



**Written Testimony of  
Rebecca Aguilera-Gardiner  
Chief Executive Officer  
Veterans in Business (VIB) Network**

**Before the  
U.S. House of Representatives Committee on Small  
Business**

**“From Service to Suite: Addressing the Challenges  
Faced By Veteran-Owned Small Businesses”**

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Chairman Williams, Ranking Member Velázquez, and distinguished Members of the Committee, thank you for the opportunity to submit testimony regarding the state of veteran entrepreneurship and the challenges faced by the men and women who have transitioned from serving our country to fueling our economy.

My name is Rebecca Aguilera-Gardiner, and I am the CEO of the Veterans in Business (VIB) Network. We are a nonprofit organization dedicated to advocating for, educating, and connecting Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) with real opportunities in both the corporate and government marketplaces. We represent a diverse coalition of veterans who have traded their uniforms for business suits, applying the discipline, resilience, and leadership learned in the military to the American marketplace.

The VIB Network stands as a critical nonprofit 501(c)(3) organization specifically dedicated to advocating for and enabling the success of the Veteran Business Community, including SDVOSBs and VOSBs. The VIB Network's core mission is to invest in education, create economic growth, establish relationships, and provide essential resources and advocacy. They are a significant national resource, supporting thousands of Veteran-owned businesses across the country and internationally. Critically, the organization operates under a model that removes financial barriers to entry: programs and resources, including their comprehensive online directory, are offered at no cost to veteran entrepreneurs, ensuring that access to tools and opportunities is based on merit and service, rather than a business's capacity to pay annual fees.

The VIB Network executes its mission through a portfolio of impactful business development programs designed for both early-stage and established veteran firms. Their key initiatives include the Veteran 2 Veteran (V2V) Business Cohorts, a 6-month intensive program aimed at guiding established veteran business owners toward strategic growth, and B.R.A.V.O. (Business Readiness And Veteran Optimization) Corporate Mentor/Veteran Business Protégé program. The VIB Network's B.R.A.V.O. Program is a six-month corporate mentor and veteran-business protégé initiative designed to help established Veteran-owned businesses strengthen their operational readiness and become more competitive in corporate and institutional contracting environments. The program combines one-on-one mentorship with representatives from major corporations, monthly group learning sessions, and individualized business-readiness coaching. It is structured to help veterans refine capability statements, strengthen marketing materials, understand corporate procurement expectations, and position themselves as reliable subcontractors or suppliers.

To join the program as a protégé, a business must meet several eligibility requirements. Companies must be Veteran-owned and active members of the VIB Directory. They should have at least three years of operational history, annual revenues of at least \$100,000 (or a two-year average), and a minimum of two employees or contractors. Applicants must also have basic business-readiness documentation, such as a capability statement or pitch deck.

The program offers significant benefits to participants. Veteran-owned businesses receive structured mentoring from corporate partners across diverse industries, gaining insight into corporate contracting, supplier expectations, and business development strategies. They also take

part in group sessions that encourage peer support and shared learning, as well as individual coaching sessions that help refine branding, presentations, and overall business positioning. VIB describes the experience as a high-value package, estimated at around \$12,000 per participant, but provided at no cost thanks to corporate sponsors. These pairings offer a cross-sector network that benefits both mentors and protégés, strengthening the broader Veteran-owned business ecosystem. Participants often report that the program helps them elevate their professionalism, improve their marketing materials, and increase their readiness for contracting opportunities.

Furthermore, the VIB Network specializes in generating contracting opportunities by hosting national events, outreach, and structured one-on-one Business Matchmaking sessions, which connect veteran businesses directly with corporate and government agencies looking to fulfill supplier diversity requirements. Our events and outreach are intentionally structured to connect Veteran businesses directly with corporate and government agencies looking to fulfill their diversity requirements through our structure, agenda and focus for each session at our events are all to allow for natural, relaxed and intentional networking and connecting. This holistic approach ensures veteran businesses receive the training, connections, and visibility necessary to compete effectively in both the public and private sectors.

However, despite their training and drive, veteran entrepreneurs face systemic barriers that prevent them from competing on a level playing field.

### **The Landscape of Veteran Entrepreneurship**

There are nearly 2 million Veteran-owned businesses in the United States. These firms employ over 5 million Americans and generate approximately \$1 trillion in annual receipts. When a veteran succeeds in business, they hire other veterans, they reinvest in their local communities, and they strengthen the national supply chain.

However, the path to success is fraught with obstacles. I would like to highlight three critical areas where this Committee's support is essential: Federal Contracting Access, Access to Capital, and the Private Sector "Diversity" distinction. For the past 7 years, the VIB Network has conducted a yearly Veteran Business Survey and has received input nationwide. This information helps us create a roadmap on how we will move forward and what kind of support the Veteran business community is seeking. It is crucial to ensure that policies and programs designed to support the Veteran business community are informed by the current economic realities and structural challenges they face.

Data from the 2023 Veteran Business Survey Report indicate the majority of Veteran-owned businesses (VBs) are small and micro-enterprises. A significant 66% of respondents reported employing between 0 and 5 individuals, while another 22% employ 6 to 15 people, showing that nearly 90% of veteran entrepreneurs operate within the small business category. Economically, a large proportion of these businesses are still in the early stages of growth, with over 60% reporting annual revenues below \$500,000. The veteran business community is highly engaged in key service sectors, with the largest segments in our network falling into Professional Services (35%), Service (23%), and Information Technology (16%).

Despite the importance of official verification, a substantial number of Veteran-owned businesses face significant hurdles in achieving certified status. While 43% of respondents have secured the new SBA VetCert, and another 26% hold the SAM self-certified SDVOSB designation, 18% of businesses reported being not certified or verified at all. Among those not certified, the primary barriers are related to complexity and lack of awareness. Specifically, 31% stated, "I don't know where to get certified/verified," and an equal 31% cited a lack of time to complete the process. Furthermore, 25% found the process "Too difficult to get certified/verified," underscoring the need for streamlined application processes and more widely available, accessible resources.

While certification is intended to be a powerful tool for business development, its practical impact has yet to fully materialize for many entrepreneurs. A significant majority of respondents – 52% – reported that their certified status (VetCert, SDVOSB, or VOSB) has resulted in "nothing yet" in terms of tangible business benefits. However, for those who have seen benefits, the status is most valuable for market access: 25% reported that certification was key in their business being selected as a subcontractor or consultant, and 16% credited it with helping them win a contract as a prime contractor. These results suggest that while the programs create opportunities, further effort is needed to ensure certification consistently translates into concrete contract awards and substantial growth across the Veteran business community.

### **Federal Contracting: Bureaucracy and Bundling**

The federal government has a statutory goal of awarding 5% of all prime contract dollars to SDVOSBs. While we applaud the increase in goals, the reality on the ground often tells a different story. The practice of "Category Management" – bundling smaller contracts into massive vehicles to save money – disproportionately harms veteran small businesses. When contracts are consolidated, they become too large for a small business to bid on as a prime contractor. This relegates capable veteran firms to permanent subcontractor status, stripping them of past performance ratings necessary for growth. This Committee has long Large prime contractors are often awarded billion-dollar contracts with the stipulation that they utilize small veteran businesses. Currently, there is insufficient oversight or penalty when these primes fail to meet their veteran utilization goals. We need "teeth" in these regulations. A plan without enforcement is merely a suggestion.

Efforts to raise sole source thresholds across all SBA programs trace back to this Committee's efforts in 2019 with the introduction of H.R. 190, which sought to modernize outdated limits and give small businesses a fairer opportunity to compete in today's federal marketplace. Updating these thresholds remains essential because acquisition needs, market prices, and the complexity of federal missions have evolved substantially, while many statutory thresholds have not kept pace. By expanding contracting officers' authority to award sole source contracts at more practical levels, agencies can move more efficiently, reduce procurement delays, and better engage small businesses that have the capability but lack the resources to navigate lengthy competitive processes. Raising these thresholds now would continue the momentum Congress began with H.R. 190, aligning procurement tools with current realities and strengthening the government's ability to leverage small, diverse, and Veteran-owned firms across critical sectors.

It is important to note that sole source thresholds should be increased across all SBA programs – including SDVOSB, WOSB, HUBZone, and 8(a) – because Veteran-owned businesses do not operate in isolation; many veteran entrepreneurs qualify for multiple programs simultaneously, and an uneven set of thresholds creates unnecessary barriers rather than opportunities. Raising these limits uniformly promotes parity across the federal contracting landscape, ensuring that contracting officers have consistent, efficient tools to meet mission needs while expanding access for small and disadvantaged businesses. A level playing field strengthens competition, supports the government’s socio-economic goals, and better reflects the interconnected reality of the small business community, where veterans are often also women, minority, or located in underutilized communities.

The preservation of the Rule of Two in the Administration's FAR Part 19 rewrite is a commendable victory for the small business community, particularly for Veteran-owned firms, as it ensures contracting officers must continue to set aside opportunities when two or more responsible small firms are expected to bid at fair market prices. However, to genuinely align with the Administration's OneGov strategy, which drives the increased use of larger, Multiple Award Contracts with fewer prime awards, this critical protective mechanism must be explicitly extended to mandate its application at the task and delivery order level. The government is consolidating spend onto fewer large vehicles, and to prevent the marginalization of small business participation, the small business set-aside mechanism must necessarily follow that spending to the order level to remain effective, thereby making the FAR overhaul truly revolutionary for small firms, including those owned by Veterans. This necessary extension of the Rule of Two to cover individual orders strongly aligns with the intent of H.R. 2804, the *Protecting Small Business Competitions Act of 2025*, introduced by Ranking Member Nydia Velázquez, and its bipartisan companion Senate bill, S. 2656. The VIB Network applauds and wholeheartedly supports these legislative efforts, which seek to formally codify the Rule of Two in the Small Business Act and ensure its application to all task and delivery orders above the Simplified Acquisition Threshold. Passage of this Act would provide the statutory clarity and protection needed to safeguard small business access to federal procurement in an era of increasing contract consolidation.

## **Access to Capital**

You cannot start or scale a business without capital. Unfortunately, veterans often struggle to access traditional financing. Many veterans transition out of the service with gaps in their credit history due to deployments or lack the tangible collateral required by traditional banks. While SBA loan programs (7(a) and Express) are vital, the fees and strict underwriting criteria often leave smaller veteran startups behind. We need lenders who understand the veteran profile – individuals who may not have a traditional credit score but possess high character and a proven ability to execute complex missions.

## **Recognition in Corporate Supplier Diversity**

In the federal government, veterans have a "set-aside" status. However, in Corporate America, Veteran-Owned businesses are often not recognized as a diverse category in the same vein as Minority-Owned (MBE) or Women-Owned (WBE) enterprises. Veterans are a diverse group by

nature, representing every race, gender, and background in America. We urge this Committee to encourage the private sector to standardize the inclusion of VOSBs and SDVOSBs in their supplier diversity goals. When major corporations open their supply chains to veterans, it reduces reliance on government contracts and creates a more sustainable business ecosystem.

## **Conclusion**

Veterans have already signed a blank check to this country, payable with their lives. When they return home and choose to start a business, they are asking for nothing more than an equal opportunity to compete. By removing bureaucratic barriers and ensuring fair access to capital and contracts, we do not just help veterans; we fuel the American economy.

Thank you for your time and for your continued commitment to our nation's heroes.