individuals who are drawn to the military are the perfect candidates to become entrepreneurs.

A study commissioned by the U.S. Small Business Administration (SBA), Office of Advocacy, found that military service is highly connected to the probability of being self-employed.3 Veterans who have four or fewer years of service were more likely to be self-employed. Those who chose the military as a career path and were in more than five years were 33 percent less likely to be self-employed than those who
left sooner. RC service members were not segmented out. The authors of the study indicated that the overall data made them conclude “higher rates of self-employment among veterans may be due to individual characteristics, rather than training, education, or other qualities imparted by military service.”

The study results highlight how uniquely positioned RC service members are, as many can continue to be in the military and pursue their entrepreneurial goals. After serving in the Army for four years, Lieutenant Colonel Helder Machado went back to school under the GI Bill and decided to join the Army National Guard before founding Machado Consulting, an information technology support company based in Massachusetts.

“Running a business today is really difficult,” said LTC Machado, who often relies on the core values he learned in the military: a strong work ethic, discipline, respect, and leadership.

While the military may not transform someone into an entrepreneur, LTC Machado said the skills he learned while in the Army National Guard have helped him along the way. When making the leap from the comfort of a lucrative job to starting his own business, LTC Machado used his knowledge of the military decision-making process to plan for different possibilities and develop contingency plans—an important step for service members who still face the possibility of being activated as a small-business owner.

**Seek Out Resources**

Reserve and National Guard entrepreneurs have access to an unprecedented level of support with loans, programs, and services to help them navigate the small-business world. LTC Machado credits the financial and legal help he received from Guard Support, a Massachusetts-based organization that provides entrepreneurial support, as being instrumental in getting his business off of the ground.

The SBA Office of Veterans Business Development has extensive resources that can be accessed by RC veterans, service members, and their family members, linking them to the growing number of counseling and training resources in their communities. Operation Endure & Grow, administered by the Institute for Veterans and Military Families (IVMF) at Syracuse University in cooperation with the SBA, is an eight-week mini-MBA course exclusively for RC members and their
families who are interested in starting or growing a business. The program also addresses the unique dilemmas of those who are still serving.

The program "is designed to be flexible to meet the needs of families with busy schedules," said Tina Kapral, IVMF's director of education programs. "Typically it is a family member who often steps in to operate the business of a Reserve or National Guard member who has been called to active duty."

The unique challenge of maintaining a business in the face of activation has sparked the creation of aid such as the SBA's Military Reservist Economic Injury Disaster Loan program, which helps businesses when an essential employee is called up to active duty. SCORE, a national nonprofit that connects small-business owners with retired executives as mentors, can put RC members in contact with other veterans who can counsel them on how to weather a deployment as a small-business owner.

**Synergy From Service**

Beyond core values, many veteran entrepreneurs also maintain another key part of their military culture: mentorship. Captain Jeremy Reynolds, who serves in the Air Force Reserve as a C-130 commander, jumped at the chance to be co-executive director for Moore Forward in Moore County, N.C., which connects entrepreneurs with mentors. Reynolds, who is also a partner in two small businesses, Tangram Media and Railhouse Brewery, said that a mentor is "absolutely key to getting timely advice." He has taken advantage of veteran-focused mentoring initiatives such as the Inc. Military Entrepreneurs program.

Capt Reynolds, LTC Machado, and SGT Fisher all tout their military experience as helping them open doors as small-business owners. SGT Fisher said her military service gives her more credibility as a young female entrepreneur in a male-dominated profession and has allowed her to better attract investors. A fellow officer brought key resources to LTC Machado's attention and encouraged him in his pursuits. Capt Reynolds has used the commonality of military service to make important business connections in his community, including partnering with two former service members in his craft brewery and brewpub.

"Serving in the military gives people a positive opinion of you and what you bring to the table," Capt Reynolds said. "I can stand up next to a guy who went to Harvard and say, 'I'm an Air Force pilot in the military,' and it also gives me a lot of credibility. There is a lot of value wrapped up in my being a military veteran."

While some might worry that the veteran small-business field is getting too crowded, Capt Reynolds offered this advice: You can't believe in scarcity. Believe in abundance. Ideas are a dime a dozen. The value is in figuring out how to execute an idea successfully. An entrepreneur creates something from nothing.

It's an idea that is not too far from many of the situations service members face during activations and in their day-to-day military service, making them ideal candidates for small-business success.

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**Endnotes**


As 2014 stretches before us, the tasks ahead for the chiefs of the Reserve and Guard seem daunting indeed. As you read their outlooks for this year, ponder the challenges they face:

- End-strength reductions.
- Competition for scarce training dollars.
- Even stiffer competition for resources to reset their war-depleted equipment stocks.
- “Poaching” by the Active Component on Reserve-proven mission sets.
- Proposals by the administration and the Congressional Budget Office to cut drill pay in half, reduce retirement benefits, and increase Tricare costs.

All of this comes after 12 years of demonstrated battlespace competence and willingness to sacrifice home, family, and job to serve a nation at war.

Taken individually, those are Herculean tasks, but the generals and admirals you’ll encounter in these pages are faced with those challenges in total. Add to the list the continual campaigns for readiness, relevance, and recruiting.

No, it can’t be an everyday joy to be a Reserve service chief.

Fortunately, our service Reserve forces and the Guard have leaders up to the task. As you’ll read, each is approaching the challenges with creativity, firm advocacy of the Reserve strength and Reserve life, and the courage to speak truth to the power of their AC superiors.