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Self-employment and the Armed Forces Community

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Acronyms

AFC	Armed Forces Covenant
CO	Commanding Officer
CTP	Career Transition Partnership
ELC	Enhanced Learning Credit
ERS	Defence Employer Recognition Scheme
ESL	Early Service Leavers
FIMT	Forces in Mind Trust
MAC	multi-activity course
MOD	Ministry of Defence
NCO	Non-Commissioned Officer
OA	Officer's Association
SCO	Senior Commissioned Officer
SNCO	Senior Non-Commissioned Officer
SSP	Specialist Support Programme
WIS	Wounded, Injured and Sick

Executive summary

The Institute for Employment Research at the University of Warwick, QinetiQ and X-Forces Enterprise were commissioned by Forces in Mind Trust to understand what more could be done to support the Armed Forces Community in pursuing self-employment and thereby help to maximise their chances of a successful and sustainable transition. This research seeks to fill the current gap in knowledge and contribute to policy-making and service delivery.

Methodology

The research project involved 5 different phases of data collection:

- A review of relevant literature, both from the UK and overseas, and current employment statistics to compare employment and self-employment among military veterans and civilians;
- 19 key stakeholder interviews;
- An online survey of veterans, military partners and reservists (557 valid responses);
- 55 telephone interviews with veterans, partners and reservists;
- 29 follow-up interviews with veterans, partners and reservists, and 4 case studies.

Key findings

The key objectives of the research project were to provide a comprehensive review to address the previously unresearched topic of the Armed Forces Community and self-employment. The research set out to identify the following:

The characteristics of, and factors determining, successful self-employment by members of the Armed Forces Community:

The key characteristics determining successful self-employment, as defined by members of the Armed Forces Community and key stakeholders, are as follows:

- **Financial sustainability** – for most, this meant paying the bills, enjoying a nice lifestyle and not worrying about money, rather than being wealthy.
- **Better work-life balance** – financial sustainability was often associated with achieving a better work-life balance than in the Armed Forces and spending more time with family.
- **Job satisfaction** and **enjoyment** were important in defining success, and were particularly important for partners; and
- **Pride in work and business**, representing a strong work ethic and a willingness to work hard to generate good results.

The evidence also suggests a number of factors determining success in self-employment:

- **Skills and competencies gained through military experiences** which are considered useful for self-employment include communication skills; organisational skills; team working; and decision-making skills.
- **Camaraderie amongst veterans** and a willingness to support each other in the civilian labour market has a positive impact on success for those in self-employment.
- Having a **good and extensive network** affects successful transition into self-employment: higher-ranking veterans were more likely to draw upon connections and networks.
- Whilst leaving the military with a **full or partial pension or a lump sum** does not determine success, it does act as a 'buffer' while businesses get up and running, or enables veterans to take a financial risk.
- The **ability to plan ahead and do the research to identify a gap in the market** were factors considered important for success by all groups.

Whilst considering the factors and characteristics determining successful self-employment, it is important to consider the highlighted barriers to success:

- A lack of forward planning, research and self-reflection.
- A lack of personal finances or difficulty in getting financial support or loan.
- Mental health issues and physical health/disability issues.
- Difficulty transitioning from the Services to the competitive commercial world that can characterise civilian life.

Unique aspects of the Armed Forces Community compared to the general population:

Current employment statistics show some differences between civilians and veterans. Civilians are more likely to be qualified to degree level than veterans, but the gap in qualifications between non-veterans and veterans was smaller for the self-employed. Self-employed (and employed) veterans are much less likely to be claiming benefits than civilians, but they also have smaller businesses than civilians.

The unique skills and competencies developed through the military are useful for those transitioning into self-employment; most veterans taking part in the study believed that they had developed these, but the challenge was translating those skills into a civilian context (i.e. demonstrating that the skills they had acquired were valuable in the civilian labour market or, for those in more generalist roles, developing the skills and competencies required). Many veterans were naïve about the realities of self-employment when leaving the Services.

Veterans have a shared set of values and standards around work and how work is undertaken, including: professionalism; reliability; camaraderie and trust; discipline; and a commitment and determination to complete work to the best of their abilities, which they felt is not often replicated in the civilian labour market. As a result, veterans had to learn fast and change their mind-set to manage their transitions but also to ensure the sustainability of their businesses. Many veterans felt that they lacked the life and financial skills to cope in a competitive,

business environment where there is an emphasis on making money. Veterans' experiences of the civilian labour market had challenged their strongly-held beliefs and values about work.

For some partners, self-employment was the only viable employment option after regular geographical relocations: most partners want to work but often live in remote areas/bases and/or lose jobs due to frequent moves. Others reported difficulty finding paid employment that was interesting or at a level commensurate with their skillset/qualifications due to high mobility.

The value of self-employment:

The value of self-employment for most members of the Armed Forces Community is being their own boss, having control, establishing a better work-life balance and being able to work flexibly. Partners said that the value was in earning a reasonable amount of money and being better able to balance work and family life. All expected self-employment to be hard work, and they often had to work harder than initially anticipated, but many said that things had turned out better than expected.

Stakeholders pointed out that some of those leaving the Services seek self-employment as a direct response to the institutionalisation of the military. However, aspirations in self-employment are likely to vary by rank, length of service, gender, age and dis/ability. Self-employment could be particularly valuable to military partners and those with a disability.

Recommendations on enhancing the contribution of self-employment to the overall employment outcome:

Those in the Armed Forces Community have many of the right skills and the right work ethic for self-employment. However, serving personnel need practical advice and training while still in the decision-making stages of leaving the Services, allowing them to make better-informed decisions and access support to ensure a positive and successful outcome. Those who plan ahead are better-prepared and more likely to succeed.

The evidence points to the need for the military to better prepare personnel for civilian life before they exit the Services. Support with translating skills and competencies to the civilian context, as well as offering practical courses to develop commercial, finance and marketing skills, are all identified as beneficial. Whilst some of these supports are already on offer via the CTP, military charities and other institutions, communication and marketing of these services appears varied and inconsistent. Partners and reservists also require support in moving to, and maintaining, self-employment. Longer-term support is also needed as many veterans move into self-employment years after leaving.

A number of recommendations have been produced that highlight actions and support that need to be provided and targeted at various stages of the self-employment journey. These phases comprise:

- **Exploration and planning** – when an individual is first considering their prospects and whether or not self-employment might be right for them;

- **Education and training** – when the transition to employment or self-employment is imminent and the individual is seeking out information and support to help them in the transition;
- **Transition** – when the individual has made the first steps into self-employment; and
- **Development and stabilisation** – when the individual has experienced self-employment over a longer period of time.

Recommendations

The findings from the report highlight that there are various stages which are crucial in the self-employment journey and where support can be targeted. We divide these phases into:

- **Exploration and planning** – when an individual is first considering their prospects and whether or not self-employment might be right for them;
- **Education and training** – when the transition to employment or self-employment is imminent and the individual is seeking out information and support to help them in the transition;
- **Transition** – when the individual has made the first steps into self-employment; and
- **Development and stabilisation** – when the individual has experienced self-employment over a longer period of time.

The following sections highlight specific recommendations within this phased approach.

Exploration and planning

- MOD to implement policy and provide resources to ensure that individual Services or commands offer adequate time and information for personnel to determine if self-employment – and/or paid employment – is right for them in the early stages of decision-making (e.g. sending emails with relevant links, providing resources for drop-in sessions, organising visits from self-employed veterans and introducing a support line for those interested in self-employment).
- MOD to provide resources for face-to-face or online/telephone access to a qualified careers guidance professional throughout the military career and beyond, including: targeted help with understanding the labour market; the exploration of different careers; personality and skills assessments; and help with converting (or translating) military qualifications, skills and experience to civilian employment or self-employment requirements.
- With the support of careers guidance professionals (above), individual Services to encourage and support Serving personnel in the development of career management skills: with these skills, serving personnel can take greater responsibility for thinking about leaving and start planning their post-transition employment options earlier (e.g. seeking out information and researching their options 2 years in advance of leaving).
- Military or spousal charities and support organisations to encourage and support partners and reservists in the development of career management skills: learning how to research effectively when considering self-employment – how to plan ahead, check on local labour market restrictions and opportunities (e.g. if planning to be self-employed abroad or if the business depends on a particular gap in the UK labour market), seek out available support services and advice available to civilians, and speak to those who have already done it.

Education and training

- MOD to provide resources and ensure the implementation of a tailored or personalised approach to self-employment and employment support moving towards transition, thereby recognising that veterans from different trades, ranks, with different lengths of Service, those who are Wounded, Injured and Sick (WIS) or those leaving with/without a pension all require different support at different stages of their transition. For example, where resources are stretched, consider a fairer, needs-based distribution of support. WIS and those with lower-level qualifications or lower pension provision are likely to require greater resources to support them into self-employment than those with higher qualifications, better pensions or stronger support networks. On the other hand, those who have been in the Services for longer periods of time may require more help in the transition to civilian life, for example translating their skills and experience into a civilian work environment.
- MOD to provide a 'skills for life' package for all veterans, perhaps partnering with pioneering employers via the Employer Recognition Scheme (ERS), e.g. how to pay bills, buy a house, manage finances and tax, etc.; provide training in soft skills and people skills for all those transitioning (whether employed or self-employed, these skills are vital); and training in commercial skills (e.g. how to market oneself and one's product/service, how to manage money, how to avoid scams, etc.) – not all veterans think they will go into self-employment when they leave (some enter self-employment after years in paid employment) and these skills will be useful for wider employment.
- In addition to a more tailored approach to training and support, MOD to coordinate generic support and information via a dedicated website for veterans, partners and reservists over the longer-term, with clear sign-posting, providing links to relevant websites, e.g. HMRC, information on start-up loans, FAQs on self-employment, information on the gig economy, including rights and benefits, etc.
- The CTP to continue, enhance and promote the provision of practical advice for veterans (and partners and reservists) via workshops on the reality of self-employment (e.g. the need for start-up costs and lack of reliable income in the first year, etc.) by bringing in veterans and partners who have done it already for Q&A or drop-in sessions during the decision-making phase; the CTP to provide improved sign-posting and marketing on their self-employment courses and encourage attendance among those who may consider self-employment in the future.
- Individual Services to promote the wider use of Enhanced Learning Credits (ELC) (e.g. for mentoring, as well as training courses), ensuring that all veterans are aware (and reminded) of their entitlements and how they can be accessed.
- MOD to liaise with the Families Federations to include partners in support for self-employment (such as sharing ELCs with the serving partner, providing online support, providing access to meaningful careers advice and guidance).
- MOD and military charities to liaise with employers and self-employed veterans to provide greater opportunities for work experience and/or shadowing for those leaving the military, as well as partners and reservists, and for all those considering self-employment. This may provide enhanced recognition for willing employers under the ERS, especially those who provide placements and/or shadowing for those with the greatest need, such as WIS or veterans/partners/reservists with lower qualifications.

- MOD and military charities to explore the feasibility of piloting self-employment training and support programmes, using some of the most promising evidence from overseas, particularly the US (e.g. provide training on self-employment for civilians and veterans together; target particular groups for support, such as WIS).

Transition

- Individual Services and military charities to provide greater sign-posting and highlight the benefits of attending training in coping strategies to deal with the emotional transition of leaving the Armed Forces and entering employment or self-employment, targeting those with particular needs or at greater risk (e.g. those who joined early and have been in the Services for longer periods, those with less transferable labour market skills and lower or no pensions, those with previous or existing mental health issues); individual Services to allow adequate time for attendance at such training.
- MOD to acknowledge the importance of partners' careers and financial independence, and the difficulties in gaining meaningful and sustained employment due to multiple postings, by providing support and advice on self-employment to partners in their own right: this can include greater resources for, and engagement with, existing support organisations and charities.
- Military charities to ensure effective engagement via Veterans Gateway to provide a joined-up approach to transition and support services for veterans, as well as partners and reservists.
- MOD to provide resources for a matched mentor for veterans by formalising the mentoring process, building a database and providing better access to bespoke or personalised mentoring for those already on the self-employment journey. This may be ad hoc mentoring, as and when needed, aligning with the needs of veterans, with the recognition that no one size fits all and a preference for local mentors or mentors available by telephone.
- Employers to be more supportive of self-employment under the Armed Forces Covenant (AFC), and a tightening up of the criteria for gaining Gold, Silver or Bronze awards, recognising the differing abilities and resources available for large, medium and small employers to provide placements or shadowing opportunities.
- MOD to offer veterans the opportunity to transfer existing benefits (e.g. ELCs or CTP allowance) into cash to provide financial help for starting up a business.

Development and stabilisation

- MOD to ensure or create an environment of ongoing support for self-employment, such as access to subsidised top-up training up to 24 months after leaving, and to explore the feasibility of access to lifelong careers guidance and signposting to online resources for serving personnel, veterans, reservists and partners.
- Government departments to provide more support in terms of being a central point of contact for veterans and to ensure that this is maintained for as long as veterans require support (e.g. additional support will be needed after Brexit, particularly for those veterans and partners living overseas; development of veterans', partners' and reservists' networking sites and to ensure ongoing access to support from existing

networks which have proved useful for veterans, such as Business Link or Business Gateway).

- MOD to examine their policy to support reservists and how to align their requirements with those who are self-employed or running a small business (e.g. requirements for less time away from work and looking at more flexible roles).
- MOD, other government departments and military charities to ensure effective communication and marketing of existing support for self-employment, including support programmes for civilians, and ensure that veterans are supported throughout transition and beyond.
- External evaluation of any new and existing support programmes to assess what is most effective and for whom; a clear evaluation strategy and criteria need to be established before any change or additional support programmes are implemented.

1. Introduction

1.1. Background

Self-employment (if freely chosen) can provide freedom from the constraints of employment, but such independence can also impose responsibilities and insecurities. UK government policies have increased their promotion of entrepreneurship as a means to economic growth and prosperity since the 1980s. For example, initiatives such as the New Enterprise Allowance, specifically for those over 18 who have been claiming benefits, offer a potential business mentor and a weekly allowance, as well as a loan to help with start-up costs for a new business.

This focus on entrepreneurship in the UK seems to have worked: among its European counterparts, the UK has had the third largest rise in self-employment since 2009 (Office for National Statistics, 2014), reaching a total of 4.6 million people being self-employed in their main job (15% of those in work). This represents the highest proportion of self-employed people in the UK in the past 40 years. A 2017 report analysing European Labour Force Survey data also showed the UK to have the fifth highest increase in self-employment from 2008-2015, in a period when self-employment was fairly stagnant or declining in some countries (Eurofound, 2017).

However, the growth in self-employment is not a positive development for everyone: some forms of self-employment, such as freelance working in the creative industries, are often involuntary, reflecting a lack of secure employment opportunities, rather than a desire for autonomy. There is also the phenomenon of so-called 'false self-employment' or 'bogus self-employment'¹ in the construction industry, whereby workers are improperly engaged on a self-employed basis simply to evade the tax and insurance costs of direct employment.² This represents a substantial loss to the HMRC from foregone national insurance contributions from employers and a loss to the individual of employment rights for doing the same type of work under the same conditions as their direct-employed counterpart.³

In an examination of self-employment among the Armed Forces Community, available data from the Career Transition Partnership (CTP) reported that an estimated 420 (4%) of the employed UK Regular Service Personnel who left the UK Armed Forces in 2014/15 were self-employed within six months of leaving Service. Of these, 31% were aged between 40 and 44

¹ OECD (2000)

² Behling, F. and Harvey, M. (2015) The evolution of false self-employment in the British construction industry: a neo- Polanyian account of labour market formation. *Work, Employment and Society* 29(6): 969-988.

³ Ibid.

years, and 27% had between five and nine years' Service. The majority were Other Ranks (ORs), rather than Officers. The previous year's figures (2013/14) showed that an estimated 760 (6%) UK Regular Service personnel who left the UK Armed Forces that year reported being self-employed within six months of leaving the military. Of these, a lower proportion (25%) were aged between 40 and 44 years, 21% were aged between 35 and 39 years, and 29% had between 20 and 24 years' Service. The majority of these individuals were Other Ranks, as with the later figures.

1.2. The research requirements and objectives

One of Forces in Mind Trust's (FiMT) highest priority outcomes for ex-Service personnel is 'employment', defined specifically in terms of engagement in employment of choice, which includes self-employment. However, self-employment among the Armed Forces Community has been under-researched, including any differences with the general population in motivations, routes into self-employment, barriers and supports to self-employment and subsequent success or failure (and indeed, how 'success' or 'failure' are defined). For example, how do the skills learned, plus particular character traits developed while within the Services, such as resilience and determination, help or hinder self-employment?

The motivations and experiences of reservists and partners of military personnel in self-employment are similarly under-researched and may be very different from the experiences of ex-Service personnel. For example, the partners of Service personnel may find it difficult to maintain a demanding and inflexible job, given long absences of the serving partner and regular postings (Lyonette, Barnes, Kispeter, Fisher and Newell, 2018). Self-employment may therefore provide an opportunity to contribute to the household income, while also combining other family demands. On the other hand, recent research suggests that the blurring of boundaries between work and home, particularly in home-based self-employment among the general public, does not necessarily mean a better work-life balance (Kapasi & Galloway, 2015).

FiMT commissioned this piece of research to understand the role of self-employment in a successful and sustainable transition. This research seeks to fill the current gap in knowledge and contribute to policy-making and service delivery. The key objectives of the research project are to provide a thorough and comprehensive review of the Armed Forces Community and self-employment:

- To identify the characteristics of, and factors determining, successful self-employment by members of the Armed Forces Community;
- To identify any aspects unique to that Community compared to the general population;
- To draw conclusions on the value of self-employment; and
- To recommend how to enhance the contribution of self-employment to the overall employment outcome.

1.3. Report structure

The report is structured in the following way:

- Executive Summary
- Recommendations
- Section 1: Introduction
- Section 2: Methodology
- Section 3: Setting the context
- Section 4: Veterans, partners and reservists going into self-employment
- Section 5: The expectations and reality of self-employment
- Section 6: Transition and the importance of the wider network
- Section 7: Transferability of skills learned in the military
- Section 8: Factors unique to the military
- Section 9: Success in self-employment – the key ingredients
- Section 10: Support for veterans, partners and reservists – what is on offer and what works best?
- Section 11: Conclusions

Sections 5 to 11 draw together evidence from the literature review, secondary data analysis, interviews with stakeholders and military veterans, reservists and partners, plus evidence from the online survey with military veterans, reservists and partners.

2. Methodology

In order to answer the research specification, a mixed-methods study was conducted, incorporating five distinct Work Packages (WP 1-5). Figure 1 demonstrates the programme of work.

Figure 1: Overview of methodology



2.1. WP1a: Literature review

- 302 articles and reports were assessed; 28 pieces of evidence were included in the review.
- Literature from the UK, Europe, Canada, Croatia, Israel, and with much evidence from the US, were assessed.

A systematic literature review was undertaken of evidence relating to self-employment and the Armed Forces Community, including veterans, reservists and military partners. The aim was to examine and synthesise evidence, from the UK and internationally, on the Armed Forces Community pursuing self-employment. Ten academic databases and platforms were searched using a keyword search strategy. Whilst the main review was undertaken in late 2016 – early 2017, further searches were undertaken in 2017 and 2018 to capture any new evidence. Of the 302 articles and reports reviewed, 28 were included in the final review.

2.2. WP1b: Employment data collection and analysis

- Secondary analysis of a number of datasets was undertaken to better understand the number of veterans who are self-employed and the demographic profile and characteristics of those veterans, in comparison with similar-aged non-veterans.

An analysis of national data sources (namely, the Labour Force Survey and the Annual Population Survey) was undertaken. The aim was to place the findings of the online survey and qualitative interviews within the context of the experience of all veterans, as well as making comparisons with the civilian population. Whilst a number of datasets were explored, it was determined that the Annual Population Survey was the best source of data on employed veterans and veterans engaged in entrepreneurial activity.

2.3. WP2: Stakeholder interviews

- 19 key stakeholder telephone interviews were conducted between April and July 2017.

A total of 19 semi-structured, in-depth telephone interviews⁴ were conducted with representatives from organisations experienced in providing support and advice to veterans on employment and self-employment on their transition from the Services. Stakeholder interview questions were informed by the literature review and explored: the participant's organisation and his/her role within that organisation; their views of what success in self-employment looks like for veterans; what strategies, policies and actions have been seen to work in helping veterans into employment and/or self-employment; what doesn't work well and why; and what should happen next. Stakeholder interviews lasted approximately 45 minutes; comprehensive notes were taken, typed up and the data was thematically analysed⁵.

2.4. WP3: Online survey with veterans, reservists and partners

- An online survey of veterans, military partners and reservists ran from July to November 2017.
- The survey received 558 valid responses from veterans, partners and reservists.

An online survey was designed and promoted to those in the Armed Forces Community (veterans, partners and reservists) who were either self-employed or had considered self-employment. The survey was conducted in order to explore in more depth key research

⁴ Studies comparing telephone and face to face interviews have found no significant differences between the quality of the data captured: E.g. Sturges, J. E. and Hanrahan, K. J. (2004). Comparing Telephone and Face-to-Face Qualitative Interviewing: A Research Note. *Qualitative Research* 4: 107-118.

⁵ Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within Data. Clarke, V., and Braun, V. (2014). Thematic analysis. In: *Encyclopaedia of Critical Psychology* (pp. 1947-1952). Springer New York.

questions concerning entry into self-employment and the sustainability of self-employment. Questions were informed by the stakeholder interviews and the literature review, and included: demographic characteristics; (for veterans) length of time since leaving the Armed Forces; whether they are part of the Reserve Forces; sources of advice and support received; skills and experience which can be drawn upon in self-employment; the type of self-employment the leaver plans to go into/has gone into; sources of funding and support; awareness of any financial, legal or policy issues which may have helped or hindered the pursuit of self-employment; commercial skills. Other questions asked about the motivations for going into self-employment and the barriers and facilitators to a successful transition and ongoing success of the particular venture. Probes were also included for what constitutes 'success' or 'failure'.

2.5. WP4: Qualitative interviews with veterans, partners and reservists (Time 1)

- 55 interviews were conducted from August to December 2017.
- Participants were selected to reflect the overall population as far as possible.
- Similar questions as the survey were asked, grouped around main themes.

The 55 semi-structured telephone interviews included interviews with 37 veterans, 12 partners⁶ and 6 reservists. All interviewees were offered a £15 gift voucher to thank them for their time. Interviews lasted approximately 45 minutes to one hour and notes were taken, typed up and thematically analysed.

2.6. WP5: Follow-up interviews (Time 2) and case studies

- 29 interviews were conducted from May to June 2018 and followed up on interesting and/or typical 'cases'.
- Of the 29 interviews, four case studies were written up of individuals who represented typical self-employment routes from the Armed Forces Community.
- Similar questions as the survey and the first stage interviews were asked, grouped around main themes.

This additional tracking element to the study allowed for the 'real time' investigation of individual cases, exploring the barriers and facilitators to successful self-employment and what else contributes to success and failure over the longer-term. A total of 29 follow-up telephone interviews were conducted between 6 and 9 months after the initial interview with self-employed leavers, reservists and partners. This ensured that a series of individual pathways or case studies could be highlighted to show the various routes to self-employment, the continuation of the enterprise and the personal development of the individuals involved. These were incorporated into the final report.

⁶ Partner is used to refer to a military spouse (husband or wife) and those in a relationship.

3. Setting the context

3.1. Summary of main findings

- The review of the research literature found evidence on military personnel pursuing self-employment, starting a business and/or engaging with entrepreneurial activities across all Services from the UK, Europe, Canada, Croatia, Israel, and with much evidence from the US.
- Evidence from the US, where entrepreneurial training programmes for veterans are well established and funded, highlights what services and support can be offered, as well as what works in practice.
- There is much evidence that competencies and skills developed during military service are highly relevant to the civilian workforce and entrepreneurial activities.
- The evidence included in the review highlights how entrepreneurial activity of veterans can be promoted, supported and maintained through, for example: legislation and funding mechanisms; education and training programmes; support with networking in local communities; and help with understanding how skills are transferable from a military to civilian context.
- There is very little published research evidence available from the UK on current entrepreneurial training programmes for veterans and those transitioning to the civilian sector. This lack of robust evidence could be the result of a number of factors, such as the funding mechanisms for programmes, evaluations of programmes not being in the public domain and the short-term nature of some programmes. This highlights a significant gap in our understanding of what is currently happening in the UK, what works and what additional support may be required.

3.2. Introduction

This section presents evidence from a systematic literature review of extant evidence relating to self-employment and the Armed Forces Community, both in the UK and other countries. The aim of the review was to find, analyse and evaluate evidence on military personnel pursuing self-employment, starting a business and/or engaging in entrepreneurial activity. Secondary to the main review, evidence was also sought on reservists, military personnel partners and dependents. The findings of the review provide evidence of current practice, an understanding of those engaged in this form of employment and identification of what does and does not work in supporting the Armed Forces Community to pursue self-employment. It demonstrates limited evaluation of any existing programmes. However, some evidence, most notably from the US, points to good and promising practice, which could potentially be replicated via pilot initiatives in the UK Armed Forces Community.

This section is divided into three sub-sections representing the themes which emerged from the synthesised evidence and include:

- Military support and services for those transitioning to self-employment;
- Legislative frameworks to support self-employment; and
- Entrepreneurial training programmes for veterans.

Further evidence on the impact of military service on entrepreneurial behaviour and self-employed is presented in section 8 on the transferability of skills learned in the military. This evidence helps broaden our thinking to include competences and attributes developed in the military as lending themselves to self-employment.

The final sub-section summarises the evidence.

3.3. Military support and services for those transitioning to self-employment

The mechanisms, support and services offered by the military to personnel who are retiring, transitioning to civilian life and to the civilian workforce varies greatly by country. Evidence is presented on how services have evolved in the UK, followed by evidence from a survey undertaken across Europe and then a US example of support.

In the UK, a recent review has reported on how support and services for Army personnel transitioning to civilian life has improved since the 1960s (Connelly, 2016); the review did not cover support for other military services. For those in the Army, amendments to the terms and conditions of service were about enabling a second career for those retiring by providing access to pensions, providing financial support to secure a house, and offering opportunities for education and training. These changes have had positive results on employment rates and social mobility. Since 2012, Connelly reports that the Army has adopted a 'whole career approach' to transition, with services focused on employment, education, health, housing and welfare. Current provision is mostly provided through the CTP which provides support to all Service leavers regardless of time served or reasons for leaving. The programme includes: the Employment Support Programme (for those with four to six years of service) and the Core Resettlement Programme (for those with more than six years of service or who are medically discharged) (for more on available support, see also Section 10). The Core Resettlement Programme provides a range of services including workshops on career transitions, retirement options, future employment options, small business start-ups, CV writing and interview techniques. These workshops are supported by an interactive website and access to a careers consultant. Whilst there is little to no published evidence which can be included in the review on the impact of these services to date, evidence suggests that they have potential. However, early service leavers have been found to have the greatest difficulty in transitioning to civilian life, therefore requiring additional support. It is concluded that education, training and development opportunities are often not taken up early enough in a military career, and this is considered to be due to a lack of awareness, in part, as well as workplace pressures (Connelly, 2016).

Smaliukiene (2013) evaluated entrepreneurial skills support for early retired service personnel across Europe. An institutional survey was administered to the Ministries of Defence in each European Union Member State to obtain information on programmes and services available to those transitioning from the military and fifteen responses were received. Evidence suggested that individuals transitioning from the military are pursuing entrepreneurial opportunities and that military service develops transferable competencies, experience and knowledge for entrepreneurship. However, Smaliukiene (2013) argues that there is a lack of entrepreneurship development policies that support those retiring from the military across Europe. Pensions and compensation for Service personnel were reported to be important in entrepreneurial development. Service personnel are able to retire 6-10 years earlier than other professionals in Western Europe (UK, the Netherlands and Germany) and retiring service personnel are able to access support for transitioning to the civilian workforce in Croatia, France, Germany, Ireland, Lithuania, Poland, Romania and the UK. However, few national programmes to support entrepreneurial activities were reported. In the UK and France, services and support for veterans were reported to be provided by the private sector and not-for-profit organisations. In other countries across Europe, no specialised transition support is provided. It was concluded that entrepreneurial skills development is limited and effectiveness varied, due in part to a lack of resources (Smaliukiene, 2013).

In the US, one example of military support, which is well funded, illustrates how transitions can be supported, although it is based on a small selected sample. The US Navy offers structured support to those leaving the Service. A survey of 334 former Navy admirals – mainly white men, aged around 70 – examined career transitions to the civilian sector (Baruch and Campbell Quick, 2007, 2009). At the time of the survey, 179 were employed (of whom 73 were self-employed), 143 were fully retired and 5 were unemployed. The majority reported that at pre-retirement they had intended to seek a second career (n=254) and of these, 27 had planned to become entrepreneurs. As part of supporting those preparing to retire from the military, the Navy offered career counselling and a pre-preparation program. Of the 139 opting to use these services, they were rated as effective. Respondents reported that successful transitions were linked to a readiness to build on their experience and accept their new environment. Overall, the study found that positive feelings around the transition process, created by support from organisations, family and networks, were positively associated with internal (e.g. life, job satisfaction) and external (e.g. income, position, hierarchy) career success. New evidence from the US suggests that psychosocial approaches need to continue to develop and redesigned to manage the complex physical and mental needs of veterans in order to improve the transition to civilian life (Ainspan, Penk, and Kearney, 2018).

3.4. Legislative frameworks to support self-employment

There have also been a range of legislative interventions in the US to support veterans interested in starting up a business or expanding their business (see Bressler, Bressler, and Bressler, 2013; Cumberland, 2017; Dilger and Lowry, 2014). For example, the Office of Veterans Business Development provides veteran entrepreneurs with training and counselling, the Federal procurement programs support veteran-owned small businesses, and the Center for Veterans Enterprise (part of the Department of Veteran Affairs) and the Executive Order 13540 established a taskforce to coordinate Federal efforts to assist veteran small business owners.

A 2013 US study reported that 13% of small business owners were veterans (Bressler, Bressler and Bressler, 2013), operating in professional, scientific and technical services, and contributing significantly to the US economy. Successes were attributed to a range of supports and measures in place. The US Small Business Administration provides a range of programmes, financing programmes, resources and business counselling to those veterans wishing to start or expand their business. Federal governments are also required to contract with a set percentage of veteran-owned small businesses. It was also noted that the numbers of female veterans wanting to start their own business is increasing.

3.5. Entrepreneurial training programmes for veterans

Much of the evidence on support for veterans and military personnel interested in pursuing self-employment or in expanding their business is focused on the range of training programmes and courses available. The majority of these programmes have been developed in the US. The following demonstrates how effective support for veterans is delivered, what the courses comprise, how support is provided in the short to medium term and how these support services can be enhanced.

In the UK, X-Forces Enterprise is the only known national training provider focused upon self-employment for the Armed Forces Community. This was launched in 2013 and started running training events in 2014 so is a relatively new initiative. Other education programmes focus upon veterans and business (e.g. the Manchester Business School programme) but this is not directly targeted towards self-employment. Other services are coordinated at local level and are open to the general public but are not directed specifically at veterans (e.g. Business Gateway in Scotland) or a programme run through the Princes Trust for 18-30 year olds on setting up a business.

The review of the literature only found and included evidence on one dedicated training programme in the UK for veterans interested in entrepreneurial activity. The Department for Business, Innovation and Skills (BIS), in collaboration with the Royal British Legion, ran a programme, *Be the Boss*, for veterans wishing to start or develop a small business. The programme ran from 2010 and offered training for business start-ups, supported the development of a business plan and financing projections, helped identify start-up funds, as well as providing mentoring support and business checks throughout the programme. No publicly available review of the programme was located. However, Baroness Mone, OBE, published an independent review to help increase business start-ups more generally, particularly in disadvantaged communities across Great Britain (Mone, 2016). The review recommended improving access to start-up loans, strengthening the New Enterprise Allowance, encouraging self-employed people to mentor new start-ups and looking to see if business skills could be taught within schools.

A number of researchers, particularly in the US, have looked at entrepreneurship among those with disabilities, including veterans. The main findings of these studies include:

- Small Business Development Centers (SBDC) provision could be enhanced through inter-agency linkages to increase the sustainability of self-employment outcomes (Ipsen, Arnold, and Colling, 2005).

- Entrepreneurial ventures are successful among veterans when they are based on a sustainable business model, they utilise the veterans' unique abilities and they build on a process that can continue if the veteran is no longer involved (Blass and Ketchen, 2014).
- Whilst key stakeholders and rehabilitation services agree that self-employment is a good option for people with disabilities, there is a lack of confidence in their ability to become self-employed due to their disability and a lack of training or knowledge of entrepreneurship. It was reported that people with disabilities are rarely provided with access to training and financing to start a business. Benefits to promote self-employment amongst this group include: having a fundamental right to choose a career and rehabilitation plan; being able to utilise individual capabilities; being able to control one's career and economic future; and having the opportunity to change self-perception or others' perceptions (Shaheen, 2016).
- In designing programmes for people with disabilities, the first stage of the process should be a self-assessment and business feasibility plan (financial planning should be incorporated into the first stage of the programme to help those on low incomes manage budgets) (Shaheen, 2016).
- Support was found to be successful when it adapted to customer needs. Peer networking provided opportunities for individuals to share experiences, challenges and successes. These were also found to support peer recovery and be a good source of advice (Shaheen, 2016).
- Academic and public libraries can have a positive role in supporting entrepreneurs, including veterans, as part of the EBV programme (Hoppenfield and Malafi, 2015; Hoppenfeld, Wyckoff, Henson, Mayotte, and Kirkwood, 2013). EBV librarians' research expertise played a significant role in finding the information for business plans and informing decisions on entrepreneurial ventures, especially among disabled veterans.

In spite of this support, recent analysis of employment data from the US suggests that those veterans with a disability are still less likely to be in self-employment than veterans (Winters, 2018).

Research on veteran entrepreneurs in the US reports that veterans have the same challenges to starting a business as civilians (Cumberland, 2017). It is reported that, over the last decade as a result of legislative changes, some governmental agencies, universities and non-profit organisations have started to provide entrepreneurial training programmes for veterans and military personnel transitioning to the civilian labour market. The following courses were reviewed by Cumberland (2017):

- *Operation Boots to Business: From Service to Start-Up* – includes an introductory video, a 2-day course delivered at a military base, and, for those interested, an 8-week online course focusing on developing a business plan.
- *Veteran Women Igniting the Spirit of Entrepreneurship (V-WISE)* – includes a 15-day online learning course which provides information on how to develop a sustainable business, followed up with a 3-day training session facilitated by successful entrepreneurs and later mentoring support.
- *Veterans Business Outreach Centers (VBOC)* – includes a range of services provided by one of the 19 VBOCs, e.g. business training, counselling and mentoring, support

with developing and maintaining a 5-year business plan, feasibility analysis and referrals to further training.

- *Online Entrepreneurship Training Courses by Small Business Administration (SBA)* – includes two online modules aimed at veterans, plus a range of free online courses on accounting, business planning, legal requirements, recruitment and retention, and trademarks.
- *Small Business Development Centers (SBDCs)* – operate as part of a network of colleges and universities across the country offering training and workshops to support veterans wishing to start their own business.

A number of academic institutions offer entrepreneurial training for US veterans, using the same curriculum, such as: Entrepreneurship Boot Camp for Veterans with Disabilities (EBV); Boots to Business Reboot; Veterans Entrepreneurship Program (VEP); VetStart; and the Veteran Entrepreneurship Training Program. They variously focus on supporting veterans develop a business plan, learn about marketing, market research, branding, testing prototypes, management, finances and networking. All are reported to have been successful in supporting veteran start-ups (Cumberland, 2017). Cumberland (2017) identified two further training programmes available to US veterans: *Veteran Fast Launch by SCORE*, offering free software, mentoring and training for veterans, active personnel and their families interested in starting a small business; and *VetToCEO* – a free programme comprising a 7-week online programme delivered by veteran entrepreneurs which covers business planning, financial modelling, marketing and logistics.

The 10-week VetStart community-based entrepreneurial training programme for veterans provides an opportunity for business mentoring with local entrepreneurs for nine months after the course and start-up business expense reimbursements. The course was found to increase veterans' entrepreneurial 'passion' scores, as well as increasing their level of networking activity. By integrating veterans into civilian-based entrepreneurial programmes they have greater access to business resources, gain more opportunities for networking and so expand their networks, all of which increases their entrepreneurial passion (Kerrick, Cumberland, Church-Nally, and Kemelgor, 2014). The VetStart programme had more of a positive impact on veterans than civilians (Kerrick, Cumberland, and Choi, 2015), considered to be the result of the additional support veterans received during business start-ups. Other research showed that civilians and veterans on the same business education programme (EBV) benefited in terms of cultural learning having a positive impact on their entrepreneurial behaviour (Mosakowski et al. 2013).

Whilst there is clearly an abundance of training provision for US veterans wishing to start-up small businesses, there is criticism of such provision for duplication and a lack of coordination. It is also noted that there is a lack of evidence on the effectiveness of the provision (Cumberland, 2017; Dilger and Lowry, 2014). As part of the evaluation of support, Cumberland (2017) concluded that entrepreneurial programmes for veterans, serving personnel and their families need to offer different approaches (such as self-assessments for reflection, experiential projects for skills-building and mentoring for continued support) to their training, but also linked to the learning outcomes identified by the National Council for Graduate Entrepreneurship. Evidence from entrepreneurship programmes generally has found that over the longer term (18 or 60 months), they have little impact on measures such as business

success, profitability, income or job satisfaction. Cumberland (2017), and Dilger and Lowry (2014) suggest that there is a need to assess current provision and impact in the short-term before programmes are scaled up.

A recurring theme of successful entrepreneurial activity is notably around peer mentoring and support. In the Ukraine, an evaluation of retraining programmes for military officers concluded that support provided by family and friends was highly influential in decisions around entrepreneurial activity when employment opportunities are perceived as scarce (Vinogradov, Kolvereid, and Timoshenko, 2013). A survey was administered, measuring motivational factors and behavioural intentions to those officers attending the course designed by the Norwegian Business School. A total sample of 276 responses were received. Interestingly, 18% reported that they had previous experience of being self-employed. Vinogradov and colleagues (2013) reported that perceived availability of employment opportunities moderate intentions to start a business.

Finally, Rose and colleagues (2017) suggest that US army soldiers transitioning from the military to self-employment are able to develop their own organisational culture, which can ease the adjustment to the civilian workforce.

3.6. Summing up

The literature review found evidence on self-employment among all Services from the UK, Europe, Canada, Croatia, Israel, and with much evidence from the US. Evidence from the US, where entrepreneurial training programmes for veterans are well-established and funded, highlights what services and support can be offered, as well as what works in practice. It is considered useful as much of this learning could be transferred to the UK context and help inform policy (taking into account the differences between the UK and US militaries). The evidence highlights how entrepreneurial activity of veterans can be promoted, supported and maintained:

- Legislation and funding mechanisms can support small business start-ups and their growth;
- Education and training programmes aimed at veterans can support entrepreneurial skills development, expertise and knowledge;
- Training programmes aimed at those veterans with disabilities can provide them with sustainable employment opportunities, if designed and implemented carefully;
- Programmes can be enhanced when civilians and veterans are given opportunities to learn entrepreneurial skills together;
- Support is important in helping veterans to understand that skills, competencies and attributes gained during military service can contribute to successful entrepreneurial outcomes;
- Support is vital in understanding how skills are transferable from a military to civilian context, as well as translating these to the civilian context;
- Medium- to long-term support in the form of mentoring (peer or specialist mentoring) to help start-up businesses is key;

- Support networks of family and friends are important during the initial phases of entrepreneurial activity.

The review identified very limited published research evidence from the UK on entrepreneurial training programmes for veterans and those transitioning to the civilian sector which could be included in the review. This highlights a significant gap in our understanding of what is currently happening in the UK, what is working, and what additional support may be required. This could be the result of a number of factors, such as the funding mechanisms for programmes, evaluations of programmes not being in the public domain and the short-term nature of some programmes.

4. UK veterans, partners and reservists going into self-employment

4.1. Summary of main findings

- Current data on veterans, using the Annual Population Survey, show that veterans overall are at least as likely, if not more likely, to be in work than non-veterans of the same age in almost all cases. Rates of self-employment are generally higher for male non-veterans than veterans apart from those in the youngest age groups. Among Black and minority ethnic groups, veterans are also more likely than non-veterans to be employed and less likely to be unemployed. Veterans are much less likely than the non-veteran population to be claiming benefits, whether in paid employment or self-employment.
- Self-employed veterans and non-veterans are quite similar in the type of self-employment they move into. Among the self-employed, skilled construction and building trades account for the largest share of jobs for both veterans and non-veterans. Corporate managers and directors are also a large category for both veterans and non-veterans, but culture, media and sports occupations are more significant for non-veterans.
- The gap between non-veterans and veterans in the percentage qualified to degree level is greatest for those in paid employment and smaller for the self-employed. Self-employed veterans are more likely to have degrees than employed veterans, demonstrating the attractiveness of self-employment for highly-qualified veterans.
- A slightly higher percentage of veterans than non-veterans had been self-employed for less than five years, but the percentage of veterans in business for more than 20 years was also higher.
- Veterans tend to live in regions containing the main military bases. More self-employed veterans live in the South East and South West. However, the proportion of veterans who are self-employed is greatest in the Eastern region, followed by the South East, South West and London.
- Of the respondents to the survey, almost half of veterans, just over half of partners and just over a quarter of reservists were currently self-employed. Others combined self-employment with employment, had considered becoming self-employed but had decided not to do so, or had previously been self-employed.
- For veterans and military partners, Professional, scientific and technical activities; Arts, entertainment and recreation; Wholesale and retail trade; repair of motor vehicles and motorcycles were the largest industries in which they were engaged. Reservists were also largely concentrated in Professional, scientific and technical activities and Arts, entertainment and recreation.
- Of the interviewees, many veterans were doing consultancy work, building upon previous work or networks developed during military service; others were self-

employed in areas unrelated to their military service, and some were still in the process of setting up their own businesses.

- Officers were much more likely to own a business (or planned to) than SNCOs/NCOs/Other Ranks who were more likely to be operating as self-employed tradesmen. Those with a full pension were more likely to only need an additional source of income, rather than a second career.
- The majority of military partners were working in creative roles, which tallies with the survey findings. Some were working part-time in their self-employed capacity, alongside paid employment. Others had only just embarked on the journey to become self-employed. All reservists were working full-time in self-employment, and worked in a variety of areas. Like the veterans, a number worked with Defence or in Defence-related areas.

4.2. Introduction

As part of the research, we were asked to use current employment statistics to compare employment and self-employment among military veterans and civilians. In this section, we examine currently available employment statistics, comparing veterans with non-veterans, before moving on to the results from the online survey and the interviews, where we introduce newly-collected data from veterans, partners and reservists.

4.3. Employment statistics

4.3.1. Age distribution of veterans in the UK

The following findings come from the Ministry of Defence (MOD) data on veterans using the Annual Population Survey⁷. The section begins with some simple comparisons of veterans and non-veterans by age. The focus here is on people of working age (defined to be 16 to 64), since the interest of the project is in veterans' use of self-employment as a means of pursuing a livelihood⁸. (For more detailed information on weighting of variables and the data source, see Appendix 1).

In the UK population as a whole, 9.3% of males and 1% of females were veterans in 2016. However, the veteran population is dominated by older people, with 57.9% of male veterans and 38.6% of female veterans aged 70 or more. Amongst those aged 70 or more, 37.6% of

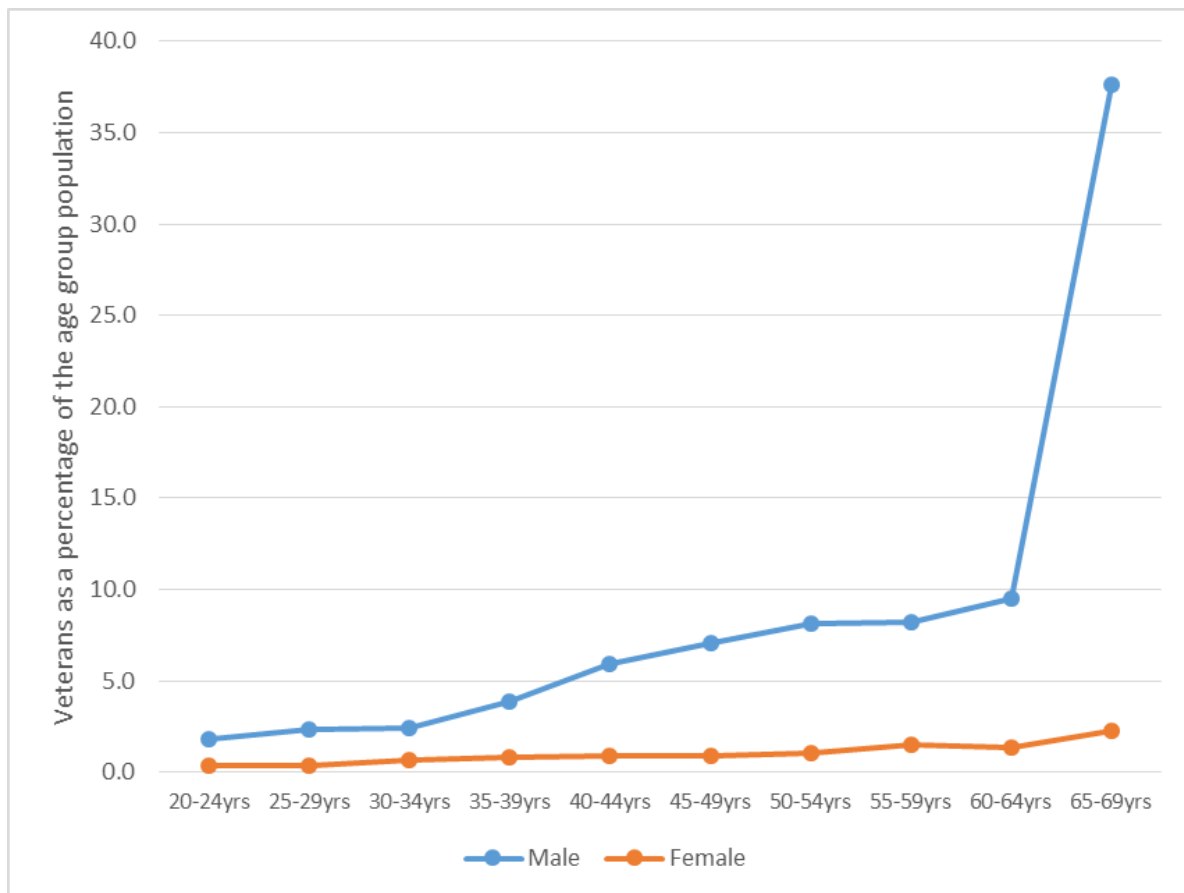
⁷ This work contains statistical data from ONS which is Crown Copyright. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.

⁸ People aged 65 and over are assumed to be predominantly retired (though this may be less for veterans, if their ability to build up pension entitlements were reduced). Indeed, 60% of veterans (7,763 of 12,586 respondents classified as veterans) were retired and not seeking work. A further 2.5% (compared with 3% of non-veterans) were long-term sick or disabled.

males, but only 2.2% of females, were defined as veterans. Figure 2 emphasises the elderly age structure of veterans, compared with non-veterans.

Figure 2 demonstrates how the percentage of the population who are veterans increases with age, more strongly for males than for females, but only for men aged 45 and above does this percentage exceed 5%. This pattern is mainly influenced by conscription during the Second World War and National Service in the 1940s and 1950s.

Figure 2: Veterans as a percentage of the population



Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

4.3.2. Labour market participation of veterans and non-veterans

The population structure presented in Figure 2 shows that veterans are a small percentage of the younger working-age population and hence sample sizes in the APS can often be too small for labour market indicators to be calculated for these age groups. Nevertheless, some patterns can be discerned (see Tables 1 and 2):

- Male veterans display higher employment rates (employed as a percentage of the age group population) than non-veterans in the younger age groups, but employment rates in older age groups are similar for both.
- Female veterans aged over 30 display higher employment rates than female non-veterans.

- Female inactivity rates⁹ tend to be lower for veterans than non-veterans, except in the older age groups.
- Male unemployment rates are lower for veterans than non-veterans.
- The percentage of the economically active who were self-employed is higher for men than women, for whom the numbers self-employed were too small for percentages to be calculated.
- For male veterans, the percentage self-employed increases with increasing age (apart from a decrease in the percentage at ages 40-44). The same general pattern is found for non-veteran men, but rates of self-employment are higher for non-veterans than veterans from the 30 to 34 year old age group onwards.
- Non-veteran women are about half as likely as non-veteran men to be self-employed.
- Among Black and minority ethnic groups, veterans were more likely than non-veterans to be employed and less likely to be unemployed, but similar proportions were self-employed (around 14% of both groups).
- The percentage of veterans in employment was much higher than the corresponding percentage in the non-veteran population for the “Any other Asian” and Black ethnic groups.

⁹ Inactivity is defined as being outside the labour force (i.e. due to retirement, illness, participation in education or looking after a home/family full-time).

Table 1: Employment, unemployment and inactivity rates and self-employment for veterans and non-veterans by age and gender

Age group	Male				Female			
	Employment rate	Unemployment rate	Inactivity rate	s/e as % of economic-ally active	Employment rate	Unemployment rate	Inactivity rate	s/e as % of economically active
Veterans								
16-19yrs	.	.	.	.	.	.	.	.
20-24yrs	71.9	.	.	.	.	.	.	.
25-29yrs	90.8	.	.	15.1	70.3	.	.	.
30-34yrs	92.4	.	5.6	13.9	78.5	.	.	.
35-39yrs	88.9	.	6.8	13.5	75.1	.	19.7	.
40-44yrs	86.2	4.3	10.0	10.5	90.4	.	.	.
45-49yrs	86.6	2.2	11.4	15.5	87.4	.	.	.
50-54yrs	84.9	4.9	10.7	15.8	82.1	.	16.5	.
55-59yrs	74.0	6.1	21.3	16.9	77.1	.	22.9	.
60-64yrs	56.5	3.8	41.2	19.6	35.1	.	62.1	.
Aged 16-64	78.8	4.4	17.6	15.5	72.1	3.1	25.6	10.0
Non-Veterans								
16-19yrs	33.4	23.5	56.4	3.1	37.6	16.9	54.8	1.5
20-24yrs	68.0	11.6	23.1	6.4	65.4	8.2	28.8	3.5
25-29yrs	87.7	4.8	7.8	11.0	74.4	5.4	21.4	5.8
30-34yrs	90.7	3.3	6.2	14.6	74.0	4.9	22.3	8.4
35-39yrs	90.7	2.6	6.9	17.8	76.0	3.8	21.0	11.1
40-44yrs	89.4	3.0	7.8	19.0	76.9	3.8	20.0	11.6
45-49yrs	89.0	3.1	8.1	21.0	79.9	3.1	17.6	11.8
50-54yrs	85.9	3.0	11.4	22.2	78.3	2.7	19.5	12.2
55-59yrs	77.9	3.8	19.0	24.3	68.8	3.0	29.1	12.7
60-64yrs	59.1	4.2	38.3	29.3	42.8	3.5	55.7	15.2
Aged 16-64	78.8	5.1	16.9	17.2	69.0	4.8	27.6	9.7

Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Note: "." Indicates sample size too small to report indicator.

Table 2: Employment and self-employment by ethnic group

Ethnic group	Veterans			Non-veterans		
	Employment rate	Self-employment rate	Unemployment rate	Employment rate	Self-employment rate	Unemployment rate
White	65.4	14.8	4.1	64.4	13.6	4.4
<i>Black and Minority ethnic</i>	71.5	13.7	.	53.8	13.9	8.3
Mixed/Multiple ethnic groups	65.0	.	.	54.9	12.6	10.8
Indian	.	.	.	62.9	13.1	5.0
Pakistani	.	.	.	42.1	20.8	10.4
Bangladeshi	.	.	.	41.9	15.1	12.8
Chinese	.	.	.	48.3	14.8	4.7
Any other Asian background	80.6	.	.	54.6	14.0	6.2
Black/African/Caribbean/Black British	85.3	.	.	59.1	9.7	10.1
Other ethnic group	.	.	.	49.6	16.5	7.6
Total	65.6	14.8	4.1	62.9	13.6	4.9
Weighted total	583784	106935	30015	23004526	3862303	1401212

Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Note: "." Indicates sample size too small to report indicator.

Table 3: Largest industries of employment and self-employment for veterans and non-veterans

Employed Veterans		Self-Employed Veterans		Employed Non-Veterans		Self-Employed Non-Veterans	
SIC 2007 Division	%	SIC 2007 Division	%	SIC 2007 Division	%	SIC 2007 Division	%
84 Public admin, defence, social sec	12.8	43 Specialised construction activities	16.5	85 Education	11.7	43 Specialised construction activities	11.4
49 Land transport inc via pipelines	7.4	41 Construction of buildings	9.6	47 Retail trade, except vehicles	10.1	41 Construction of buildings	6.9
86 Human health activities	6.6	49 Land transport inc via pipelines	6.6	86 Human health activities	7.9	85 Education	5.6
85 Education	5.9	81 Services to buildings and landscape	4.7	84 Public admin, defence, social sec	7.1	47 Retail trade, except vehicles	5.2
47 Retail trade, except vehicles	5.6	85 Education	4.0	56 Food and beverage service activities	4.7	81 Services to buildings and landscape	5.1
52 Warehousing & support for transport	3.3	70 Head offices; management consultancy	3.5	87 Residential care activities	3.2	49 Land transport inc via pipelines	5.0
46 Wholesale trade, except vehicles	3.1	71 Architectural and engineering	3.4	88 Social work without accommodation	3.1	96 Other personal service activities	4.6
43 Specialised construction activities	2.7	74 Other prof, scientific and technical	3.2	46 Wholesale trade, except vehicles	2.5	86 Human health activities	3.8
62 Computer programming and consultancy	2.4	47 Retail trade, except vehicles	2.8	62 Computer programming and consultancy	2.2	74 Other prof, scientific and technical	3.5
87 Residential care activities	2.1	86 Human health activities	2.7	64 Financial ex insurance and pension	2.1	62 Computer programming and consultancy	2.8
Top ten	51.7	Top ten	56.9	Top ten	54.5	Top ten	54.0
Total Employed (100%)	583,638	Total self-employed (100%)	106,935	Total Employed (100%)	2,296,6074	Total self-employed (100%)	3,859,793

Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Note: "." Indicates sample size too small to report indicator.

4.3.3. Self-employment and employment among veterans and non-veterans

Table 3 presents the ten largest industry divisions for employees and the self-employed in the veteran and non-veteran populations, which account for over half the total in work in each case.

- Veterans are highly likely to be working in the public sector: public administration, defence and social security accounted for 12.8% of employees, with a further 6.6% in human health care and 5.9% in education. In total, industry sectors covering public administration, health, education and social care accounted for 29.3% of veteran employees, compared with 33.1% of non-veteran employees.
- Employed veterans were more likely to be working in public administration, while employed non-veterans were more likely to work in education (11.7%) and health (7.9%). However, other important sources of employment for veterans were land transport (7.4%), retailing (5.6%), warehousing and wholesaling (6.4%). For non-veterans, retailing was much more important (10.1%) and food and beverage activities accounted for another 4.7% of employment (wholesaling was a less significant employer).
- Self-employed veterans were most likely to work in specialised construction activities (16.5%), followed by construction of buildings (9.6%), and 'Land transport including via pipelines' (6.5%). The largest industries among self-employed non-veterans were also specialised construction activities (11.4%) and construction of buildings (6.9%), as well as education (5.6%), signifying a large similarity between the two groups in the most frequent industries of self-employment. A number were also significant employers of workers.

Thus, it seems that both veterans and non-veterans seek to set up businesses in a range of industries which are open to self-employment (and may have a larger percentage of small and independent businesses), but also may seek to set up businesses in industries in which they had previous experience of being employed.

4.3.4. Qualifications of veterans and non-veterans

Moving on to qualification levels, the percentage of veterans with a degree or equivalent as their highest qualification was much lower than for non-veterans, but the percentage with a higher education qualification was slightly higher, whereas the percentage with an A-level or equivalent was similar for both groups (Table 4).

Table 4: Highest qualification of veterans and non-veterans aged 16-64 (column percentages)

Highest qualification	Veterans			Non-Veterans		
	Employed	Self-employed	Total	Employed	Self-employed	Total
Degree or equivalent	21.1	27.2	22.1	34.7	33.3	34.5
Higher education	14.4	11.6	14.0	9.4	9.6	9.4
GCE A level or equivalent	24.8	24.5	24.8	22.3	23.1	22.4
GCSE grades A*-C or equivalent	23.7	21.0	23.3	19.7	16.8	19.3
Other qualification	10.0	9.6	9.9	7.8	9.6	8.1
No qualification	3.7	4.4	3.8	4.6	5.9	4.7
Don't know	2.3	1.7	2.2	1.6	1.7	1.6
Total (100%)	582,469	106,547	689,016	22,979,696	3,853,956	26,833,652

Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

The headline findings from Table 4 show that:

- The percentage whose highest qualification was a GCSE was slightly higher for veterans (23.3% v 19.3%), whereas non-veterans were more likely to have a degree than veterans (34.5% v 22.1% overall).
- The gap between non-veterans and veterans in the percentage qualified to degree level was greatest for those in employment (34.7% non-veterans v 21.1% veterans = a 13% gap) and smaller for the self-employed (33.3% non-veterans and 27.2% veterans = a 6% gap).
- Self-employed veterans were more likely to have degrees than employed veterans (this was not the same for non-veterans).

This differential persists across types of business which veterans and non-veterans are engaged in. Table 5 contrasts the highest educational qualifications of the self-employed, classified into non-manual occupations (SOC major groups 1 to 3), intermediate (SOC major groups 4, 6 and 7) and manual occupations (SOC major groups 5, 8 and 9).

Table 5: Highest educational qualifications by broad skill level of self-employment

Highest qualification	Veterans			Non-veterans		
	Non-manual	Intermediate	Manual	Non-manual	Intermediate	Manual
Degree or equivalent	47.8	.	9.7	55.9	20.4	9.0
Higher education	17.0	.	6.7	10.0	12.1	8.3
GCE A level or equivalent	14.7	.	32.9	15.7	30.1	30.1
GCSE grades A*-C or equivalent	13.9	.	28.0	10.8	23.6	22.3
Other qualification	5.2	.	12.8	4.0	7.2	17.2
No qualification	.	.	6.6	2.5	4.9	10.5
Don't know	.	.	.	1.1	1.6	2.6
Weighted total (=100%)	48,210	4,743	53,594	1,885,043	452,623	1,515,020

Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Note: "." Indicates sample size too small to report percentage.

The main findings from Table 5 show that:

- Amongst the self-employed in non-manual occupations, non-veterans were more likely than veterans to have degrees (55.9% compared with 47.8%) and veterans were more likely than non-veterans to have lower-level qualifications (13.9% compared with 10.8%).
- Non-veterans were more likely to be qualified to degree level in intermediate skill level occupations (20.4%) than in manual occupations (9.0%). Numbers were too small to compare with veterans in intermediate skills level occupations.
- Veterans in manual occupations were more likely than non-veterans to be qualified to GCSE A to C standard (28% compared with 22.3%), but were also slightly more likely than non-veterans in manual occupations to have a degree or better (9.7% compared with 9%). Veterans in manual jobs were less likely to have no qualifications, however (6.6% compared with 10.5% of non-veterans).

We then examined the types of occupations in which veterans and non-veterans were employed (Table 6).

Table 6: Occupations of employed and self-employed veterans and non-veterans

SOC Sub-major group	Veterans			Non-veterans		
	Employed	Self-employed	Total	Employed	Self-employed	Total
corporate managers and directors	10.0	12.1	10.3	7.4	7.9	7.4
other managers and proprietors	2.8	4.4	3.0	2.0	7.9	2.9
science, research, engineering and technology professionals	6.5	5.1	6.3	5.9	4.5	5.7
health professionals	2.5	.	2.5	4.6	3.6	4.4
teaching and educational professionals	2.4	.	2.1	5.6	2.8	5.2
business, media and public service professionals	4.0	4.9	4.1	5.3	6.1	5.4
science, engineering and technology associate professionals	2.7	.	2.5	2.0	0.6	1.8
health and social care associate professionals	1.9	.	1.8	1.5	1.3	1.4
protective service occupations	4.9	.	4.3	1.3	.	1.1
culture, media and sports occupations	.	5.5	1.2	1.3	9.2	2.4
business and public service associate professionals	9.5	6.5	9.1	8.0	5.0	7.6
administrative occupations	4.4	.	3.8	9.1	2.3	8.2
secretarial and related occupations	1.0	.	0.9	2.4	0.6	2.1
skilled agricultural and related trades	0.6	4.0	1.1	0.5	4.4	1.0
skilled metal, electrical and electronic trades	7.0	6.3	6.9	3.6	4.0	3.6
skilled construction and building trades	1.9	21.0	4.8	1.5	14.2	3.4
textiles, printing and other skilled trades	2.1	.	1.9	2.1	2.5	2.1
caring personal service occupations	3.8	3.2	3.7	7.9	3.8	7.3
leisure, travel and related personal service occupations	1.2	.	1.0	1.8	3.5	2.0
sales occupations	2.7	.	2.3	6.6	1.4	5.8
customer service occupations	1.5	.	1.3	2.2	0.2	1.9
process, plant and machine operatives	4.1	3.8	4.0	2.8	1.5	2.6
transport and mobile machine drivers and operatives	12.9	9.0	12.3	3.0	6.6	3.5
elementary trades and related occupations	1.3	2.5	1.5	1.7	1.9	1.7
elementary administration and service occupations	8.0	2.7	7.2	9.9	4.2	9.1
Total (=100%)	582789	106935	689724	22975658	3862790	26838448

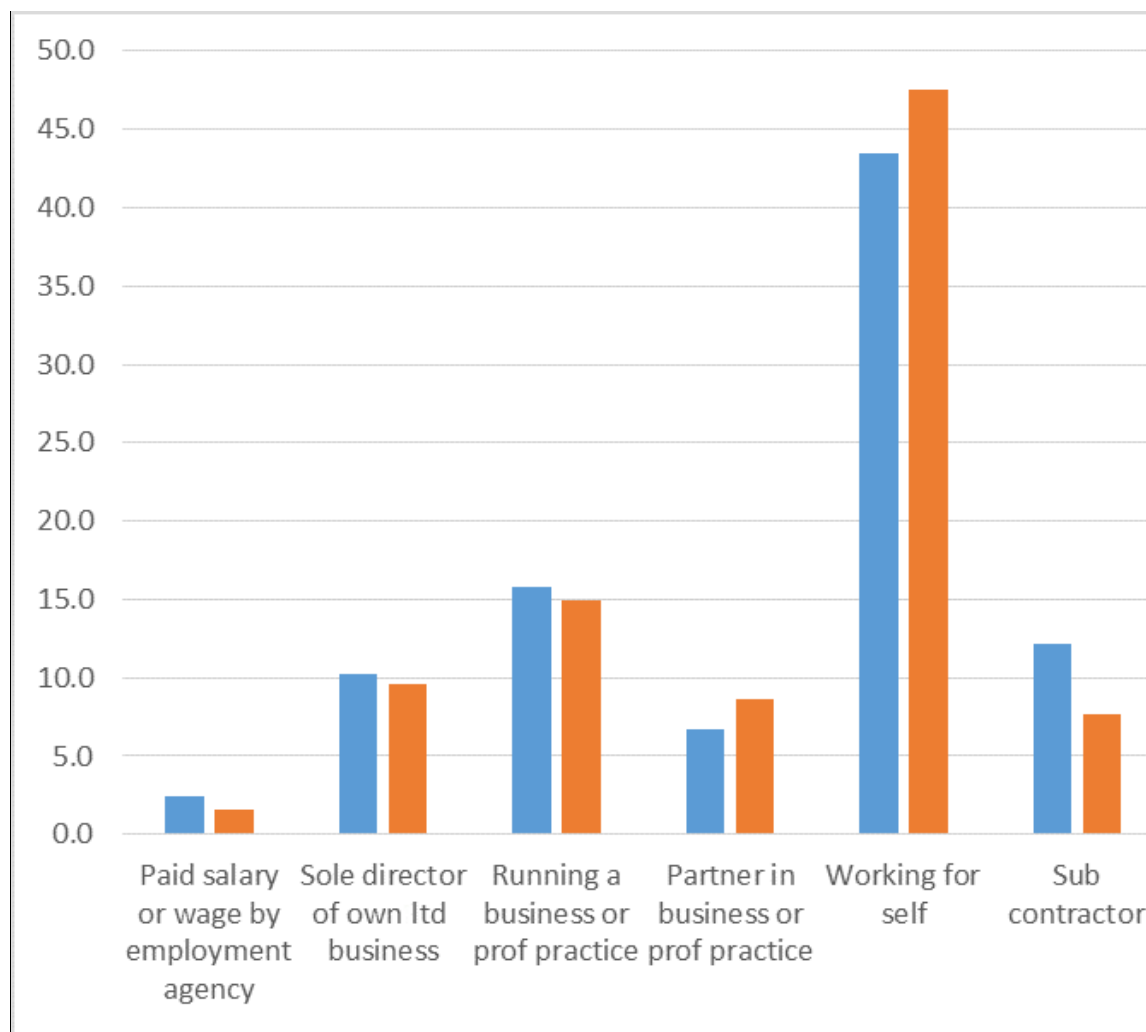
Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Note: "." Indicates sample size too small to report percentage.

The largest occupations in which veterans were employed were transport and mobile machinery drivers and operatives, corporate managers and directors and business and public service associate professionals (Table 6). Elementary administration and services, scientific and technical and protective service occupations were also significant, signifying great diversity in the veteran population. This pattern differed significantly from non-veterans, for which administrative, sales and caring occupations were more significant.

Among the self-employed, skilled construction and building trades accounted for the largest share of jobs for both veterans (21%) and non-veterans (14.2%). Corporate managers and directors were also a large category for both veterans (12.1%) and non-veterans (7.9%), but culture, media and sports occupations were more significant for non-veterans (9.2%) than veterans (5.5%).

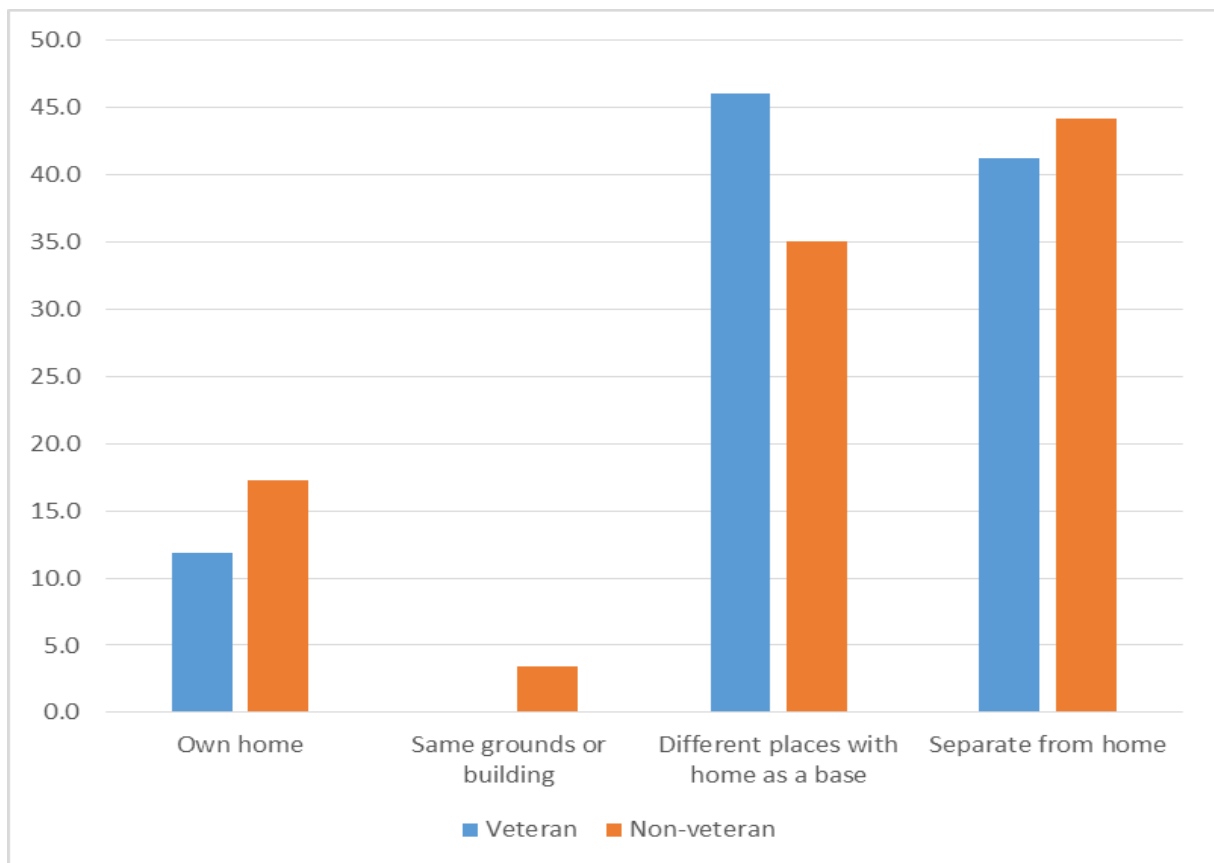
Figure 3: Type of self-employment for veterans and non-veterans (percentage of respondents)



Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

Figure 3 shows the type of self-employment which veterans and non-veterans were engaged in. The profile of each is very similar, but veterans were slightly less likely to be working for themselves or as a partner in business or professional practice than non-veterans, but more likely to be working as a sub-contractor. Veterans were less likely than non-veterans to work from home or separate from home and more likely to be working in different places, with home as a base (Figure 4).

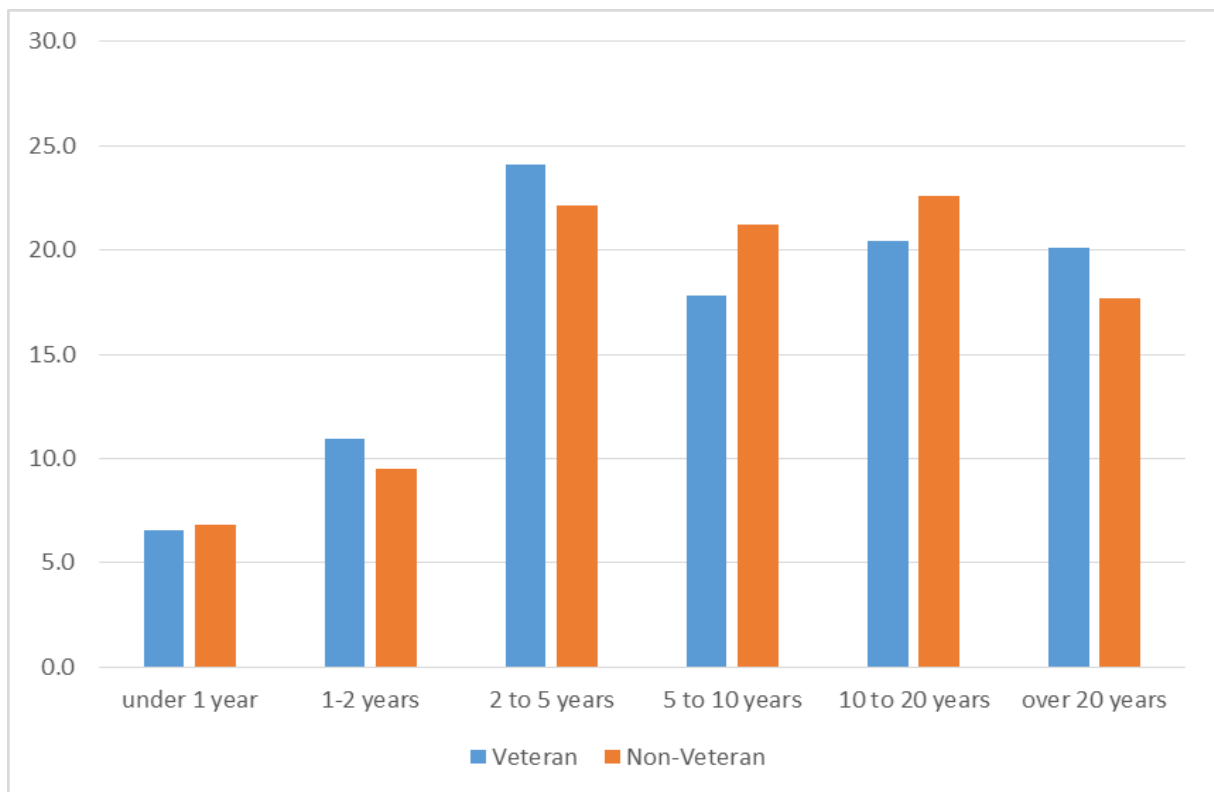
Figure 4: Location of work (percentage of respondents)



Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

There is little difference between the length of time which veterans and non-veterans had been in self-employment (Figure 5). A slightly higher percentage of veterans had been self-employed for less than five years, but the percentage of veterans in business for more than 20 years was also higher.

Figure 5: Length of time in self-employment



Source: ONS Annual Population Survey, January to December 2016. Crown Copyright.

One indicator of the income of an individual is whether or not they are claiming state benefits (e.g. income credits):

- Veterans were much less likely than the non-veteran population to be claiming state benefits. Among paid employees, 12.8% of veterans compared with 21.3% of non-veterans were claiming state benefits.
- Turning to the self-employed, 14.1% of veterans were claiming state benefits, compared with 21.8% of non-veterans.

Examining the size structure of the businesses operated by self-employed individuals, in terms of the number of employees, for non-veterans, the percentage declines steadily as the number employed increases. With very small numbers of respondents, there is too little data to present bars for most veterans, amongst whom 40.8% have only one employee (compared with 25.9% of non-veterans) and around four-fifths have no more than three employees (compared with 64.5% of non-veterans). Thus, self-employed veterans have smaller businesses than non-veterans.

4.3.5. Geographical distribution

The 3-year APS for 2014-16 was also used to identify the geographical distribution of working age and self-employed veterans across government office regions and local authorities

classified according to the 2011 urban-rural classifications for England and Wales and Scotland.

Table 7: Regional distribution of veterans, 2014-16

	Number of working age veterans	Share of all veterans in Great Britain	Number of self-employed veterans	Percent self-employed in each region
North East	40,694	5.9	4,551	11.2
North West	58,286	8.5	7,771	13.3
Merseyside	14,183	2.1	2,085	14.7
Yorkshire & Humberside	74,715	10.8	9,156	12.3
East Midlands	50,869	7.4	7,569	14.9
West Midlands	55,586	8.1	7,870	14.2
Eastern	53,812	7.8	9,387	17.4
London	32,871	4.8	5,184	15.8
South East	103,790	15.1	17,683	17.0
South West	89,996	13.1	14,317	15.9
Wales	41,880	6.1	5,301	12.7
Scotland	72,871	10.6	8,700	11.9
Great Britain	689,553	100.0	99,574	14.4

Source: ONS 3-year Annual Population Survey for 2014-16. Crown Copyright.

Headline findings show that:

- More working age veterans as a whole reside in the South East (15.1% of all veterans), South West (13.1%) and Yorkshire & Humberside (10.8%) (Table 7). This suggests that veterans tend to live in regions containing the main military bases.
- More self-employed veterans live in the South East (17.8% of all self-employed veterans) and South West (14.4%, not shown in Table 7) than in other regions. However, the share of veterans who were self-employed in a particular region is greatest in the Eastern region, followed by the South East, South West and London.
- Large numbers (representing over two-fifths) of both working age veterans and self-employed veterans live in local authority districts in England classified as “Urban city and towns” – i.e. largely suburban areas (Table A1, Appendix 1). However, when looking at the percentage of all veterans living within a particular urban/rural area, veterans are most likely to be self-employed in the more remote rural areas of Great Britain.

4.4. The research participants

The following sections highlight the figures from the online survey and the telephone interviews. It must be noted that a large number of survey respondents did not complete the demographic questions, perhaps due to the fact that these questions were placed at the end

of a relatively lengthy survey. In most of the analysis, we divide the respondents into veterans, reservists and partners.

4.4.1. The survey respondents

The survey was targeted towards those with some experience of, or who had considered, self-employment. In total, we received 558 usable responses to the survey: 430 veterans (77%), 38 reservists (7%) and 90 partners (16%). Of the veterans, there was a good spread by rank and by Service (although the majority were ex-Army).

4.4.2. Employment status of survey respondents

- Almost half of veterans¹⁰ (44%) and just over half of partners (53%) said they were currently self-employed, while 26% of reservists were currently self-employed.
- Substantial numbers (12%) of all groups combined self-employment with employment (Table 8).
- Around 17% of veterans had considered becoming self-employed, but had decided not to do so, with a further 10% having previously been self-employed.

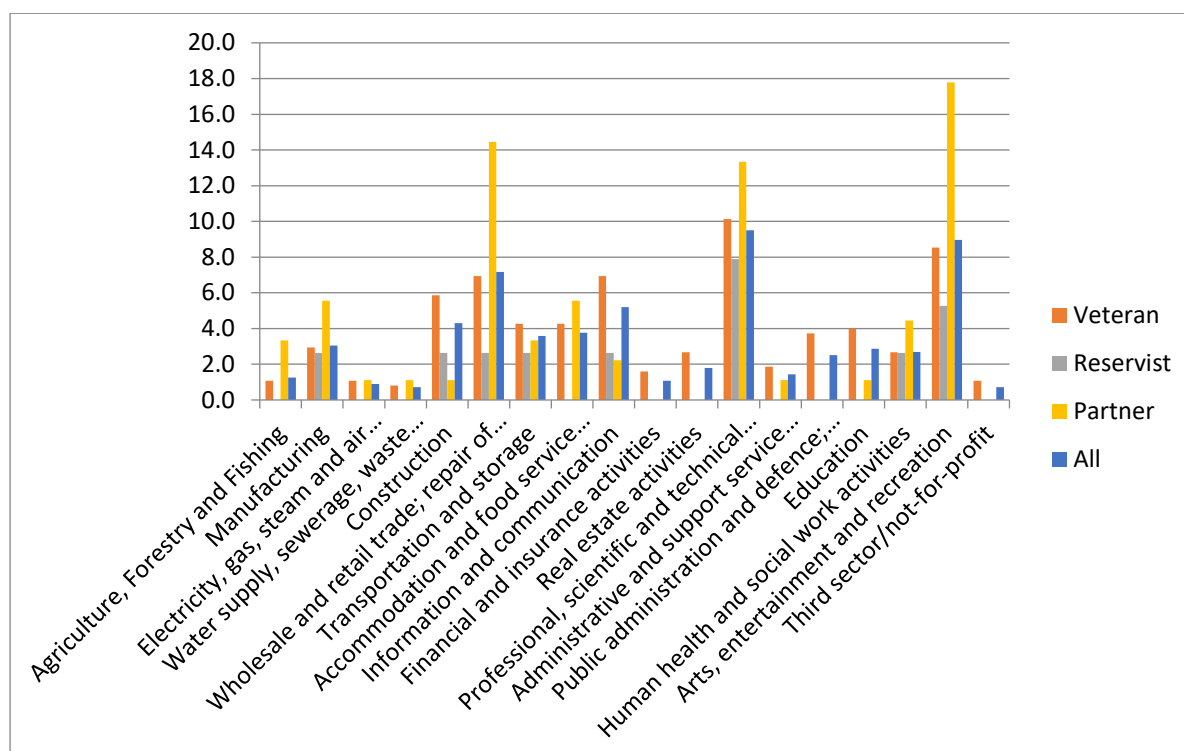
¹⁰ Although the survey was targeted towards veterans, this figure includes 55 respondents who were currently transitioning from the Services so not yet self-employed.

Table 8: Responses to the survey

	Veteran	Reservist	Partner	Total
Gender				
Not stated	142	31	33	206
Male	250	7	8	265
Female	36	0	49	85
Prefer not to say	2	0	0	2
Total	430*	38	90	558
Age				
Not stated	142	28	32	202
<20	0	0	0	0
21-29	20	1	10	31
30-39	67	4	18	89
40-49	90	4	18	112
50-59	87	1	9	97
60 plus	23	0	3	26
Prefer not to say	1	0	0	1
Total	430	38	90	558
Rank				
Officer	71	-	-	71
NCO	180	-	-	180
Other Rank	33	-	-	33
Total	284	-	-	284
Service				
Army	180	-	-	180
RAF	52	-	-	52
Royal Navy	41	-	-	41
Royal Marines	17	-	-	17
Other [please state]	4	-	-	4
Prefer not to say	1	-	-	1
Total	288	-	-	288
Current employment status				
Not stated	75	8	3	86
Currently self-employed or own a business	190	10	48	248
Currently self-employed or own a business while also in paid employment	50	1	18	69
Previously self-employed or owned a business	41	0	5	46
Considered becoming self-employed or starting own business but decided not to	74	5	3	82
I am not self-employed or considering self-employment	0	14	13	27
Total	430	38	90	558

Note: - indicates question not asked of these groups; * Of this figure, 55 respondents were still in the process of transitioning from the Services.

Figure 6: Percentage working in each industry



Professional, scientific and technical activities and Arts, entertainment and recreation and Wholesale and retail trade; repair of motor vehicles and motorcycles were the largest industries in which veterans and partners were engaged (Figure 6). Reservists were also largely concentrated in Professional, scientific and technical activities and Arts, entertainment and recreation but less likely to be working in Wholesale and Retail than veterans and partners.

Table 9: Plans on leaving the Forces (veterans and transitioning personnel only)

	Transitioning	Veteran	Total
Become self-employed, set up own business	37	153	190
Seek full-time employment	11	197	208
Seek part-time employment	4	14	18
Join the Volunteer Reserve Forces	6	26	32
Seek voluntary work outside the Armed Forces	8	14	22
Take a career break or a temporary break from employment	3	16	19
Look after home and/or family full-time	2	11	13
Retire	0	6	6
Other	7	38	45
Total responding to question	41	355	396

Note: respondents could provide more than one answer to this question, hence the total number of answers exceeds the number of respondents.

Transitioning personnel were more likely to state that they planned to enter self-employment on leaving the forces than veterans, who were more likely to report that their plans on leaving were to seek full- or part-time employment (see Table 9). This suggests that many decide to go into self-employment some time after leaving (see more in Section 5), with implications for longer-term support (see Section 10). While some had plans for further study or had quite well-developed job plans, write-in comments showed that others were unprepared for discharge and health issues were a major problem for some.

4.4.3. Interview participants

Veterans

In all, 55 veterans, partners and reservists from across the military hierarchy and the three Services took part in the telephone interviews. Data from participants differing in personal circumstances (e.g. married/not, children/not, those with higher/lower qualifications, those with a pension/not, etc.) were captured. A total of 16 female and 39 male participants were interviewed.

Female	16	Male	39
Vet/about to leave	5	Vet/about to leave	32
Partner	11	Partner	1
Reservist	0	Reservist	6

Many of the interviewed veterans were doing consultancy work building upon previous work or networks developed during military service: e.g. providing cultural training to the military; working as a consultant doing 'lean management' (had been doing this before leaving the Services); interviewing military staff for jobs in the Middle East; setting up a recruitment website for ex-military; doing programme and management support (including one contract with the MOD); providing personal training and boot-camps; working on projects for veterans.

Others were self-employed in areas completely unrelated to their military service, e.g. plumbing, property services, designing and selling children's cutlery, running an online e-business, working as a self-employed locksmith, a bee keeper, a 'butler in the buff' and a tenant farmer. Some were still in the process of setting up their own businesses, whereas others had spent a considerable amount of time working within their own businesses.

Of the veterans, four had tried self-employment or considered it when leaving the services but decided against it; all were now working as full-time employees instead. A small number were working as employees on a part-time basis while setting up their own business.

There were clear differences by rank, e.g. Officers were much more likely to own a business (or planned to) than SNCOs/NCOs/Other Ranks who were more likely to be operating as self-employed tradesmen/tradeswomen or were self-employed within a larger organisation such

as a fitness company. Many of those owning a business were doing consultancy work in training or coaching, drawing on their previous military experience.

There was also a distinct difference according to whether the veteran had a full pension or not: those with a full pension were more likely to only need an additional source of income, rather than a second career after leaving the military. The pension also provided a financial buffer during the start-up of the business or other self-employment.

Partners

Military partners were also self-employed across a variety of different industries and sectors. However, it was notable that the majority were working in creative roles, including designing and manufacturing baby clothes, photography, owning a café and delicatessen, selling furniture and soft furnishings, marketing, arts and crafts and illustration and design. This tallies with the survey findings, where a large proportion of partners were working in Arts, entertainment and recreation.

Some of the partners were working part-time in their self-employed capacity, alongside paid employment. Others had only just embarked on the journey to become self-employed. Overall, there was clearly appetite (or financial need) for partners to work in some capacity.

Reservists

Unlike the sample of partners (the majority of whom were female), the reservists were all male. All stated that they were working full-time in self-employment, whereas the partners were mostly working part-time or were running their business alongside other roles (i.e., paid employment, caring for children). Approximately half of the small sample had prior Regular military service.

Reservists reported working in a variety of areas including personal trainer, director of a training company, owner of a mobile catering business, owners of consultancy companies, brewery owner and Uber driver. These areas could be deemed less creative paths than those taken by the partners. Like the veterans, a number of reservists worked closely with Defence or in Defence-related areas.

4.5. Summing up

One of the requirements of the research was to compare veterans with non-veterans, in order to identify any particular differences. In many respects, veterans were similar to their civilian counterparts, but there were some notable differences. Current employment statistics show that military veterans are at least as likely as non-veterans to be in work and veterans appear to be financially more successful (they are much less likely to be claiming benefits than non-veterans). However, they may be financially better off than their civilian counterparts because of their military pension and/or lump sum, but this difference could also be due, in part, to some reluctance by veterans to claim benefits. It was impossible to examine this in more detail from the employment statistics but the later qualitative research findings highlight the importance of a military pension in setting up as self-employed.

Veterans and non-veterans are quite similar in the types of self-employment they go into (e.g. construction), and veterans may therefore find themselves in direct competition with civilians. For both groups, many of those self-employed also work as corporate managers and directors, and self-employed veterans are more likely to have degrees than employed veterans, perhaps reflecting a greater choice in employment options – and a greater ability to take a financial risk in self-employment – for those with higher qualifications. These are also likely to be Officers with a full pension. The interview data showed that this group were much more likely to own a business (or planned to) than SNCOs/NCOs/Other Ranks who were more likely to be operating as self-employed tradesmen. Veterans generally had lower qualifications than their civilian counterparts, which is likely to have a greater effect on those seeking paid employment, rather than self-employment. As a result, self-employment may offer itself as a realistic compromise to those who have been unsuccessful in looking for work after leaving the Services. Section 5 further highlights the motivations for entering self-employment.

Among the interviewees, many veterans were doing consultancy work, building upon previous work or networks developed during military service; others were self-employed in areas unrelated to their military service, and some were still in the process of setting up their own businesses. Partners tended to work in creative roles, which tallies with the survey findings. Some were working part-time in their self-employed capacity, alongside paid employment. Like the veterans, a number of reservists worked with Defence or in Defence-related areas, highlighting a potential advantage for ex-military personnel in these particular areas of work. The importance of military networks in self-employment is further highlighted in Section 6.

The following sections (5 to 10) highlight the main themes arising from the research findings.

5. The expectations and reality of self-employment

5.1. Summary of findings

- The most common reasons among survey respondents for wanting to become self-employed were wanting to be their own boss, having control, establishing a better work-life balance and wanting to work flexibly. The interview data similarly demonstrated that a desire to be one's own boss and to be in control were the most common reasons for wanting to be self-employed, as well as having greater flexibility and a better work-life balance.
- Stakeholders pointed out that some veterans leave the Services seeking self-employment because of the institutionalisation of the military. However, they added that aspirations are likely to vary by rank, length of service, gender, age and dis/ability. Equally, self-employment is not always about a large financial return. For example, Officers are primarily degree-educated and interested in executive roles, whereas military partners may have more diverse educational and employment backgrounds and goals. This impacts upon the breadth of support required by different cohorts.
- Stakeholders also argued that Service personnel often have naïve and unrealistic ideas about what is available to them in the employment market. Individual factors such as attitudes, self-awareness and available support networks are likely to affect the ease or difficulty in obtaining employment or self-employment. People who struggle to find the right role are less likely to plan ahead, research and self-reflect.
- Survey findings showed that a lack of personal finances or difficulty in getting financial support or a loan from a bank were the most significant barrier faced by all groups of respondents. Mental health issues and physical health/disability issues were also raised as an important barrier by a significant number of veterans.
- 72% of all groups used personal finances to set up their own business. Veterans were more likely than those still transitioning to say that they used personal finances; reservists were the most likely to have used their own personal finances and partners the least likely. It is not possible to say if this figure includes length of service funds for veterans, however.
- Very small proportions of veterans and reservists received financial support from the Armed Forces, but 22% of partners said that they received this kind of support. A further 43% of partners also received a loan from a bank or other financial institution, whereas only 30% of veterans and 13% of reservists did so. Family members and friends were sources of financial support for all groups.
- For those veterans who were no longer self-employed, the most common reasons given were “could not earn enough”, “lack of ongoing support” and “offered employment elsewhere”.
- Many interview participants reported that it was more expensive than they had expected to set up a business, certainly in the initial stages. For some, this had meant

giving up the business and reverting to full-time paid work out of financial necessity. Those most badly affected appeared to be those with either a very small pension or no pension.

- In spite of the expectation of hard work, many of those veterans interviewed reported having to work much harder than anticipated.
- Many partners felt that self-employment would allow them more control over when and how they worked. For some, self-employment was the only viable option as a result of regular geographical relocations; living in remote areas/bases; and/or maintaining employment due to frequent changes in their serving partner's postings. Others reported difficulty finding paid employment that was interesting or at a level commensurate with their skillset/qualifications due to this mobility.
- Like the veterans, many partners expected self-employment to be 'hard work', anticipating a lack of reliable income at first. Many expected more control over their time and work, while a minority had no expectations. Some partners said it was even harder than expected and a couple had either sold their business or were considering paid employment again. Others said that they were earning a reasonable amount of money and were better able to balance work and family life.
- Reservists were similar to veterans, focusing on being their own boss and not having to take orders from others. They also expected self-employment to be hard work, but some said that things had turned out better and their businesses had expanded more quickly. Others said that their businesses had not made the money they initially expected, or their income was less stable than anticipated.

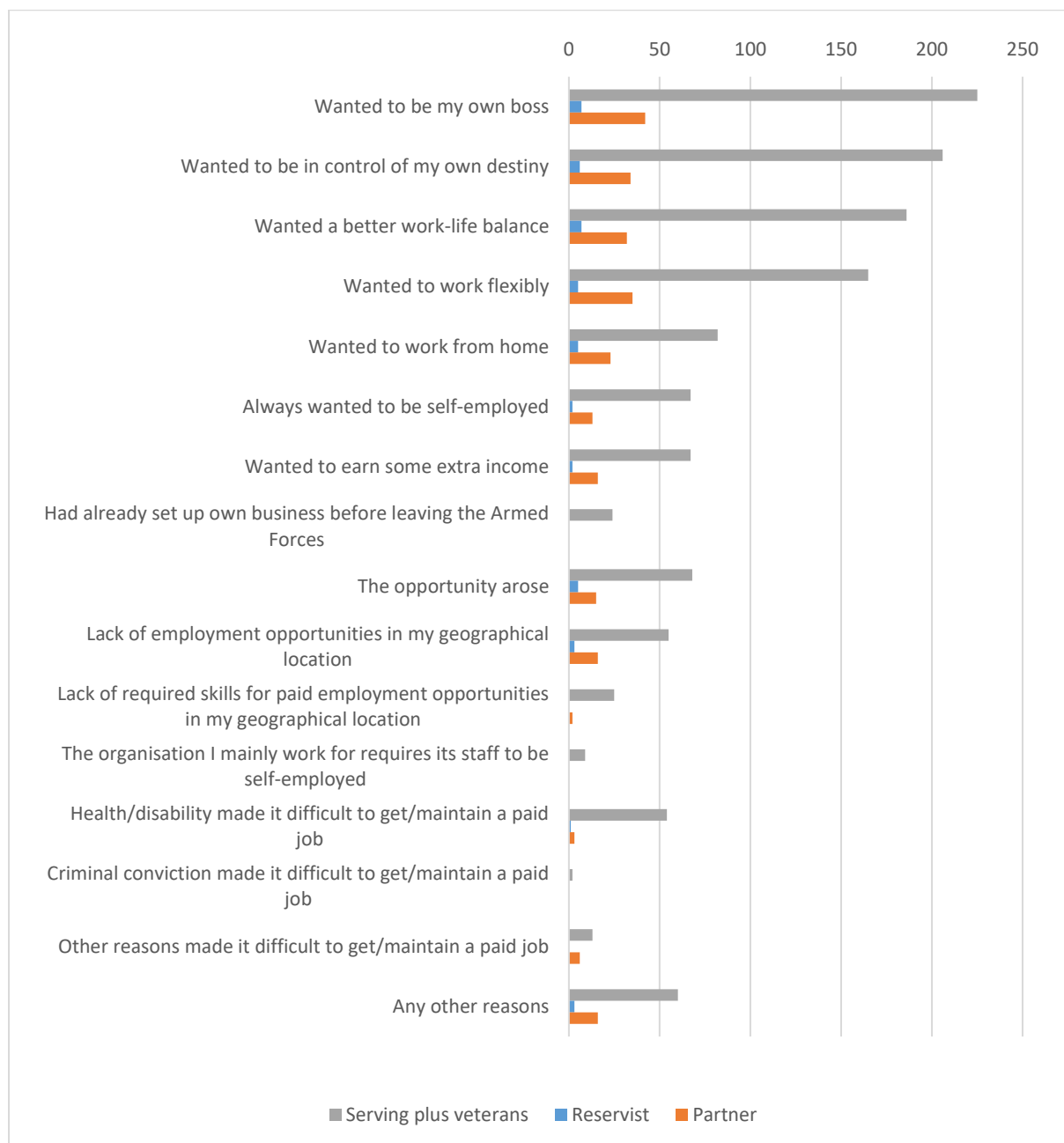
5.2. Introduction

Section 4 showed what kinds of occupations veterans, partners and reservists move into. The following sections highlight the main themes emerging from the data from all phases of the research. This first section highlights one of the main themes from the research: the mis-match between expectations of participants upon entering self-employment and the reality of their experiences. The section begins by examining the reasons given for wanting to become self-employed.

5.3. Reasons for wanting to become self-employed

The reasons that Service personnel and veterans gave for wanting to be self-employed are presented in Figure 7.

Figure 7: Reasons for wanting to be self-employed (survey)



The most common reasons were wanting to be their own boss, having control, establishing a better work-life balance and wanting to work flexibly. These were important reasons for both transitioning personnel who were planning to go into self-employment and those veterans who had already done so.

Others were disillusioned with working in paid employment or the prospect of doing so. In write-in comments on the survey, veterans said:

‘Upon leaving the Army, I expected a civilian job to replace everything which the Army provided. What the job didn't replace was my sense of purpose. In the Army, my role was important, with deployments being a regular occurrence, hence the

need to be good at your job. With my civilian role, I had lost this sense of purpose and realised that I would have to find it elsewhere which is why I started reading books and decided to set up my own business'.

'No opportunity, bouncing from job to job on minimum wage in call centres and the like, getting paid terribly and spoken to worse. No development or career prospects'.

The interview data similarly demonstrated that a desire to be one's own boss and to be in control were the most common reasons for wanting to be self-employed, as well as having greater flexibility and a better work-life balance. In many cases, this was a direct reaction to being in the Services for an extended period of time and a desire to do something completely different.

5.4. Expectations of becoming self-employed

In order to provide a fuller explanation of participants' expectations of self-employment we draw here on the responses of stakeholders, veterans, partners and reservists who took part in telephone interviews.

Stakeholders pointed out that some veterans seek self-employment as a direct result of the institutionalisation of the military (*'sick of being told what to do'*). However, some pointed to differences between those leaving with a pension and those leaving after six years who definitely want and need a second career (a pension can provide a financial buffer). Aspirations will vary not only by length of service, but also by gender, age, etc. They can also vary by disability, with some Wounded, Injured and Sick (WIS) perhaps only aspiring to work a few hours per week.

Other stakeholders argued that Service personnel do not always understand the employment market and what jobs are available to them. They may have preconceived ideas and can be naïve about what is realistic. This suggests that there may be a need to manage expectations and provide practical education and advice for those transitioning from military to civilian employment.

Individual factors such as the individual's attitude, self-awareness (are they suited to self-employment?) and the support networks they have available to them are likely to impact on how easy it is for people to obtain new employment. People who struggle to find the right role are often those that do not plan, research and self-reflect.

Officers were noted by stakeholders to be primarily degree-educated and interested in executive roles, whilst military partners may have more diverse educational and employment backgrounds. This impacts upon the breadth of support that these different cohorts need. Equally, self-employment is not always about a large financial return – the goal varies according to the individual.

Many interviewed veterans *'fell into'* self-employment and it was often not their first choice of employment after the military. Some had worked for an employer initially which had not worked out well, others were unsure about self-employment, but knew that they did not want to work

in an office job, and others were reacting against the hierarchical nature of the military by wanting to be their own boss. As with the survey responses, many talked about having a better work-life balance and seeing more of their family after many years of travelling in the Services.

One Officer had joined a large consultancy company for three years after leaving the Services, then was made redundant. This was when he started his own company:

'[To] be my own boss and do what I wanted [...] One of the decisions when I left [X] company was that I was getting pushed into jobs and roles that I could do but that didn't fill me with much enjoyment or motivation. Stuff that I really did want to get into. So, this was an opportunity to get into the stuff I really wanted to do, that I passionate about. And to do something that I could sort of get a good work-life balance and do something that I was passionate about and make a difference in the way I wanted to.'

Another Officer with 35 years' service told us:

'The priority for me now, after such a long and exciting career, I want to be ultimately the manager of my own destiny, I don't want anybody else deciding that for me [...] I want to be able to decide on my work-life routine and balance.'

A few of the interviewed veterans had been medically discharged and/or were still suffering ongoing mental and physical health problems which meant that self-employment presented itself as a good option, providing flexibility while also bringing in an income. One female veteran who had been medically discharged told us that on a good day she wanted to prove that being medically discharged does not mean that she had failed. *'Just taking a different track now'*. On a bad day, she wanted to break even, and perhaps make a small profit to keep her in coffee and cake: *'It's testing myself to see how far I can take it.'*

As highlighted by the stakeholders, expectations of self-employment among participants were often naïve and unrealistic (*'optimism based on ignorance'*), with many being under-prepared and having no idea of how to set up their own business (one said it felt like she had *'jumped into the unknown'*). Others, on the other hand, had already set up their own business while in the military and this provided them with both experience and/or the ability to more easily negotiate a loan while still in paid work. These and others were more realistic, having done a good deal of research and working out local labour market needs and gaps well in advance of leaving the Services.

The vast majority had no or very few expectations about what it would be like to be self-employed. This did not appear to vary by rank. Many expected that it would involve hard work but wanted to be their own boss instead of working for someone else. One ex-Staff Sergeant who had joined the Services at 16 told us that he was intimidated at the prospect of going for job interviews and viewed self-employment as a good alternative:

'Coming to the end of your Service it's a bit of a worrying time because you've been in that employed role, you know, for so long, from when you were a boy to when you leave as a man – it's a bit of a daunting time, it's one of those things: what are you going to do? Are you going to go straight into employment but you don't have

the experience of going for interviews, not having had a job previous to that [...] I thought being my own boss, that would be brilliant [...] I wouldn't have to worry about other things like interviews and trying to get into employed work [...] so I made that decision'.

The following section outlines the reality of self-employment, often representing a mis-match with participants' expectations. The section begins with an examination of survey responses focusing on the barriers faced upon entering self-employment.

5.5. The reality of self-employment

5.5.1. Barriers faced upon entering self-employment

Survey respondents from all groups were asked about any significant barriers faced when becoming self-employed (Table 10). Respondents could choose multiple options. Table 10 highlights the most commonly reported significant barriers faced, in order for the veterans as the largest group of respondents.

Table 10: Significant barriers faced when becoming self-employed (number of responses)

	Veteran/still transitioning	Reservist	Partner	All
Lack of personal finances	140	4	30	174
Difficulty in getting financial support or loan from bank	128	1	22	151
Lack of entrepreneurial training and/or support in my geographical location	115	4	9	128
General lack of entrepreneurial training and/or support	105	4	12	121
Lack of support from Armed Forces transition services	92	3	4	99
Lack of understanding on how to set up a business or become self-employed	89	3	6	98
Lack of information on becoming self-employed or setting up a business	84	4	7	95
Accessing or reaching customers	55	3	4	62
Government regulations	52	1	9	62
Mental health issues	37	1	4	42
Physical health/disability issues	33	1	2	36
Lack of support from family, friends or local community	27	0	3	30
Personal Issues	18	0	2	20
Criminal record	3	0	0	3
Other	16	1	4	21
Total respondents	244	9	38	291

The highlighted rows show that 60% of respondents said a lack of personal finances and 52% said difficulty in getting financial support or loan from a bank, clearly the most important barriers faced by all groups of respondents when combined. It should also be noted that

mental health issues and physical health/disability issues were also raised by a significant number of veterans, highlighting a particular difficulty for veterans which is unlikely to be faced by similar non-veterans.

Bearing in mind the problems with financial support, survey respondents were also asked: if they set up their own business, how was this funded?

Table 11: Method of funding by type of respondent (percentage of respondents of each type)

	Veteran/still transitioning*	Reservist	Partner	Total
Personal finances	73.1	87.5	64.8	72.0
Loan from bank or other financial institution	27.7	12.5	42.6	29.9
Loan from a family member or friend	13.6	12.5	16.7	14.1
Loan from a charity	4.1	12.5	5.6	4.6
Grant (which does not have to be paid back)	7.0	0.0	0.0	5.6
Financial support from the Armed Forces	4.1	0.0	22.2	7.2
Other	13.6	25.0	5.6	12.5
Total respondents	242	8	54	304

Note: respondents could select multiple options, so columns do not add up to 100%.

It should be noted that veterans were more likely than those still transitioning to say that they used personal finances; reservists were the most likely to have used their own personal finances and partners the least likely (although both groups were much smaller in number than the veterans and therefore these figures should be treated with some caution).

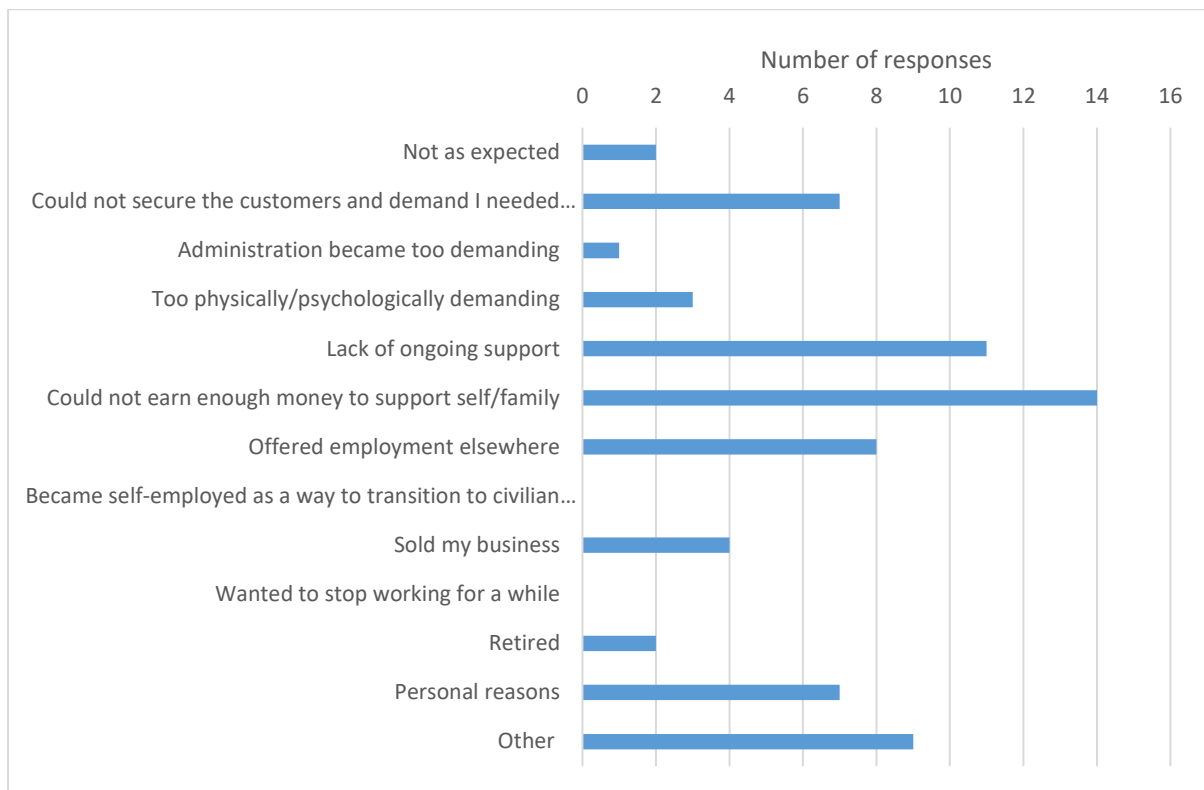
Interestingly, very small proportions of veterans and reservists received financial support from the Armed Forces, but 22% of partners said that they received this kind of support. A further 43% of partners also received a loan from a bank or other financial institution, whereas only 30% of veterans and 13% of reservists did so. Family members and friends were also a vital source of financial support for all groups.

The following sections highlight the reality of self-employment for the separate groups (veterans, partners and reservists).

5.5.2. Veterans

Those veterans who were no longer self-employed were asked to state the reasons why (Figure 8). The most common reasons given were '*could not earn enough*', '*lack of ongoing support*' and '*offered employment elsewhere*'.

Figure 8: Reasons veterans no longer self-employed



Many reported that it was costlier than they had expected to set up a business, certainly in the initial stages. For some, this had meant giving up the business and reverting to full-time paid work out of financial necessity. Although a costlier start-up than anticipated was a common experience, those most badly affected appeared to be those with either a very small pension or no pension. Those with a full pension had also found difficulties in the early days but appeared to be able to weather the storm.

In spite of the expectation of hard work, many of those interviewed reported having to work much harder than anticipated. One veteran who had planned ahead told us:

'A lot harder than I thought running your own business but I was home every day [...] and I could adjust my calendar to how I wanted it to go' [which is what he expected].

Other things like maintaining a business (e.g. book-keeping, receipts, etc.) were harder than he expected but it worked out quite well:

'I'd planned for it but it was a lot more to think about than I'd expected'.

Most veterans provided answers which described both positive and negative experiences of self-employment (e.g. one described the '*phenomenal*' amount of information he needed to find out beforehand but then added that it was '*exhilarating and scary at the same time*'). Another veteran said that having no bureaucracy is nice but there is also a lack of job security. Another said that he works longer than in the Army as he is now responsible for his own

income; he also has a poorer work-life balance than expected. However, he then added that he would not continue doing it if he was not enjoying it.

Only a few described self-employment as better than expected and even these did not report entirely easy routes into working for themselves. Others said it was worse than expected, while a few said it was '*as expected*'. These responses did not appear to vary by rank. Some had unrealistic expectations of people in the civilian world which did not align with reality (see more on this in Section 8).

5.5.3. Partners

Many of the interviewed partners had opted to become self-employed to provide them with greater flexibility and control over work. This typically meant an improved work-life balance, allowing them to spend more time with their family, particularly young children. A couple of partners said that they wanted to provide a better or '*nice lifestyle*' for their children in the short-term or wanted something that would eventually become a family business in the longer term.

The challenge of managing their own employment, alongside childcare and their serving spouse or partner often being absent clearly impacted on the decision of some to become self-employed. A few of the partners described themselves as being like a single parent. Many partners felt that self-employment would allow them more control over when and how they worked. For some, self-employment was the only viable option as a result of regular geographical relocations; living in remote areas/bases; and/or maintaining employment due to frequent changes in their serving spouse or partner's postings (see also Case Study 4). A couple of the partners also reported difficulty finding paid employment that was interesting or at a level commensurate with their skillset/qualifications due to this mobility and had at times applied for lower-skilled roles.

A few of the partners indicated that self-employment was something that they had been interested in pursuing for some time and that the opportunity presented itself or circumstances allowed.

Prior to becoming self-employed many partners expected it to be '*hard work*', anticipating a lack of reliable income at first. Many expected more control of their time and work, while a minority had no expectations because they had not made an informed decision to become self-employed.

There were mixed findings with regards to whether expectations had been met. Some partners said it was even harder than expected ('*I work like a dog*'), sales were slow and the work-life balance they had hoped for was not always achieved. As a result, a couple of partners had either sold their business or were considering paid employment again. Others said that they were earning a reasonable amount of money and were better able to balance work and family life.

5.5.4. Reservists

Key reasons for reservists in choosing self-employment were: freedom to make their own choices; control over their work and time; independence to do what they wanted; and flexibility in deciding what to do and when to work. Whereas partners chose self-employment to improve their work-life balance, reservists were more similar to veterans, focusing on being their own boss and not having to take orders from others. A couple of them felt that they could do what they were being employed to do by/for themselves better.

As with veterans and partners, reservists expected self-employment to be hard work. In reality, many of the reservists said that self-employment was not quite as expected. Some said that things had turned out better and their businesses had expanded more quickly. Others said that financially their businesses had not made the money they initially expected, or their income was less stable than anticipated.

5.6. Case study 1 – the locksmith

The following case study highlights the personal story of a veteran. The case study here and those later in the report examine: the individual's background; why he/she became self-employed; expectations of self-employment; support received, both from the military and elsewhere; the most useful support received; the most important skills needed for self-employment; and any particular difficult points.

The case studies all followed up with the individual 6-8 months after the first interview, exploring any changes; what support would have been useful; any new skills developed; overall evaluation of self-employment; future plans; and any advice for others in the Armed Forces Community considering self-employment. The four case studies represent individual examples of the experiences of many of the veterans, military partners and reservists taking part in the study.

Background (Autumn 2017)
A Staff Sergeant with almost 25 years' service, J was about to leave the Army with a full pension and lump sum. He was in a niche role - not much time to prepare for self-employment. Married with one school-aged daughter. Now a self-employed locksmith trying to build his reputation (work is gradually increasing). <i>Getting known is the key!</i>
Why self-employed?
J was offered a full-time job but didn't want to do what he had been doing for the last 25 years – managing a lot of people, meeting deadlines, away from family, external pressure. He had always tinkered with small mechanical things, combination locks. He had some Enhanced Learning Credit (ELC) money and took a locksmith course for a week - apprehensive at first.
Expectations?
In 5-10 years' time, J would like his own locksmith shop (none where he lives). He has researched this and feels confident that with good ratings he can gradually grow his business. He wants to devote more time to the family.
Support received from the military
From within the military ranks, J was warned off self-employment: a tough market, hard to win business. From the CTP, he received lots of information, market research, advice from a mentor, 1-day self-employment awareness workshop, a financial management workshop. All provided useful information, check-lists and templates. The CTP site had the locksmith course, which he did.

Support from outside the military
J has had much support from the civilian community. The ELCAS locksmith course tutor gave good advice on setting up as self-employed. J's father and brother are self-employed builders and were also a source of advice. The BNI (Business Network Institute) has been great; J has been invited to meetings and been assigned a mentor. J's introduction to the BNI came from an ex-serviceperson friend who also owns his own business.
Most useful support received?
The BNI and the locksmith course tutor.
Do the Armed Forces give enough support overall?
J thinks it would have been better to understand the financial options earlier, e.g. what grants he would be able to get. Would have been nice to get the lump sum earlier to help in the company set-up and save him borrowing from family. Getting time to do the courses would have helped as his military job limited the time available.
Most important skills needed for self-employment?
A steady nerve; organisational skills (time, schedule, finances); punctuality; be pleasant, polite and smart; availability.
Were these skills developed during your time in the military?
<i>Those skills are military through and through.</i> The Army taught J how to structure and plan; the Non-Commissioned Officer (NCO) training was good. J's skills were built up through working in multi-cultural areas on duty: understanding equality, different values and standards – <i>this all helps in good customer service.</i>
What about commercial skills?
J had <i>zero commercial skills</i> when he left the military (understood some things about costs, but other knowledge is now being built up).
What new skills could the military have given you that would help with self-employment?
Costing in overheads: there are so many things to do and/or provide in order to do a job: fuel, insurances, sourcing/collecting parts, etc. <i>I've learnt that I need to cost all of this in to my jobs.</i> He has learnt how to do this now, making sure that time to prepare is acknowledged and costed.
What points have you found particularly difficult?
J had to borrow money from the family to buy stock to tide him over. He didn't and doesn't like to ask for money. He will pay this money back with the army pension lump sum. He has had to recognise <i>I am worth this.</i>
Follow-up (mid 2018)
J is still a locksmith with no employees. The first year has been on the <i>up and up</i> after he took on some warrant work (he knew someone who had taken on a lot of this work and was fully booked so started to pass work on to him). He himself was <i>champing at the bit for work</i> . J feels he's been very fortunate. If there is no warrant work, he may have had to look for other jobs. He was <i>very close to closing the business.</i>
Any changes?
He just submitted self-assessed tax records (he keeps <i>tight records</i> from being in the Forces) and will get an accountant for the <i>other stuff</i> . He now understands what he needs to do and that work drops off over Christmas. He gets a lot of local work now as people know and recognise him. He spent money in the first year, getting stock, tools, advertising, etc. and only brought in a small amount (he had his lump sum from the Army to fall back on). He says that the first year is the hardest – getting established and buying equipment.
Any other support that would have helped, in the past or in the future?
<i>A warning against gullibility</i> (in the Forces you take things at face value; not many civilians have the same integrity - he was stung for £7000 on ads for which he got no return at all). He knows better now. Getting advice from others who have more knowledge on where to get grants, etc. (when he needed these he'd already left and it's easier to get these when still in the Forces. <i>No-one will touch you</i> when you ask for a business loan). He wouldn't have got off the ground without his lump sum from the Forces. He now advises others to look at what money is required before self-employment. Some veterans have since rung him to ask him what he does; one-to-one advice is very important: who has had the pitfalls, e.g. insurance? This can catch you out and people don't think about it.

Any new skills developed since last time?
IT skills gained along the way and time appreciation (first developed in the Army); although he has developed commercial skills he has <i>learned the hard way</i> . You need to understand the cost of things and <i>have a slush fund</i> .
Overall, how do you feel now about trying self-employment/setting up your own business?
Positive overall; in the Army he was out of the house before his daughter was awake and back when she was in bed: <i>stupid hours</i> . It has all calmed down now and some days he's back at 1pm. He's now averaging more than in the Army. He's also healthier; he is active and has lost a stone in weight. Also has more flexibility overall.
Future plans?
<i>Life's working for me at the moment</i> . He would have others selling in the shop but he needs people who understand and who are trustworthy. His reputation depends on it. This person also has to be competent as a locksmith (it would be good to get another veteran – an ex-Armourer).
Any pieces of advice?
J advises others to choose their career carefully and do their research (e.g. check if there are a number of plumbers in a local area already). Not possible to break into an established market. Need to enjoy doing it – don't do it to make money because <i>it won't happen</i> . Should work for someone first in trades like plumbing: <i>need to know there's a market for what you want to sell</i> . Go in with <i>eyes wide open</i> .

5.7. Summing up

The most common reasons for veterans choosing to become self-employed were wanting to be their own boss, having control, establishing a better work-life balance and wanting to work flexibly. The institutionalisation of the military means that many veterans leave the Services wanting to work for themselves, but aspirations vary by many factors. Individual factors and levels of planning and research seem to be important in making a successful transition into self-employment. There were some differences for partners and reservists, but most wanted greater control and flexibility.

A lack of personal finances and difficulties in getting a loan were the most significant barriers faced by all groups of respondents and a large number had had to use their own finances to set up a business, or drew on family and friends. Very few received financial support from the military. For those veterans who were no longer self-employed, the most common reasons given were “could not earn enough”, “lack of ongoing support” and “offered employment elsewhere”. Many reported that it was costlier than they had expected to set up a business, certainly in the initial stages and this had meant for some giving up the business and going back into full-time paid employment, especially those with either a very small pension or no pension. An ability to secure some financial support, in the way of a tax-free loan, would certainly help many of the veterans who were struggling in the early stages of self-employment. Financial advice before leaving the Services would also be helpful.

Many veterans, partners and reservists reported having to work much harder than originally anticipated. Some practical advice and training while still in the decision-making stages of leaving the Services would help veterans make the right decision with regard to self-employment or paid employment. Those who plan ahead and have even set up their own business while still in the military appear to be better-prepared and able to succeed (this includes getting a loan while still employed within the Services).

6. Transition and the importance of the wider network

6.1. Summary of findings

- Stakeholders noted the importance of networking and having a mentor who had succeeded in building their own business. This is especially important for military personnel who are used to being in a team and being evaluated as part of a team. Some moved into a franchise arrangement which provided support with networking and mentoring.
- The interview data showed that there were differences by rank in the ability to draw on mentors and wider networks, with Officers both more willing and able to do so. Other veterans, mostly from lower ranks, were either less willing to ask for support and advice or less likely to actively seek out and depend on such support. Being tough and resilient are commonly cited traits of Service personnel and can act as both barriers and facilitators to self-employment (see also Section 7).
- There was a heavy reliance among veterans on their military connections, both in seeking advice and information and also in building business contacts. The latter appeared to be more common among higher-ranking veterans, whereas all veterans drew on former colleagues and other veterans they had met in gaining information. This dependence on other ex-service personnel links with perceptions of trust and camaraderie. It appears that military personnel stick together, understand each other and trust one another due to their common experiences and values, something which is not as common in the civilian world (see more in Section 8).
- Veterans, partners and reservists also spoke of the importance of family support in setting up their own business or getting started in self-employment. The importance of wives and husbands was often referred to by veterans in terms of 'pay-back' for the time that they had been away during their military careers. Other family and friends were vital informal sources of support, whether they offered advice on what it was like to be self-employed or whether they provided emotional – and in some cases financial – support (see also Section 5).

6.2. Introduction

All interview participants were asked in more detail about their existing support networks, including the importance of other family members, friends and external sources of support. It soon became apparent from their reports that these were crucial in self-employment (many participants had not realised the value of networks before embarking upon self-employment, but came to value their importance as time went on). Although reservists were less dependent

on the military environment for their networks, the majority of both veterans and partners mentioned the importance of relying upon networks within the Armed Forces Community.

The following section highlights the issue of network support and also the reliance on military contacts, highlighting any differences by rank and by group (veteran, partner and reservist), where relevant.

6.3. Differences in network support by rank

Stakeholders noted the importance of networking and having a mentor; i.e. people who are likely to be outside of the military who have built their own business. They provide a reference point (i.e. what success looks like) and can provide social support. Military personnel are used to being in a team and being evaluated as part of a team, whereas self-employment can be lonely.

From the interview data, there were differences noted by rank in the ability to draw on mentors and wider networks: Officers were both more willing and able to do so. After deciding he wanted to start his own business, an Officer in the Army decided to buy the services of a mentor, a specialist in property development. The mentor was able to open a lot of doors and make many valuable introductions and also helped to take the Officer through the '*day-to-day*' of what he had to do. The mentor was available any time on the telephone. They spent a full week together getting to know each other and developing their way of working and continue to have a '*strategy call*' once a month.

Although one Officer told us that he had found networking difficult, and that he had struggled initially to find work after leaving the Services, he reported a wide range of support available to him, including a friend who invited him to join a start-up company (this proved to be ultimately unsuccessful), then another friend who invited him to become Chief Operating Officer of a new business venture where he was still working. He also drew on a business mentor (a friend of his parents') and his brother who had been an entrepreneur for 30 years.

An ex-Lance Corporal who had served for four years told us that he had had to let his self-employment '*fade out*' and get a job which was described as easier, providing regular money. Upon leaving the Services, his father helped him get a lorry driving job (through his father's boss). Apart from that he did not seek any advice from anyone. This was mainly because he did not know what advice to seek and who to speak to.

Other veterans, mostly from lower ranks, were either less willing to ask for support and advice or less likely to actively seek out and depend on such support. For example, an NCO told us that he got a loan from Business Wales; they then put him in touch with X-Forces Enterprise, who have been in touch with him every month and are '*there if I want them*'. However, he described himself as '*quite independent*' and he will research things if he has a question, rather than calling them. He also has lots of friends who are self-employed and if he is stuck on something he can ask them. Being tough and resilient are commonly cited traits of Service personnel and can act as both barriers and facilitators to self-employment (for more on this, see Section 7).

6.4. Reliance on military networks

There was a heavy reliance among veterans on their military connections, both in seeking advice and information and also in building business contacts. The latter appeared to be more common among higher-ranking veterans, whereas all veterans drew on former colleagues and other veterans they had met in gaining information. This dependence on other ex-service personnel links with perceptions of trust and camaraderie (i.e. the military community understand and trust each other, whereas civilians have a different mind-set – for more on this topic, see Section 8).

One Officer (also highlighted above) had exploited his military contacts fully within his new Chief Operating Officer role and, when interviewed again, he told us that he is now *'packing the whole company with ex-military'*. Similarly, another Officer told us that he made contact with a couple of ex-military people who were already in business to help him with his CV when he left. Both acted as mentors. He described himself as being not part of a network and considered himself lucky that these people took an interest in him when he approached them for work.

Another Officer undertook a resettlement course on sales and marketing with the Army which included a week's attachment to a civilian company. He did the work experience in an engineering company which was set up by an ex-military colleague he knew from Sandhurst. Following that work experience he was offered a job, which he stayed in for a couple of years in the sales department, and was then promoted to sales manager. He stayed at the company for five years until the company hit some financial problems:

'This was a really powerful introduction [...] in terms of support he gave me a fantastic head start as he understood me. He knew me personally and knew what I had been through and he knew what I would be good at. And probably what I wouldn't be good at. So yeah, I got support from him and it was important for me.'

This colleague has continued to be a mentor as he is a good friend and a useful contact.

One Officer told us that on leaving the Services, he had lunch with a *'good egg'* who left the Regiment 15 years ago and works in consultancy. After listening to him he then went home and typed up his notes, which he even refers to now. Similarly, a Corporal in the Army started working as a personal fitness instructor: he received advice from trainers who were on the courses he took at college. One particular outdoor fitness course (Level 2) was delivered by a veteran so he told him what to expect (e.g. that work would come in waves and when it would be the busiest). He would not have known this without his advice and he also helped him to network with others in the sector.

Trust in ex-military personnel is a theme which emerged time and again and particularly when many veterans had had negative experiences with civilians after leaving the military. This is covered in more detail in Section 8. It appears that military personnel stick together, understand each other and trust one another due to their common experiences and values, something which is not as common in the civilian world. Many veterans capitalised on this, but the military could also make more of these readily-available networks, particularly in terms of

self-employment, providing social events and building a database of mentors and work shadowing opportunities for new veterans.

6.5. Importance of family support and the wider network

Ex-military personnel were not the only important source of support for veterans. Veterans (and partners and reservists) invariably spoke of the importance of family support in setting up their own business or getting started in self-employment. An ex-Army Corporal told us that without friends and family, he would not be in the position he is in now, as he had struggled to adjust after leaving the Services; the support they offered was both emotional and practical. For example, his mother helped him tailor his CV *'that didn't look so military'* and his sister advised him on things like what to wear and what to say in an interview. Support from family was described as *'massively important and useful'*.

The importance of wives and husbands came up again and again, often in terms of *'pay-back'* for the time that they had been away during their military careers. A military partner had set up a shop, with her aim being to have something stable for when her husband leaves the military. They will work in the shop together when he retires from the military. She said that she has followed him around for years so he understands that it is his turn to help her when he leaves in 18 months. She expects the military to look after her husband and she is encouraging him to use as much support as he can for when he leaves, as she thinks it will be hard for him in his transition. He has *'served his time'* so deserves support. He has attended everything he can so far and will be taking courses that are relevant to the shop.

Other family and friends were vital informal sources of support, whether they offered advice on what it was like to be self-employed or whether they provided emotional – and in some cases financial – support.

Another partner told us that her family had also been very supportive *'but more moral than financial'* (nobody in the family really had any entrepreneurial experience and so she had no role models). With that in mind, she had since *'built'* an informal board of directors for her company (unpaid and voluntary, all with specialist knowledge) who she can call on and get advice (*'that was [...] the game changer, recognising that I had access to all of that advice' – 'more organic'*). This provides *'reassurance'* and *'catching if you fall.'*

Reservists were less likely to mention informal support networks (perhaps due to existing civilian networks).

Some veterans and partners decided to go into a franchise arrangement as this provided them with a ready-made support mechanism: one veteran who was embarking on self-employment told us that within the franchise there is a field technician who will come out with him; there is also someone at the end of the phone line who will talk to him about insurances, etc. This person has booked him three meetings (for work). That support mechanism has given a *'warm fuzzy feeling'*. Although others were less positive about their experiences of being involved in a franchise arrangement, it certainly seemed to reduce some of the anxieties of being isolated and solely responsible. A military partner also told us that she researched different options for setting up a business, but decided that there are lots of benefits to buying into a franchise. For example, she has been able to access support and networking opportunities. The franchise

also provides existing documentation that she can use – i.e. terms and conditions, branding and marketing materials, contracts, etc. She acknowledged that the franchise also provides ongoing mentoring.

6.6. Case study 2 – the doctor

The following case study highlights the experience of a female veteran who was about to leave the military with a medical pension after periods of ill-health. It demonstrates the importance of support from key people in the process of setting up a business.

Background (Late 2017)
P was a Squadron Leader with almost 17 years' service practising both emergency medicine and general practice; she was about to leave with a medical pension which <i>trumps the normal pension</i> ; although described as a <i>buffer</i> , she was taking an 80% pay cut when she leaves and would be unable to maintain her current standard of living if surviving on this alone. P is married with no children and her husband is also in the military. She was off for 2 long periods due to an injury and needs to maintain her health. She plans to set up a business, using her medical expertise and training.
Why self-employed?
P considered working in the NHS but wants to focus on what she's really interested in: integrative care. She can be registered as a practitioner in the UK. Flexibility is also important due to her health and self-employment allows that. There are <i>obvious risks</i> but she feels that these will be less significant than being <i>tied down</i> in a full-time job.
Expectations?
She is <i>trying to stay realistic</i> . Since being ill, she has learned a lot about her own limitations and her support network. She will <i>start cautiously</i> (up to 3 days a week); patients are likely to be high demand and require a lot of work. She also wants to do other things, e.g. life skills coaching and massage, and would offer these as a separate treatment option for patients. This will provide variety for her.
Support received from the military
She became aware of Help for Heroes while on the foundation course as part of the recovery service, then went to their website and found the Small Business course: <i>that has really given me the support and the knowledge and the insight of what setting up my own business is really going to be about</i> . She was about to do the main part of the course: <i>very detailed and delivered by very knowledgeable people</i> . There is an additional day to consolidate ideas - by then she should have prepared a business plan. There is also mentoring support available via X-Forces: she thinks this is going to be useful and fully intends to <i>tap into that</i> . She thinks she would be ineligible for a loan because of her and her husband's job.
Support from outside the military
She met someone in a gym in Canada who ran his own coaching and mentoring scheme which made her think things through. He also motivated her to think she could successfully set up her own business.
Most useful support received?
The friend she met was the <i>catalyst</i> ; the support received on the small business course and the recovery service was very good. A multi-activity course (MAC) for WIS which was about coaching and increasing self-confidence was also a factor (2 compulsory courses taken from Day 56 of sick leave – not forced upon people but very important). This was a part of the military recovery pathway.
Do the Armed Forces give enough support overall?
P said self-employment could be fed in directly to the foundation recovery course (it was only because she looked on the Help for Heroes website that she found the small business course). <i>If the idea of being self-employed had been introduced at the foundation course that might have just sparked that idea earlier</i> . Help is available and is good when received but need more awareness at unit level and medical centre level (half of doctors don't know what support is available for WIS; often mental illness develops after physical illness – spending time at home, left alone and feeling useless and <i>makes it much more difficult to recover</i>). Better awareness would get people into recovery earlier (she's asked about being an ambassador on the programme).
Most important skills needed for self-employment?
Self-belief; determination; enthusiasm and perseverance; being organised along the way.

Were these skills developed during your time in the military?
<i>Developed, yes, but they were probably already there, to a certain extent. The military tells you where to go and what to do, but personal resilience important (military people push themselves beyond their limits to our detriment because that is what is expected but everyone has a limit and this is often not recognised).</i>
What about commercial skills?
Commercial skills crucial (this is the area she feels least confident in: <i>no experience of that sort of world</i>). The small business course was very useful for this (<i>I would have had no idea otherwise</i>) and she now has the basic, with mentoring follow-up which will be important for what she doesn't know.
What new skills could the military have given you that would help with self-employment?
Some insight into financial and legal aspects, even doing tax returns.
Follow-up (mid 2018)
Early 2018 P opened the doors on the clinic for integrative care – it has taken off very successfully and she is very busy: <i>People found me. Hugely rewarding and a bit stressful.</i> This is an area still evolving in the UK and the learning curve has been huge. She has had to learn about business (X-Forces Enterprise business course <i>fantastically helpful</i>), extra classes in London and assigned a mentor, including remote support. Her husband does her admin including the website and financial aspects. She is in <i>full flow</i> now. The work still feels like full-time: she needs to keep learning now but still hopes to work 3 days a week eventually. At the outset there is so much new to do.
Any changes?
Although she is offering massage and coaching all enquiries are about functional medicine which shows her where the interest/gap is. Being a doctor offering functional medicine is fairly unique (her USP), especially in her region. She feels this is where she should be focusing her energy but can hopefully bring in a coaching element to it, e.g. changing people's lifestyles.
Any other support that would have helped, in the past or in the future?
She <i>stumbled across</i> the business course (not pushed on her recovery programme). Once involved in X-Forces - a great support – she can call or email them any time. Probably help is available but not well-known. People who are downgraded and on sick leave feel very vulnerable and need to know about the support available. Mentoring via X-Forces Enterprise lasts up to 2 years (depends on individual mentors but that's very helpful for her). Also need an accountant that you trust – getting books in order, etc.
Any new skills developed since last time?
P has learned about how business works and the skills involved in functional medicine. Taking on patients with long-standing medical problems who are not easy to treat instantly: need to manage your patients' expectations. Also need to be aware of legalities of business (e.g. GDPR) re data storage and consent; financial aspects very important. In the Services she spent a long time in a strange environment, learning to cope, became independent and self-confident. Also self-disciplined and routine/daily structure: <i>lessons I've brought with me.</i> Lots of what she's learned has been since leaving.
Overall, how do you feel now about trying self-employment/setting up your own business?
<i>Right thing for me to have done [...] control over my life and routine.</i> Not necessarily right for everyone. It depends if you prefer to be told what to do. P feels very positive that it will continue but needs to be wary of taking on too much. Salary: unsure (she had a financial buffer while in the military so interesting to see the shift in monthly income – she has a medical pension and a monthly sum so should not see a big difference). <i>Watch this space.</i>
Future plans?
Ideal for short to medium-term would be to work in a joint practice with a nutritional therapist (has identified an ex-military nurse), plus some admin help. Also keen to develop educational side to make it accessible to the public, e.g. possible lifestyle medical classes. Doesn't want to tie herself down too much - her husband has the option to relocate and she thinks she may be able to move the business. <i>Open-minded for now.</i>
Any pieces of advice?
Need to take lots of factors into account: need to love and have a passion for what you choose to do, otherwise the stress on others is not worth it.

6.7. Summing up

The data suggest that having a good and extensive network impacts upon the success of transition into self-employment. This raises the question of whether general networks and social capital impact upon the ease with which someone is successful (self-employment is likely to require strong networking/self-promotion/relationship-building skills throughout the lifecycle of the business). Furthermore, some aspects of the military may act to challenge the transition to self-employment, e.g. moving from being a member of a team to an individual acting alone, as well as certain traits gained while in the military.

Clearly, there are rank differences in both the ability to network effectively (or learning how to network effectively) and the ability to draw on other informal and formal contacts for support. Family remains a vital source of support for both veterans and military partners. Moving into a franchise arrangement also provided a kind of 'half-way house' for some, with support provided in networking and mentoring. Some support with learning how to network for business-building purposes upon transition from the military would appear to be vital for those without such ready-made networks and the military should build upon a readily-available network of military veterans willing to help. Providing support where it is needed, rather than a blanket approach to all eligible veterans, irrespective of need, could be a way forward.

7. Transferability of skills learned in the military

7.1. Summary

- There is much evidence, from the UK and internationally, that the skills and competencies developed through the military are useful for those transitioning into self-employment. Some suggest that it has been key to their success.
- International evidence notes that veterans have specific characteristics and attributes that have a positive impact on their entrepreneurial behaviours, such as being more risk-tolerant, offering unique insights, having the ability to employ novel methods to difficult situations, being proactive and making decisions efficiently, as well as being goal-orientated.
- The majority of veterans believed that they had developed a range of skills and competencies from their time in the military, but, for some, the challenge was translating those skills into a civilian context.
- The top four skills and competencies gained through military experiences and considered useful for self-employment, were identified by veterans and reservists as:
 - Communication skills;
 - Organisational skills;
 - Team working; and
 - Decision-making skills.
- Veterans and reservists reported that they lack specific skills and competencies needed for self-employment which had hindered them and the success of their business, including:
 - Understanding of legislation relating to self-employment or setting up a business;
 - Entrepreneurial and/or commercial awareness;
 - Marketing skills; and
 - Financial awareness.
- Every veteran said that commercial skills were either 'important', 'crucial' or 'vital'. Some suggested that these skills are important from the outset, as they are about understanding what is needed in the labour market and where you can fill a gap.
- Partners spoke of being tenacious, determined and resilient, as well as having confidence, as key to self-employment and setting up a business.
- Partners reported to be drawing upon the skills and competencies developed in previous job roles and work experiences in their self-employment activity.
- Some veterans suggested that the military needed to prepare personnel for civilian roles before they exit the Services and offer support with translating skills and competencies to the civilian context, as well as offer practical courses to develop commercial, finance and marketing skills, so that veterans are better prepared.

7.2. Introduction

This section of the report focuses on the transferability of skills learned in the military to self-employment and entrepreneurial activity of veterans and reservists. It draws upon data from the survey and interviews. The survey focused on skills, competencies and attributes gained in the military, what they lack and what they would have found useful. Veterans, reservists and partners were asked what they considered to be the most important skills needed for self-employment. Importantly, veterans and reservists were asked to reflect on whether any or all of these skills had been developed during their time in the military and if they had helped with their self-employment ventures. Before exploring evidence from the survey and interviews, international evidence on the attributes and skills gained through military experience is discussed. This evidence is considered in the context of how military experience can have a positive impact on entrepreneurial behaviour.

7.3. Impact of military service on entrepreneurial behaviour

Research undertaken in Canada, Croatia, Israel, the UK and the USA provide evidence on how military service can positively impact on entrepreneurial behaviour and success.

First, research from Croatia, Canada and the UK suggests that attributes and characteristics gained through experiences within the military lend themselves well to successful entrepreneurial activity. In the UK, 91 independent financial advisers, 48 senior executives and 56 entrepreneurs with a military background (n=195) were interviewed (Stone, 2016). The author assessed the extent of interviewee agreement with certain responses on what business attributes are enhanced by military service. The aim of the research was to provide a quantitative assessment to enhance anecdotal evidence that a background in the military is invaluable in the civilian sector. There was consensus that certain qualities and competencies are developed in the military and can be effectively transferred to the civilian sector. A total of 55% of senior executives and 27% of financial intermediaries interviewed recognised that those with a military background are able to perform better under pressure than those from a non-military background. Of the military entrepreneurs interviewed, 88% believed that their military background had had a positive impact on their success. It was reported that certain business attributes were believed to be enhanced by military service, including: organisational skills, ability to remain calm under pressure, teamwork, defining a goal and good communication skills. A lack of commercial experience and poor networks were reported by a few military entrepreneurs to hinder positive entrepreneurial outcomes. Whilst the study is based on a small selected sample, it does provide some useful insights on how veterans' military experience is viewed in the civilian sector.

In Canada, a small study was undertaken to understand how five individuals, who had served with the Canadian forces, transitioned to the civilian workforce (Smulders and Jagoda, 2011). A case study approach was adopted which combined interviews, a survey and documentary analysis to investigate the problems and barriers to self-employment for active personnel. It was noted that, in Canada, very few military personnel opt for self-employment after leaving the Service. Military entrepreneurs were found to have received educational support prior to leaving the Service and understood how to utilise their military training, such as confidence in taking and managing risks, plus being emotionally resilient. Research participants recognised

that skill sets are transferable, but that there is a need to be able to translate military skills into civilian business terms. They also recognised the importance of support systems and mentoring. Similar to other research, Smulders and Jagoda (2011) reported that personnel pursuing self-employment did so to manage their future and to be financially independent.

Alternative research from Canada suggests that negative personal circumstances can play an important role in developing effective and motivated entrepreneurs (Miller and Le Breton-Miller, 2017). Challenging personal economic, sociocultural, cognitive, physical and emotional circumstances create experiences that help individuals develop adaptive behaviours. These result in work discipline, risk tolerance, social and network skills and creativity, which benefit entrepreneurial behaviour and successful outcomes. Veterans are identified as a specific group that may have had these experiences and, therefore, are likely to be successful entrepreneurs. They are considered to be more risk-tolerant as they have experienced more serious traumas and can offer unique insights, with the ability to employ novel methods to difficult situations.

In Croatia, research suggests that military service instils entrepreneurial behaviour as part of the education process (Pesorda, Gregov, and Vrhovski, 2012). Army veterans were reported to be proactive, goal-orientated and effective at performing tasks, so that they are able to deal with crises, make decisions efficiently and are aware of alternative solutions. These are thought to be characteristics of successful entrepreneurs. It is also suggested that self-employment is an attractive option for those who have spent time in a hierarchical structure.

Second, quantitative research from the US and Israel indicates that the likelihood of veterans engaging in entrepreneurial activity can be determined by certain characteristics, as well as by rank and the type of military service. These variables also indicate likely success. In the USA, Hope and colleagues (2011) developed a model to determine whether or not military service increases a veteran's likelihood of selecting self-employment. The model used complementary data from three surveys to create comparable populations. A number of variables were analysed to determine whether certain aspects of military service influenced tendencies to entrepreneurship, but none were found. It was concluded that those with military service are more likely to select self-employment; Officers, probably as a result of their high level of education, were more likely to select self-employment than enlisted personnel. Personal characteristics, such as age, home-ownership and working in a professional or service occupation, positively affect the likelihood of selecting self-employment. Hope and colleagues (2011) suggested that particular groups of veterans need additional support to start up a business. They also concluded that the evidence raises questions as to whether lending institutions are more likely to favour those veterans who are older and own a house.

In Israel, a study of graduates of a business administration course (MBA) examined whether their military service and rank impacted on their entrepreneurial careers (Avrahami and Lerner, 2003). A survey was completed by 166 of the MBA graduates, 139 men and 27 women, with an average of 36.5 years. Thirty-seven percent of the respondents went on to engage in entrepreneurial activities. The study found that those who served in combat roles were more likely to turn to entrepreneurial activities in their civilian careers. Those in higher-ranking positions were also likely to turn to entrepreneurial activities, although this was not statistically significant. Risk-taking behaviour was linked to the pursuit of entrepreneurial activity post-military service. It was concluded that entrepreneurship training for ex-military personnel

should move away from information, knowledge and skills acquisition to the development of social skills and the promotion of team spirit.

In Sweden, a tracking study of nearly 460,000 male veterans was undertaken using administrative data (Aldén, Hammarstedt, and Neuman, 2017). The aim of the quantitative study was to understand why individuals choose to be self-employed and why some are successful, and others are not. It was based on the theory that self-employment requires a broad set of skills. First, it found that self-employment of veterans has increased to 14% over a 15-year period, so it was considered important to create policy to support veterans with self-employment. Second, it concluded that veterans with a broad and balanced skill set, comprised of cognitive and non-cognitive abilities (such as resilience, willingness to take risks, etc.) were more likely to take up self-employment and succeed. This supports the evidence that skills, competencies and attributes developed in the military can support entrepreneurial activity.

To sum up, this international evidence provides some insights into the attributes and characteristics of veterans, which support and have a positive impact on entrepreneurial activity. Some evidence suggests that veterans could be more likely to be successful if they engaged in self-employment activity, compared to civilians. This is argued to be a consequence of their military education, training and experience, which enables them to be more resilient and adaptable. What is missing from the evidence is a discussion on specific skills gained from being in the military and whether reservists benefit from their military experience as veterans do.

7.4. Useful attributes for self-employment gained through the military

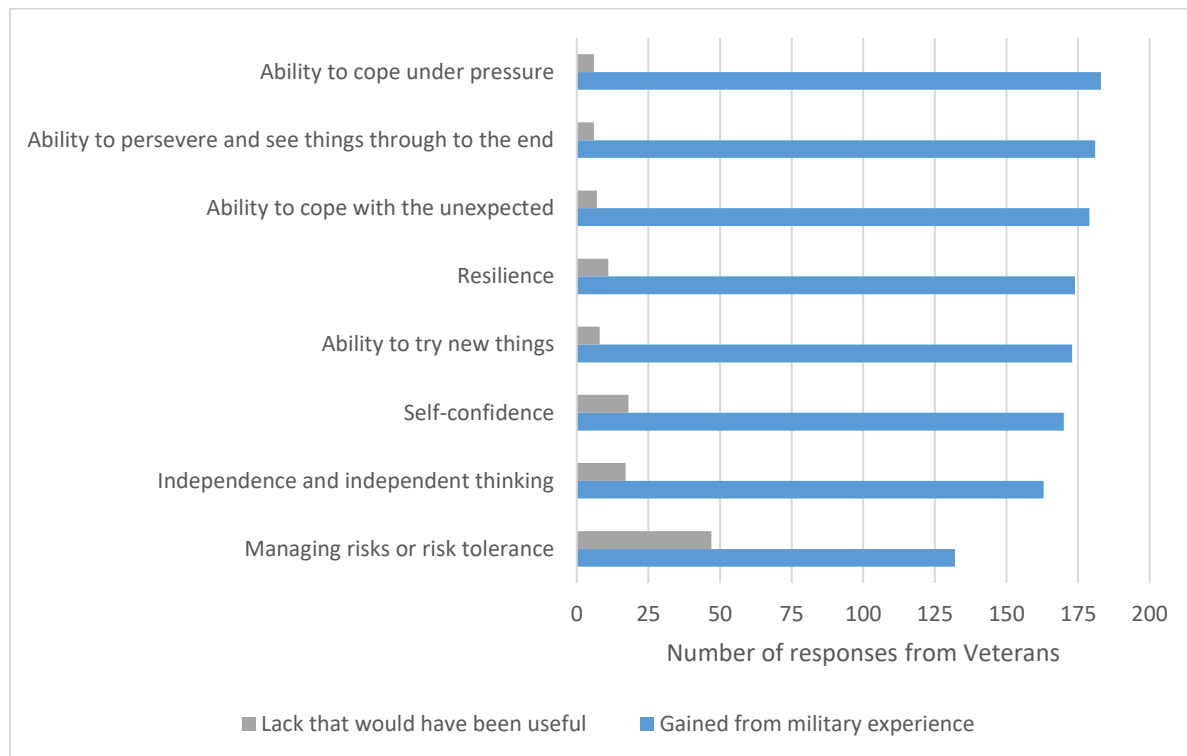
In the survey, veterans were further asked to reflect on what attributes they thought they had gained from their military experience that helped with their self-employment, together with what they lacked but would have been useful (see Figure 9). All of the predefined attributes were identified by a high number of veterans as having been gained during their time in the military, including:

- Ability to cope under pressure;
- Ability to persevere and see things through to the end;
- Ability to cope with the unexpected;
- Managing risks or risk tolerance;
- Resilience;
- Ability to try new things;
- Self-confidence; and
- Independence and independent thinking.

Of those veterans responding to the question on attributes they felt they lacked and would have been helpful in going into self-employment or setting up their own business, most (47/65) considered that they lacked the ability to manage risks or to be risk tolerant. This is in contrast to the international evidence found which suggested that veterans are better able to cope with and manage risks, compared to civilians (although it should be noted that a large number also said that these were gained while in the military – see above). This could be a result of

perceived risks emerging within local labour markets and via general economic conditions in the UK. It could also be a result of having to manage risks alone, in comparison with managing risks within a team, as in the military, and the different types of risk involved (e.g. the financial risks of being self-employed as opposed to safety or security risks in the military).

Figure 9: Attributes gained from military experience that helped with self-employment and attributes lacking



Based on responses from veterans (responses on gained, n=193; responses on lacked, n=65).

During the interviews with veterans and reservists, most reflected on themselves and the attributes needed to be self-employed. These included being:

- Realistic;
- A self-starter;
- Driven;
- Honest and fair;
- Emotionally intelligent;
- Self-disciplined; and
- Focused.

Some suggested that these attributes impact on level of success, whilst a few suggested it was down to luck. The majority agreed that successful self-employment was about perseverance, determination, tenacity and having a good work effort – *'being willing to graft'*. One mentioned the need for physical and emotional stamina. Others emphasised that it was important to like what you do in your own company, as you have to be enthusiastic and able

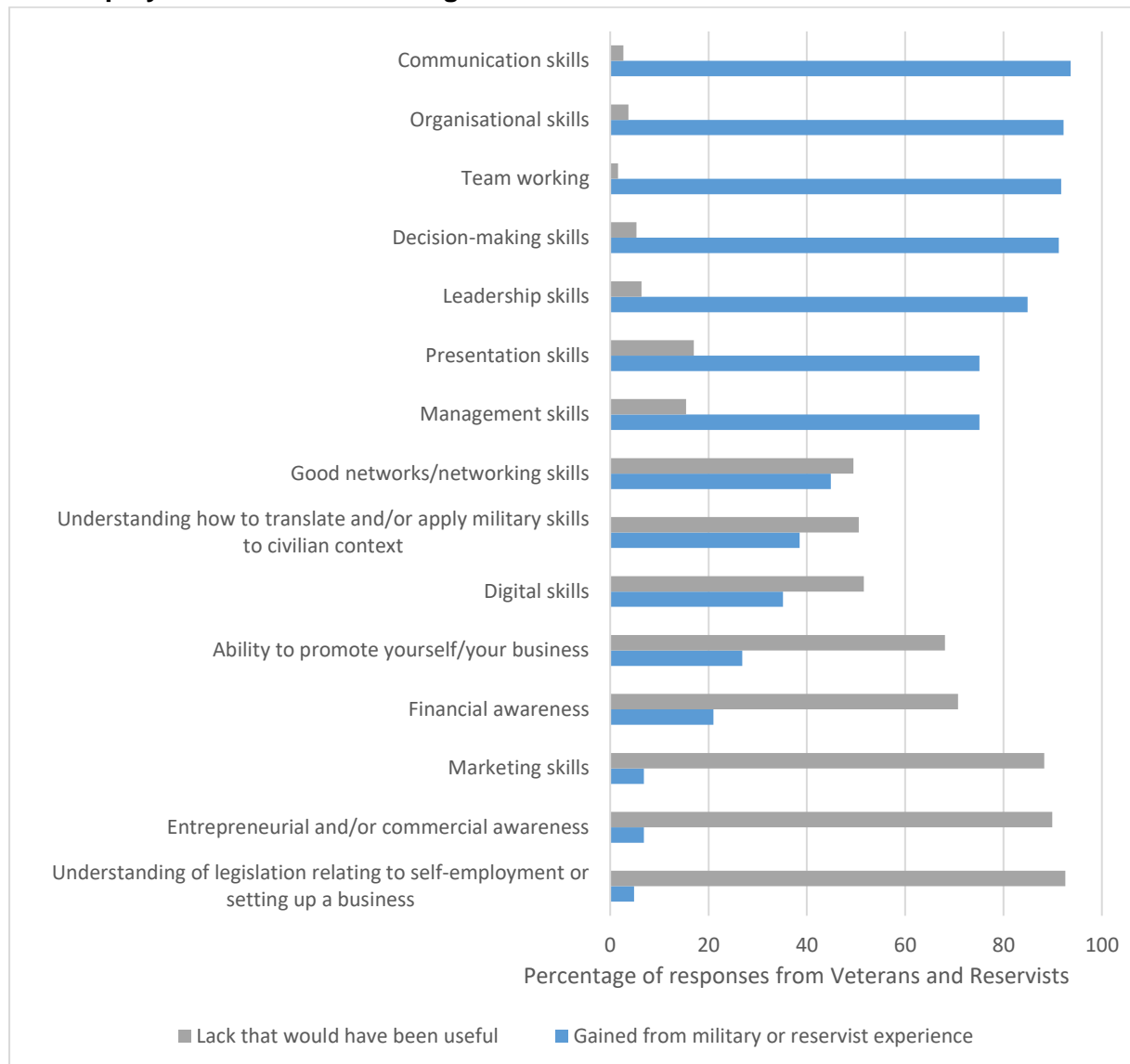
to sell yourself, your services or your product to others. One veteran described it as having a *'passion for what you are doing and the ability to put this across to people'*.

7.5. Skills and competencies useful to self-employment and entrepreneurial activity

Veterans and reservists were asked to identify in the survey (from a predefined list) and in the interviews what skills and competencies they had gained from the military experience and the experience of being a UK reservist that had been or were helpful to their self-employment activity. They were also asked to identify skills which they lacked but which would have been useful in becoming self-employed or setting up their business. The top four skills and competencies gained through military experience and considered to be useful to self-employment activities were identified in the survey (see Figure 10) as:

- Communication skills;
- Organisational skills;
- Team working; and
- Decision-making skills.

Figure 10: Skills and competencies gained from military experience that helped with self-employment and skills lacking



Based on responses from veterans and reservists (responses on 'gained', n=205; responses on 'lacked', n=188).

Veterans', reservists' and partners' reflections on the most important skills needed for self-employment were explored further in the interviews and represented in Figure 11. Overall, there was a sense that military experience was positive in gaining and developing skills needed for self-employment and setting up a business. For example, one veteran spoke of having gained *'leadership skills, confidence, the ability to adapt, versatility and a good work ethic from the army. You have the toolkit for self-employment.'* The most common important skills identified by veterans and reservists were:

From veterans:	From reservists:
<ul style="list-style-type: none"> • Good organisation skills and time management; • Resilience and determination (*P); • Adaptability; • Motivation and commitment (*P, R); Self-confidence (*P, R); and • Personal skills (being a good listener) (*R). 	<ul style="list-style-type: none"> • Confidence in their own ability and coming across confidently to others (*V, P); • Motivation to succeed (*V, P); and • People skills (including the ability to communicate effectively with others) (*V, P).

Note: * Also mentioned by V = veteran, R = reservist, P = partner

Interestingly, a few of the reservists noted that the skills and expertise that they brought from prior employment or had gained from being self-employed were not always recognised or utilised by the military. Some had found this frustrating.

Figure 11: Skills and attributes identified by veterans and reservist as important for self-employment



Partners were also asked about the skills they considered important to being self-employed or setting up a business. Similar skills and competencies identified by veterans and reservists were highlighted, including:

- Confidence – in their own ability as well as coming across confidently to others (*V, R);
- Motivation – being self-motivated and proactive (*V, R);
- Good communication skills – ability to sell themselves to others (*R);
- Resilience – not to take things personally when they go wrong (*V); and
- Determination – to succeed (*V).

Note: * Also mentioned by V = veteran, R = reservist, P = partner

The majority of partners spoke about having confidence in themselves and the business as an important part of being self-employed and setting up a business. Similarly, others spoke of being tenacious, determined and resilient. Many reported to be drawing upon the skills and competencies developed in previous job roles and work experiences. All partners interviewed spoke of the challenges of developing and learning commercial skills and being able to sell themselves. As with veterans and reservists, these skills had been learned along the way.

For some, particularly veterans, it was noted that it was important to be organised, good at planning, self-reliant and be comfortable working on your own, with many noting the need to work long hours. One veteran suggested that you need to *'be able to prioritise as the things you need to do are not always the things you like doing. And it is easy to fall into the trap of doing the nice stuff, so you have to be quite disciplined'*. Others spoke of it as finding the balance between *'selling and doing'*; so if you focus on *'doing'* the job at hand, you finish a contract and do not have another contract to go to.

Important skills identified by veterans and reservists was communication and personal skills. These skills were considered vital to successful self-employment and setting up a business, as they linked to many aspects of work – from marketing, selling, negotiating contracts, to managing clients and staff. Personal skills (e.g. being a good listener) were also mentioned. When asked if they had developed these skills from their time in the military, most veterans said that some, but not all, of these skills, were developed in the Services:

'Yes, the military attracts certain people who have been in situations where they can see their true self. They are able to react in extreme situations. They like a challenge. Some [like] reliability, punctuality, self-discipline are all drummed into you, [...] but the ability to ask for help was rare in the military [...] I learned how to deal with people since leaving the Army, civilians are a lot more sensitive'.

Whilst some veterans recognised that they had gained good communication skills from the military, they were not always appropriate to the civilian context and had to be adapted or modified. For example, one veteran said:

'There's always going to be a core set of skills that any business-owner needs to have: good time management and problem-solving skills; personal skills as well [...] one of the things I learned on that course as well is that personal skills, well a lot of ex-forces people are seriously lacking. You don't just snap at civilians and expect them to do what you want them to do, you've got to learn you're not in the military any more, if you've got to sell your services or your product you've got to try and be a bit more [...] Same thing when I was working as a consultant, it was full of ex-forces guys, but they're dealing with some very, very highly-paid people. Well, you've really got to learn how to speak to these people, when to speak, when not to speak'.

Whilst a range of skills were identified as important, a number of veterans and reservists spoke of having specialist skills, being skilled in your chosen self-employment route and having a good understanding of the subject matter. Some veterans highlighted how different roles in the military resulted in some having specialist skills that naturally fit with self-employment activities. It was thought that those in more generalist roles in the military would have to think

about a specialism as soft skills were not considered enough. Veterans also talked about how some skills learned in the military had helped specifically in self-employment. For instance, one veteran was now marketing himself based on the skills acquired during his military career – HR, strategy and planning, problem solving and decision-making skills.

When asked about the importance of commercial skills, every veteran said that these were either ‘important’, ‘crucial’ or ‘vital’. Some suggested that these skills are important from the outset as they are about understanding what is needed in the labour market and where you can fill a gap in order to earn money and succeed. Only 3 out of the 37 interviewed veterans said that they had some awareness of commercial skills and this was due to their role in the military. For example, one veteran had been appointed as a budget-holder; another had been posted to an IT company for 2 years and had learned some of these skills while there. One veteran noted that there had been a course for Captains to learn more commercial skills, but this had been cut (it was not possible to determine if this course had been provided while in Service or in transition). All others described having to learn commercial skills as they went along, either by themselves, drawing on colleagues’ or mentors’ experience or attending a course (see also Section 6). One veteran said that he did not have any commercial skills, but learned these quickly; when applying for jobs, some employers had commented on his lack of commercial experience.

Commercial skills appeared to be the most important skill that the veterans would have liked the military to help them with when considering a move into self-employment. Others thought that this was not the responsibility of the military, however. Other skills and competencies that veteran and reservist survey respondents thought would have been useful to self-employment which they lacked (see Figure 10), included:

- Understanding of legislation relating to self-employment or setting up a business;
- Entrepreneurial and/or commercial awareness;
- Marketing skills; and
- Financial awareness.

These were also confirmed in the interviews, with veterans saying that not having these skills, particularly commercial and marketing skills (especially social media and digital marketing) had hindered them and the success of their business. Financial awareness was considered important as there is a need to understand profit and loss, when to invest in the company, and what to ask an accountant. Accountants were considered important to engage with, as they can guide and give advice from setting up, to record-keeping, to managing taxes. All those who had engaged the services of an accountant said that they had learned a lot, which had been helpful. Some veterans and reservists indicated that they had been unprepared for dealing with this aspect of being self-employed.

All of the veterans and reservists interviewed spoke at length about the skills and competencies they had learned since becoming self-employed. While most learning had been about finances, marketing and commercial activity, others had undertaken courses to learn new skills and veterans had used technical skills gained in the military to get a civilian qualification. Some veterans spoke of the life skills they had developed in order to cope with the civilian working context (this is explored further in Section 8).

7.6. Case study 3 – the consultant

Case Study 3 describes the experience of a veteran with a good pension, who was running his own consultancy. He was working on defence-related projects and drawing upon the knowledge, skills and expertise gained in the military.

Background (Autumn 2017)
A Colonel with 24 years' service, R left with a pension 8 years ago and runs a consultancy business: he has a number of clients (mainly) in the defence sector and works full-time. He works with companies providing programme and project support and has a background working with small engineering businesses. Asked if he would have still gone into self-employment without a good pension, he said that this would have been a <i>braver</i> decision.
Why self-employed?
Having been <i>part of a large monolithic organisation</i> for so long R never wanted to do this again (he had also spent his last military job under a huge amount of pressure). As a serving soldier, because you care professionally, you take that pressure home with you. The advantage of being a self-employed consultant is that he can offer advice to clients but if they don't take it, it matters less.
Expectations?
He started off wanting to learn and saw it as being a compressed few years of learning – if he could do anything that was specialised, he would try to become an expert on that so he could <i>sit in the room and be part and parcel of the process</i> . R said he didn't really have any expectations of self-employment: things have worked out and evolved, not entirely as he had expected. He had initially <i>felt strongly</i> that he would not work in defence but then decided to go back into it as he was <i>well known</i> in that area and opportunities that he could relate to were appearing.
Support received from the military
R did a 3-week course at Manchester Business School, using his learning credits, and identified people he could work with during his resettlement period. Once he'd made the decision to go into self-employment he didn't feel the need for support. Rather, he felt that the challenge was deciding what he was going to do/make the decision.
Support from outside the military
He spoke to friends who had gone into self-employment (some successfully, some not). He got their feedback and views and found it helpful to think about <i>what's the worst that could happen</i> . When you are leaving – especially when married with children – this is the big issue. He wasn't put off when he spoke to those that had not sustained their self-employment; for him it was about finding the right people to work with and there is a lot of luck with that.
Most useful support received?
He wasn't <i>blown away</i> by the resettlement courses but he was impressed by the process and the time it gave him. He did a senior officer transition course about 9 months before he left the Services when he was thinking about self-employment. R thinks that people have to decide what they want to do, then the system can support them, but it can't educate them. He found it useful: the whole process incrementally helped to increase his confidence that he had something to offer and to keep moving forward.
Do the Armed Forces give enough support overall?
R was quite satisfied at the end of it. He knows that people have done the IOD course (which he did after 4 years – using his ELCs to help fund it) when they have been serving, but he feels you don't get the benefit until you have worked in industry for a number of years and have some experience to bring, to <i>align</i> themselves. <i>There's only so much you can do with people leaving the military as they need to get out and get their feet wet</i> .
Most important skills needed for self-employment?
You have to know people – you need clients. Speaking and presenting well, writing well. You need an appropriate level of confidence – that you can add value where you can and listen and learn quickly when you can't.
Were these skills developed during your time in the military?

<p>He left the Army having worked in the MOD. He left <i>wearing a suit</i>, writing and having business cases written for him. Soldiers tend not to have much understanding of finance/defence decisions but he had experience from this MOD involvement. One of the attributes that you bring that sets you apart from your peers: the ability to speak and present well, the ability to write well. At the end of 24 years' service, he felt that he had the <i>foundations</i> in place. The sheer quantity of professional training he received in the Army – staff and command training – he started to realise that this makes him a <i>rare beast</i>.</p>
<p>What about commercial skills?</p>
<p>R feels these are important to acquire and important to understand the need for them. You can't be overly confident. There is a lot of common sense involved.</p>
<p>What points have you found particularly difficult?</p>
<p>R feels that he has been extremely lucky. Opportunities have appeared (when asked if he feels that his contacts/place in the military helped with these opportunities, he said he feels that his <i>military pedigree gets you so far for the first 18 months/2 years</i> then you are judged on how you are doing).</p>
<p>Follow-up (mid 2018)</p>
<p>R is still running his own company; 3 people employed and he still works full-time in the business.</p>
<p>Any changes?</p>
<p>One more full-time employee since the last interview.</p>
<p>Any other support that would have helped, in the past or in the future?</p>
<p>Not really – <i>such a broad space [...] quality varied</i> but he acknowledged that it is hard to do (some people on his course wanted more generic, rather than specific, support). Some were electricians, soldiers setting up their own restaurants (i.e. a broad audience to talk to). He was a Colonel with 2 engineering degrees so numerical, writing business cases with <i>core skills</i> that others didn't have. Some aspects of resettlement are <i>not perfect</i> due to audience but <i>we need to get on with it</i> and they tried to make it as relevant as possible. The Senior Officers' version of transition and resettlement: much higher standard and more strategic-level people in the audience. <i>Better targeting</i> of the audience would be better. Need to make it more tailored. Would <i>love an idiots' guide to GDPR!</i></p>
<p>Any new skills developed since last time?</p>
<p>Having worked in different organisations he understands more now about the corporate world – different attributes. Lots of skill is down to reading English and analysing a piece of text, not necessarily <i>being a commercial guru</i>. Perhaps <i>commercial elements of self-employment would be useful</i> as it builds confidence with a reasonably analytical mind. He's seen a lot of Officers leave wanting to do a bit of consultancy without defining what they want to do; competing with other generalists (unrealistic; inflated views of their skills: Army is not better, but different). Senior Officer Corps is not badly paid so they have a distorted view of the financial sector and what they can earn.</p>
<p>Overall, how do you feel now about trying self-employment/setting up your own business?</p>
<p>Money good (earning for the company); he was very lucky. Work-life balance can be difficult (especially for the first 4 years working for yourself). Nothing more damaging than being <i>un-empowered</i>. Job satisfaction – he's been lucky; not always won but done well. Did not set out to employ people but is doing so now. Flexibility/freedom – very good. For him it's worked. Useful to have an understanding of rules.</p>
<p>Future plans?</p>
<p>He hopes to expand more – his youngest child is 12, so 10 more years. He has contracts until 2025 and needs to think beyond that. Maybe one of his team would want to take the business on at that point.</p>
<p>Any pieces of advice?</p>
<p>Crucial point = what to charge? Some people turn down things but you need to take on everything (but price stuff on the basis of how much you want the job, not what it's worth). R is not sure he's a good role model: because of his background and his last job, he had close links with independents so had very good understanding of what was going on. He hears of veterans thinking of setting up after leaving but R thinks it's best to resign and then focus the mind. Industry is more interested in people who have left/are leaving.</p>

7.7. Summing up

Overall, the majority of veterans believed that they had developed a range of skills and competencies from their time in the military. For some, the challenge was translating those skills into a civilian context. Those in higher ranks felt better prepared for self-employment in terms of soft skills and having a specialism which could be used in a civilian context. Those in specific trades reported having practical skills that could be adapted and developed for a civilian context, but that often military qualifications did not translate easily to civilian qualifications. Those in more generalist roles (regardless of rank) had found they had to develop the skills and competencies required for self-employment, and for setting up and running a business. Some veterans suggested that the military needs to prepare personnel for civilian roles before they exit their Service and offer support with translating skills and competencies to a civilian context, offering practical courses to develop commercial, financial and marketing skills, so that they are better prepared and more likely to succeed.

8. Factors unique to the military

8.1. Summary

- Veterans, and most reservists, have a shared set of values and standards around work and how work is undertaken, including: professionalism; reliability; camaraderie and trust; discipline; plus a commitment and determination to complete work to the best of their abilities. Whilst not unique to the military, this was evident in all veteran interviews.
- Veterans reported that the move to civilian life and the civilian labour market had been challenging, with many feeling that they lacked the life and financial skills to cope. They were coming from an environment with strong camaraderie and trust to a competitive, business environment where there is an emphasis on making money.
- Veterans' experiences of the civilian labour market had challenged their strongly-held beliefs about work, with many commenting on poor relationships and a lack of team-working to get a job done.
- For some veterans and partners, engaging with self-employment and entrepreneurial activity had given them autonomy, but they had found it an isolating and lonely experience.
- Whilst only a few veterans and reservists suggested that there were no differences between veterans and civilians in setting up and running their own business, the majority were able to discuss at least one difference based on their own experiences.
- Military partners reported that they had received little or no support from the military in setting up their business or maintaining it when they relocated to a new posting.
- Military partners had reported particular challenges with running a business from military accommodation, not having reliable or good internet connection, or not being able to operate in particular countries due to country rules on income and tax.

8.2. Introduction

Throughout the report so far, the experiences of the Armed Forces Community engaged in self-employment or in entrepreneurial activity have been drawn out. This section, however, focuses on the differences between those in the Armed Forces Community and civilians who are self-employed by looking at what is unique to the military experience. There is some discussion on whether veterans, partners and reservists consider self-employment as harder, easier or similar to the experiences of civilians.

8.3. Shared values and standards unique to military personnel

Section 7 highlighted the skills, competencies and attributes considered useful for self-employment of veterans (and reservists) gained during their time in the military. From this, it was apparent that military personnel have a core set of shared values and standards. These go beyond the ability to cope with pressure and risk, self-confidence, and good communication, organisational and decision-making skills. Veterans, and most reservists,

were found to have a shared set of values and standards around work and how work is undertaken, including:

- Professionalism;
- Reliability;
- Camaraderie and trust;
- Discipline;
- Commitment and determination to complete work to the best of their abilities.

Whilst these values may not be unique to military personnel, they were evident across all of the veterans and reservists interviewed. One veteran, a self-employed consultant, said that *'when I was in the military, I worked with some of the best people I have ever worked with'*. In the civilian labour market, he had not experienced the same level of commitment to do a job well and to work as a team. He stressed the importance of these values, saying that ex-military personnel are not always aware that they work to these high standards. For others, their experiences in the civilian labour market had challenged how they worked with others and, in a number of instances, who they employed. For example, one veteran in the construction industry said that he only employed ex-military personnel as he knew they shared his work ethic and expectations about how work should be completed and to what standard. He said that his employees were punctual, efficient, organised and worked well together. For him, employing ex-military personnel with this kind of professionalism was a unique selling point for his company.

Both veterans and stakeholders interviewed commented on the high work standards of veterans but recognised the need to understand how to demonstrate these in a CV, on a job application and in a job interview. Some veterans and reservists recognised that these shared values and standards are highly sought after and valued in the civilian labour market and are not necessarily held by others they are working with. As one veteran noted, *'our skill set is second to none'* and believed that he had progressed in his roles post-military as a result of the skills and his work standards gained through his life in the military. However, there is an acknowledged need to help veterans to recognise the skills and competencies gained in the military (as discussed in section 7), along with these work values and standards, as veterans tend to underestimate their value in the civilian labour market.

8.4. Transitions to the civilian labour market

The level and type of support provided by the military to those transitioning to civilian life was found to be varied, with personnel accessing a range of support and services at different stages of their transition process (see discussions in section 10). Positive and negative experiences of the support received were noted. However, a high number of veterans reported that the move to civilian life and the civilian labour market had been challenging. The challenges were found to be the result of a lack of understanding of the labour market and opportunities and adapting to a different working environment.

For those setting up a business or going into self-employment, the transition to civilian life was considered particularly challenging. For many, it had been difficult as they had often relocated to a new area where they did not understand the local labour market, the opportunities

available and may not have had local networks and support to draw upon. For instance, a first aid trainer and a personal trainer both commented on their local labour market conditions saying that there were few opportunities in their field and getting work had been difficult as the market was 'saturated' with people selling these services. Stakeholders also recognised that Service leavers do not always understand the employment market and what jobs are available to them. Some suggested that veterans may also have pre-conceived ideas about employment and may be 'naïve' about what is realistic. It was noted by some veterans that civilians have a better understanding of how much to charge for their services, as they have a better understanding of what they need to earn, what rate of tax they are on, etc. For example, one veteran said that *'there is a certain level of naivety when you leave the military. You soon realise that the whole world is motivated by profit and loss which hits hard'*. A few veterans said that their transitions would have been easier if they had had better life and financial skills, with many suggesting that these needed to be taught - and taught well - in advance of leaving the military. This could also suggest that there is a need to better manage expectations and provide some career advice and guidance for those transitioning from the military to civilian employment.

Some veterans spoke about how the civilian working environment was very different and they had had to learn how to operate and adapt. Veterans' experiences of the civilian labour market had challenged their strongly held beliefs about work, with many commenting on poor relationships, the lack of camaraderie and the idea of working together to get a job done. All parties interviewed, along with stakeholders, noted that self-employment can prove to be an isolating and lonely experience. However, the loss of camaraderie felt by some ex-military personnel was particularly strong. It is evident that military personnel come from an environment with strong team-working and trust, to a competitive business environment where there is an emphasis on making money. It is unsurprising that veterans have had to adapt and change to fit.

8.5. Working with civilians

For a number of veterans, working with civilians had been challenging and an eye-opener, particularly for those who had been in the military for a long-time and had little to no experience in the civilian labour market. Many commented on the difference between military and civilian working environments, noting differences in work ethic, working styles and communication. For instance, one veteran suggested that these differences may be the result of the military environment as:

'...they [military] do not care about money as they are a non-profit organisation. They will, therefore, pay more to get a job done, which may be seen as being inefficient. However, they pay lots to train their soldiers, but they leave fully competent and qualified. In the civilian world, they try to complete the job as lean as possible. People sometimes say "cost more, takes longer, deliver less" and everyone is out for themselves.'

Some found civilians less reliable and not always doing what they say they will, with one veteran suggesting that *'good ones [civilian workers] are the exception rather than the rule'*. It was suggested that discipline and punctuality are a given in the military and not necessarily held by civilian workers. Others suggested that these contrasting work ethics and poor

communication had been a shock. One veteran who had been in the military for over 40 years said he had always been a ‘*can do*’ person; he enjoys hard work and likes to achieve something. He said that when working with civilians he had learnt to be tolerant: ‘*I hate rude people [...] there is no need to be rude and people [in civvy street] don’t seem to care if they are rude*’. He admitted that he had walked away from work, as he had found some civilians too difficult to work with. This suggests that some veterans with long-service military careers may need help adapting to the civilian labour market.

8.6. Comparing Armed Forces Community experiences of self-employment with civilian experiences

Veterans, partners and reservists were asked to reflect on their experiences of self-employment and to consider whether it is harder, easier or similar to the experiences of civilians. Both positive and negative differences were explored. Those who had reported difficult times in their self-employment activity recognised that their challenges would have been shared with civilians, such as the recession or seasonal changes. Whilst only a few veterans and reservists suggested that there were no differences between veterans and civilians in setting up and running their own business, the majority were able to discuss at least one difference based on their own experiences. These differences ranged from: commercial and labour market awareness; military training; support; and finances.

A number of veterans believed that those who work in the civilian labour market are more commercially and labour market aware, compared with military personnel. Several suggest that it is easier for civilians to set up a business and be successful, as they know the labour market, the routes to take and what to expect. There was a suggestion that Service personnel often did not really understand how to deal with and survive in the commercial world. ‘*Commercial naivety*’ was considered a key weakness in self-employment, whilst others suggested it was more around innovation and creativity. For example, one veteran said that whilst the military are ‘*reliable, professional, you don’t get the business dynamic, creative piece from the Armed Forces*’.

Linked to this naivety or inexperience of the civilian labour market is the idea that veterans are less aware of how the market operates, too trusting and often taking what people say at face value. For example, one veteran told us:

‘...if you have an idea your commanding officer will say if they think it is good or bad straight away. In the civilian world, they often “tell you what you want to hear” and make you think that you have a good idea. They then avoid your calls’.

Veterans talked about trust and honesty, as trusting others had been integral to the military lifestyle. They admitted that they had been overly trusting and let down in the civilian labour market. Seven veterans had been the victims of scams or had been ripped off in the early stages of setting up their businesses. Other examples from veterans included stories of:

- Being ripped off by UK manufacturers who had not met quality standards;
- Not being paid or being paid late which meant staff were not able to be paid;

- Sharing knowledge and expertise whilst trying to win contracts that had then been used by others;
- Trusting advice from others that had cost them; and
- Building timelines around promised deadlines that people had failed to meet.

Those that had been let down said that they had needed to get into a different mind-set in order to survive and enable their business to thrive. Others spoke of learning who to trust and who not to trust. As a result of these experiences, veterans and reservists had greater trust in military veterans than civilians, both before and after transition. Overall, however, there was a perception that civilians may be more realistic in their expectations and how the labour market operates, so would be less likely to be let down.

Others thought that there were benefits to being a veteran or a reservist, most notably their military training and the skills set and attributes gained, as set out earlier and in section 7. Several veterans and reservists suggested that their military training had taught them to cope with and manage failure, identify and resolve a problem efficiently, and to be resilient, which were often better developed than those in the civilian world. For example, a veteran said that *'things often happen when you least expect them, but assessment of risk and having a contingency have been bred in through Army training.'*

Whilst most of those interviewed focused on the benefits of skills, competencies and attributes gained through working in the military, some discussed the negative aspects and the impact this had had on their self-employment activity. As one veteran proposed, the military training and lifestyle does not necessarily facilitate transition into civilian life or self-employment as *'everything is done for you in the military [...] so simple things can overwhelm veterans in civvy street'*. This highlights the importance of a good support structure to support the transition to the civilian labour market, especially for those going into self-employment as they are more likely to be facing the transition alone.

Finances were also found to be a key difference between ex-military and civilians. First, the provision of the pension and lump sums for those leaving the military was an important determinant for those choosing whether to go into self-employment. Those with a pension often said that they felt comfortable testing out self-employment with this financial backing. Some stakeholders felt that critical points 6, 12 or 18 months after setting up a business could be the same for anyone starting out on their own, although others thought that some sub-groups of Service leavers have more of a financial buffer if their business is not generating much profit and they have a pension. It was believed that civilians were unlikely to have the security of a pension. Those leaving the military with ELCs were also seen to be at an advantage as they were able to engage with learning and training to support their business and self-employment activity.

8.7. Self-employment experiences of military partners

It was recognised by the majority of stakeholders and partners interviewed that going into self-employment and running a business can be harder for military partners, particularly those who relocate and move with their serving partner. Generally, partners said that their businesses and entrepreneurial activity were based on and used knowledge and skills gained from prior

employment and/or work experience. They had drawn upon existing networks and support to start their business, which were at risk of being lost when they moved. As a result, partners had spoken of choosing to set up and run businesses that could be undertaken anywhere, such as book-keeping, marketing, personal services, trainer and events coordination, and software sales.

Military partners reported that they had received little or no support from the military in setting up their business or maintaining it when they relocated to a new posting. Some had reported particular challenges with running a business from military accommodation, not having reliable or good internet connection, or not being able to operate in particular countries. Many spoke of the loneliness and isolation of being self-employed in another country or when the serving partner is away. Some said that education and training courses had helped, as well as developing local networks.

Stakeholders interviewed also suggested that there is less support for military partners to draw upon, compared with civilian partners. Plus, military partners tend to have more barriers to success and/or ease of setting up and maintaining a business compared to civilians, for example, being able to run their business can be dependent on their location and country rules on income and tax. There was a suggestion that there is prejudice in military policies and practices, where military partners are the least recognised.

8.8. Case study 4 – the military wife

The final case study describes the experience of a military partner and highlights some of the typical issues raised by male and female partners in the research.

Background (Late 2017)
D's husband is still serving as a Sergeant but due to leave after 22 years. In 2016 she registered as self-employed and has done various things (face painting parties, glitter tattoos, illustration jobs). It gave her a little bit of money but it was <i>hit-and-miss</i> . She then did an Unsung Hero's business start-up course which gave her a framework, i.e. what her main business idea could be. People liked the idea and now she has started to sell this in bulk with some success. It is getting better (more orders) but it is still not a proper salary. She took on a part-time job in a coffee shop to bring in some money and the rest of the week (3 days) she works on developing the business.
Why self-employed?
D worked in a <i>nice role</i> in the NHS before she met her husband. They met and have moved three times over the last 6 years. The first move meant it was too far for her to commute to her job so she looked for other work that was closer to the base. She was applying for NHS jobs at lower bands than before (she just wanted a job) and people were <i>suspicious</i> of this and why she would want a lower grade role, lower pay, fewer working hours etc. It was <i>really difficult</i> . Her husband suggested that she makes a proper business out of her craft work. She had been wanting to do arts/crafts stuff full-time but had a sensible job/salary and was scared to take the leap; her husband can support her doing self-employment for a while so she chose to do it. They are hoping to buy a house. They live in the middle of nowhere and D doesn't drive – best chance for a salary is to have wife and work from home.
Expectations?
Expected it to be hard and <i>it is</i> . The first few months she <i>didn't have a clue</i> and was panicking as she had never not brought money in. It was stressful on a personal / emotional level. She was going into cafes and asking if she could run a colouring-in workshop for mums and toddlers. Over the months she learnt – if she is

going to make it work – she needed to focus down a bit. But you don't know that – no-one tells you. Every £10 was hard won.

Support received from the military

After finishing her NHS job D went to the HIVE at the base - there was lots of *basic stuff* aimed at people who may not have worked for a long time, or who need help with CV writing. But what she was interested in was a business start-up course: the Unsung Hero's course which was *amazing* as it gave her practical information: how to sign up to the HMRC, insurance you need to have, basics you need to start selling/ basics of psychology of selling/marketing, basics of how to know if you are making a profit, keeping track of expenses. Ongoing support. She had to write a business plan and then assess/understand if it could be taken forward. She had to do pitching. It was designed to *get you doing it*. She found that the employee support programme that was delivered via CTP wasn't as useful – they were running a pilot scheme to support spouses – she was doing more than they had expected and she didn't need that support. They didn't follow up.

Support from outside the military

D's husband is really supportive and has a military head – *get organised and you can do it*. Once she had done the Unsung Hero's course she felt able to seek out the things she found helpful. She found networking really helpful. She was getting contacts but she and her husband moved again so she lost that network.

Most useful support received?

Best thing was having the basics of the start-up course. Everybody wants to tell you how to be self-employed and there are *millions of experts*. Can end up spending all day talking about how to run a business and you haven't done anything. You need to keep your routine – no-one to talk to when working from home.

Do the Armed Forces give enough support overall?

D feels that, generally, if you are in a partnership/married to someone in the military then that military person tends to be the higher wage earner and when they leave the forces there is pressure on them to get the right job really quickly. But they are looking for a job, a house, and if their partner is not working then it is more pressure. Her husband wants to start his own business when he leaves as well. Stuff is there if you look for it – would have been good to be able to access it earlier/ know about it earlier. She is proud of her husband and of being part of the military community but she gets frustrated by labels (such as military wife or a *dependent*). She takes her employment very seriously. They will have to buy a property (when her husband leaves the Services) so her not earning money is not an option. Perception that she is just *lolling around in a tracksuit*. When they move, it makes it difficult for partners to keep their careers. They can no longer fulfil their career (ambitions). She wants to earn a meaningful income and she wants to live with her husband, rather than just seeing him at weekends. The military needs to be talking about *dynamic support* for becoming self-employed and developing businesses and doing so more publicly.

Most important skills needed for self-employment?

Having access to knowing what you are supposed to do; confidence; being proactive; being focused on seeing the bigger picture, good at dealing with the ups and downs and good at staying positive.

What about commercial skills?

Really important; social media skills are also really important. She is in her late 30's and did not grow up with social media so is *mildly distrustful* of it and if she didn't have her own business she wouldn't have Facebook. She has had to learn how to do promotion on social media.

Follow-up (mid 2018)

D is not working in the coffee shop any more, but is still in her own craft business. Her income covers basic living expenses but is not able to save money. They still want to buy a house but not an option at the moment (not enough money). She doesn't drive but is learning which is costly.

Any changes?

She now thinks her best bet is to be a virtual assistant (VA) helping small businesses – she can charge a good hourly salary. The coffee shop paid £7.50 an hour whereas this would pay £20 an hour at the lower rate. She hopes that eventually she will be on a similar income to what she was on in the NHS. Then she can save more. She would like to set up with associates (outsourcing) – she likes the idea of a VA agency for military spouses (long-term). By living where she is (on the patch), she is *financially disadvantaged* (no kids = *bottom of the pile*). If she wants to move she will have to pay for it.

Any other support that would have helped, in the past or in the future?

If married to the forces you have a *financial cushion* (not under pressure so setting up own business is fantastic, very positive). She did start-up courses but after 18 months there wasn't much around: *how do you keep yourself going from there?* Income is the main stress, everything else she loves. Military spousal employment is very important (if no job and the partner is coming out of the forces, the MOD needs to think about them as a *whole thing* – the spouse can provide a buffer in the early stages). Her husband's entry level salary is not guaranteed/clear as opposed to in the Services and veterans may have 6 months of unemployment. Need to plan transition early and with both partners. Military spousal work not important to the MOD but they should be as they provide support to the veteran. *Spouses are stakeholders*. Recruit for Spouses (RFS) course on social media – she could have done with this earlier. RFS need more recognition and support for what they do.

Any new skills developed since last time?

A learning curve. Lots of things you don't need. Best advice = *do something every day that's about sales and money*. Not every 2 weeks. Need to be disciplined though. *Social media is a huge one* – the way you make yourself known.

Overall, how do you feel now about trying self-employment/setting up your own business?

Very positive: *what's the alternative?* Being dependent, etc. Still something to put on your CV if it all fails.

Any pieces of advice?

Should encourage people to go for it – *what's the worst that can happen?* Need sensible structured advice. For veterans, start educating yourself about the business 18-24 months before leaving and understand how it can work (some will have a financial buffer). For the MOD, don't throw money at random organisations. You need people who can think and design it- people from the community, people from the business community, large employers. Stop doing surveys and start doing stuff with the information already gathered.

8.9. Summing up

It is evident that there are a number of factors that are unique to veterans and military partners (and some reservists if they had served previously) that can both help and hinder those going into self-employment or setting up a business. The most interesting factor that had a significant impact on veterans' experiences of self-employment was their values and standards around work and naivety about the operation of the labour market. Veterans' work ethic, trusting nature and determination are embedded within military training and culture, and are often not replicated in the civilian labour market. As a result, veterans spoke of having to learn fast and change their mind-set in order to not only manage their transitions into the civilian labour market, but, significantly, ensure that their businesses kept going. Military partners reported particular challenges with becoming self-employed or running a business, when compared with civilians. Unique challenges experiences by partners included not being able to run their business from military accommodation, not having reliable or good internet connection, or not being able to operate in particular countries. With little or no support from the military, this suggests that partners may need specialist support with setting up and running a business.

9. Success in self-employment – the key ingredients

9.1. Summary of findings

- A large majority of veterans (67%), irrespective of their access to a full or partial pension or lump sum, reported that they needed to provide enough money to maintain family and lifestyle. The interview data showed that this varied by the availability of a pension or a lump sum. For some, this buffer allowed them to even consider self-employment in the first place and precluded others from pursuing it or persevering with it. Less common responses in the survey were the ability to expand and employ others, signifying relatively modest financial aims of veterans.
- Reservists, all of whom were men in our sample, were similar to veterans in needing financial sustainability (100% of survey respondents); partners also highlighted this as most important (72%) although other factors were also important for them.
- Enjoying work emerged as the third most important factor in defining success in self-employment for veterans and reservists in the survey (second most important for the partners). The majority of interview participants also talked about job satisfaction, enjoyment and pride in their business, representing a strong work ethic and a willingness to work hard to generate good results.
- A better work-life balance was the fourth most important factor in success in the survey overall and all groups among the interview participants also reported that success included achieving a better work-life balance.
- Stakeholders pointed out that success in self-employment does not necessarily mean a 35-hour week or a high-paying job (for some of those with a disability, success can mean working only a small number of hours); success depends on '*capabilities*' of the individual.
- Some stakeholders questioned whether self-employment is more attractive to Officers (i.e. being the boss, perhaps similar to an Officer's role in the Armed Forces).
- If success is not just financial, stakeholders also pointed out that some Service leavers have more of a '*safety net*' if their business is not generating much profit and that critical points of success or failure may vary, either in nature or timing, for different cohorts.
- Failure in self-employment for veterans centred upon financial failure and having to go back into paid employment. Others focused on letting people down or not providing a good service. Partners said that '*not having tried it*' was an important aspect of failure.
- Only a couple of survey respondents focused upon working too hard as a failure, although many interview participants from all groups mentioned this as an aspect of failure. Working too hard was often viewed in hindsight as a necessary part of the early stage of self-employment, and most participants hoped that things would become easier once they were more established.
- The best things about self-employment were reported as '*being your own boss*', '*being independent*' '*being in charge of your own destiny*', '*not being answerable to anyone*

e/se, etc. The down-sides of being your own boss were having to take responsibility and, in many cases, isolation from others. As well as sole responsibility and lack of back-up, financial insecurity and unpredictability were the most popular responses when asked about the worst things.

- Advice for others included doing research, planning and taking a chance.

9.2. Introduction

One of the key requirements of the research was to examine success or failure in self-employment (and indeed, how ‘success’ or ‘failure’ are defined).

All participants were asked (in both the surveys and the interviews): ‘what does success look like’ (in self-employment)? A follow-up question also asked ‘what does failure look like’? which allowed us to identify those factors, beyond simple financial success, which were important to self-employed veterans, partners and reservists in their overall evaluation of their experience of self-employment. Interviewees were also asked to highlight the three best things about self-employment and the three hardest things and also any advice they had for other members of the Armed Forces Community who were thinking of going into self-employment.

This section starts by defining success in self-employment, followed by failure, before moving on to the best and worst things about self-employment. Stakeholder perspectives are also considered.

9.3. Defining success, defining failure

Survey respondents could choose multiple responses in defining success (see Table 12). The responses are ordered in terms of their popularity across all three groups of respondents, but there are some variations between groups. Interview participants were also asked about ‘success’ and the most commonly reported responses are provided below:

- Financial sustainability;
- Better work-life balance;
- Job satisfaction;
- Enjoyment; and
- Pride in my work.

Table 12: In terms of self-employment, what does (or did) ‘success’ look like for you?

	Veterans	Reservists	Partners	Total
Receiving enough money to maintain family and lifestyle	232	10	48	290
Being my own boss	213	6	42	261
Enjoying work	209	6	44	259
Being financially independent	204	6	35	245
Achieving a better work-life balance	191	8	33	232
Having an established business	165	6	39	210
Greater flexibility	149	5	31	185
Use of existing skills	155	4	22	181
Learning new skills	153	3	25	181
Spending more time with my family	133	4	30	167
Contributing to the household income	118	5	29	152
Having regular customers	118	3	30	151
Ability to expand	114	4	21	139
Employing others	104	2	17	123
Spending more time with my friends	59	3	11	73
Other (please specify)	24	2	4	30
Total respondents	352	10	67	429

9.3.1. Financial sustainability

Perhaps unsurprisingly, a large majority of veterans (67%), irrespective of their access to a full or partial pension or lump sum, reported that they needed their business or their self-employment to provide enough money to maintain family and lifestyle. The interviews showed that this varied, however, by the availability of a financial ‘buffer’, provided via a pension or a lump sum. For some, this buffer allowed them to even consider self-employment in the first place and precluded others from pursuing it or persevering with it. More surprisingly, less common responses in the survey were the ability to expand and employing others, signifying relatively modest aims of veterans.

One Officer told us that in his new company, which he set up with a civilian business partner, he was hoping to work less and enjoy travelling with his wife more:

‘Success for me is working approximately 6 months of the year on fairly well-remunerated projects to top up the pension in something that we enjoy and we enjoy doing [...] and also maintaining our work-life balance’.

When probed more on financial viability, he said he would be ‘fairly comfortable’ even if things were not progressing with the business quickly, as he had a full pension.

As demonstrated in the survey responses, the majority of interviewed veterans had fairly modest expectations about their financial returns, with or without a full military pension. An ex-corporal who had started in self-employment but had since moved into full-time paid

employment told us about how he defined success, focusing entirely on the need to be financially viable:

'Being able to live comfortably [...] Success is having a steady flow of business that is going to give you enough money at the end of every month to be able to live and being able to keep that flow of business going for 12 months in the year.'

Reservists were similar to veterans in needing financial sustainability (100% of survey respondents); partners (somewhat surprisingly) also highlighted this as most important (72%). Other factors were also important for partners. Success for one partner was described as:

'Be happy with what I am doing. Enjoying the job. It is not always about money, but it does make a difference. Wake up on a Monday morning and look forward to going to work. I'm not making millions but I'm happy and family is happy. The family dynamics are better as I'm happy.'

9.3.2. Work-life balance

A better work-life balance was the fourth most important factor in success in the survey overall (second most important for the reservists and sixth for the partners). All groups among the interview participants also reported that success included achieving a better work-life balance. Many interviewed veterans reported working very hard while in the Services and also being away from family a lot; as a result, self-employment success meant spending more time with family and not working as many hours. One veteran with a full pension told us:

'For me, success is 1) a work-life balance because I would like to run my own business but have time off when I needed it, spend it with the family, that's the main reason I went into self-employment [...] obviously the money side of it to make it successful and sustainable is another one; a lot of military like myself we do have that pension to fall back on so money isn't everything [...] To make it a success and know that you made it a success, and it's yours and it's working, it's growing [...] but the main thing for me is the actual family time.'

Another said that previously success would have been *'accumulation of wealth'*, *'the value of the bank balance'* or the *'price of the property portfolio'*; now having more time with his children was important.

9.3.3. Job satisfaction, enjoyment and pride in work

Enjoying work emerged as the third most important factor in defining success in self-employment for veterans and reservists in the survey (second most important for the partners). The majority of interview participants also talked about job satisfaction, enjoyment and pride in their business, representing a strong work ethic and a willingness to work hard to generate good results. This cut across all ranks for the veterans: *'Good feedback from clients'* (making a difference to them). A personal trainer similarly said *'Helping people; seeing 50 people at a class; seeing or hearing about people losing weight'*.

9.4. What is failure?

Common responses to the open survey question on failure in self-employment related to financial failure:

- *'Not earning enough to pay bills';*
- *'Financial debts.*

Many responses also centred upon having to go back into paid employment as a result of financial failure:

- *'Giving up the business and moving back into 'employed' status';*
- *'Not achieving self-sufficiency and having to go back to working for a large, faceless organisation'.*

The most common responses from the interview participants are also outlined below:

- Financial failure;
- Letting people down;
- Not learning from mistakes;
- Working too hard;
- Lack of enjoyment;
- Poor health and wellbeing.

Although some veterans said that failure to them was the opposite of their definition of success, almost all commented on financial failure, either losing the business because it wasn't sustainable or making a loss and being unable to pay the bills. Others focused on letting people down, either customers or staff, or not providing a good service: *'Letting customers down'; 'Customers unhappy and not recommending you'; 'Reputational damage'; 'Making redundancies and letting people down'; 'Not having an ethical business'.*

Partners said that *'not having tried it'* was an important aspect of failure. Some veterans also commented on the need to take a risk, learning from their mistakes and getting on with things: *'Failure is not having tried it; if it doesn't work, I've had a good time'; 'Learning from what has gone wrong and not dwelling on failure: dust yourself off'.* Survey write-in respondents also focused upon the 'failure' of not having tried it: *'Not doing it in the first place - better to have tried and failed then never tried at all.'*

9.4.1. Working too hard – a failure?

While the vast majority of survey respondents mentioned financial failure, only a couple focused upon working too hard. For example: *'Too long and unsocial hours with no added benefit.'* For many interview participants from all groups, however, failure was also having to work too hard: *'Having to work four jobs'* (which one veteran did at one point); *'Getting a second job'* to fund the first one. In spite of the wish for a better work-life balance, others talked about having to work very long hours, e.g. *'Separating work and family: work is 24/7'.*

While working too hard was clearly an important factor in failure, we have already seen in Section 5 that the reality of self-employment often meant working extremely hard, certainly in the first year of setting up, and that this came as a surprise to many. On the other hand, this was often viewed in hindsight as a necessary part of the early stage of self-employment, and most participants hoped that things would become easier once they were more established. Successful examples of self-employment also demonstrated that the ‘life’ part of ‘work-life balance’ was often more satisfactory, allowing the veterans to succeed in seeing more of their family and also to pay the bills, while also developing something that was their own, unhindered by any imposition from a large institution such as the military. Follow-up interviews demonstrated that for some, the desire for a better work-life balance had still not come true but they were increasingly proud of their venture and excited about the prospects for growth in a business they had started themselves. There was a general sense that veterans were used to hard work and few resented it if it also meant reaping the rewards.

9.5. The best and worst things about self-employment

This also resonated with responses to the question about the 3 best things (and the 3 worst things) about self-employment (see Table 13).

Table 13: Best and worst things reported about self-employment

Best things about self-employment	Worst things about self-employment
Being your own boss	Financial insecurity and unpredictability
Flexibility	Having to take responsibility
Ability to choose your own timetable/working hours	Isolation
	Working very long hours

‘Being your own boss’, ‘being independent’ ‘being in charge of your own destiny’, ‘not being answerable to anyone else’, etc. was by far the most popular response. The down-sides of being your own boss are, of course, having to take responsibility and, in many cases, isolation, often after having worked in a team for most of their careers:

‘Leaving the Army community: going from working as part of team to working by yourself’;

‘Loneliness; having a crisis of confidence’;

‘On your own in the business with no peers to turn to and ask if something is being completed correctly’.

Interestingly, working very long hours only came up in the veterans’ reports of the hardest things about self-employment, again perhaps demonstrating the mis-match between (unrealistic) expectations and the reality of self-employment (see Section 5). Veterans certainly did not seem afraid of hard work, but responses showed that they were expecting something different in life after the Services.

'Flexibility' and 'ability to choose one's own working hours', 'able to set own timetable,' 'freedom', was also popular. Other important factors which came up in some participants' accounts were the ability to recognise their own weaknesses and to ask for (or pay for) help when necessary. For example, the lack of commercial skills of many of those transitioning out of the military meant that they needed advice and help from an accountant. These proved invaluable to those who had engaged someone who was supportive and trustworthy.

Financial insecurity and unpredictability was the most popular response when asked about the worst things. Responsibility was also popular: '*The buck stops with you*'; '*Lack of back-up/support (all on your shoulders)*'.

The findings from reservists were similar to partners. Interestingly, although loneliness and isolation was not mentioned at all by reservists, they did mention increased pressure as the business grows. As with partners, support from friends and family were cited by most reservists as the thing that helped most when moving into self-employment. Transferable skills, learned from either the military or previous work experience, were also noted.

9.5.1. Advice for others

When asked if veterans had any advice for others in the Armed Forces Community considering self-employment, their responses were positive but were tempered with caution. Many advised that veterans should just 'go for it' but do their research first:

'Not as hard as you think; Lots of information out there but break it down into bite-sized pieces; preparing a business plan is the single most important thing';

'You rarely get a second chance; be confident; plan early and make provisions' (something to fall back on);

'Just do it: military personnel aren't 'what if' people; think, plan and be realistic (do a business plan);'

'Get some practical training, especially finance';

'Network; Put in the hours and don't sleep if necessary; need self-belief or don't bother';

'Do your research; make sure you have enough money to set up your own business'.

Organisation, motivation and passion for the business were also important factors and were frequently mentioned. Seeking out mentors or getting advice from people who had done it before were extremely popular responses throughout the interviews.

Partners were also asked what advice they would give to others thinking about self-employment. Most of the advice was around preparation including:

- Research and careful planning: *'you can never do enough research when setting up your own business'*.
- Training: take up any available (free) training courses that can help.
- Finance: some partners said it was important to have a financial buffer in place when starting up.
- Speak to others: talking to people to seek advice and to build a network was key to success.
- Prepare to work hard and *'don't think it will be an easy ride'*.

In terms of the advice they would give to others, conducting research and having a clear plan came through strongly with reservists, as it did with veterans and partners.

There was also one reservist (and one partner) who both commented on the issue of trust. They felt that people working in a Defence environment can be *'too trusting'* of others which can be a disadvantage in self-employment. In a civilian environment people will *'tell you what you want to hear'* so learning to work with civilian clients and assessing who can and cannot be trusted is a challenge. These comments also tally with those of the veterans. See more on this topic in Section 8.

9.6. Success from the stakeholders' perspective

The previous sections gauged the views of veterans, partners and reservists and how they defined success and failure. Stakeholders also recognised that success varies by financial stability and also by group, and services may need to be personalised or tailored towards different beneficiaries.

One stakeholder pointed out that success in self-employment does not necessarily mean a 35-hour week or a high-paying job (for some people with a disability, success can mean working only a small number of hours); success depends on *'capabilities'* of the individual. For example, one female veteran who had been medically discharged told us:

'When I was looking at career options - I don't need to work from a financial point of view, but I don't feel I'm ready to not work. I don't think I will be able to manage a full-time job or potentially even a part-time job. Whereas working self-employed, this means I can do something I really enjoy and I can flex it depending on how I'm feeling and stuff like that. It also means that I get to control when I work and how I work.'

When asked to define failure she added:

'Becoming poorly again because I'm worried or overwhelmed with running [my] own business'.

Some stakeholders questioned whether self-employment is more attractive to Officers (e.g. it allows you to be the boss, to manage and direct, perhaps similar to an Officer's role in the Armed Forces).

If success is not just financial, stakeholders also pointed out that some sub-groups of Service leavers have more of a '*safety net*' if their business is not generating much profit (see above) and that critical points of success or failure may vary, either in nature or timing, for different cohorts.

9.7. Summing up

It appears that self-employment is in most cases a trade-off: for those who can weather the storm financially, success can mean greater flexibility, a pride and enjoyment in work and a sense of achievement. On the other hand, veterans in particular often have to face the harsh reality of isolation and having to take responsibility, factors which can be especially difficult for those who have spent the majority of their adult lives in a 'looked after' environment where they are also interacting daily with colleagues. As such, even the simplest tasks such as paying bills and applying for a mortgage can present a challenge and many are unprepared for the day-to-day reality of running their own business.

While not all veterans (or partners and reservists) will have a financial buffer, the first year of self-employment does appear to be a 'make or break' period. Those who both prospered and those who gave up on their self-employment pointed out that this is a worrying time financially, but is also the time when they are 'learning the ropes' and can possibly fall prey to bad planning or scams (see also Section 8).

In spite of the need to be able to pay bills, veterans had relatively modest aims and success did not mean making massive profits, growing a business and employing others. The employment statistics highlighted in Section 4 showed that self-employed veterans have smaller businesses than non-veterans: 40.8% have only one employee (compared with 25.9% of non-veterans) and around four-fifths have no more than three employees (compared with 64.5% of non-veterans). Having a better work-life balance and spending more time with family are also very important for those in the Armed Forces Community. Success varies according to the individual, e.g. those with a disability or mental health issues are less likely to view success as working a 35-hour week; those with a financial buffer (e.g. a pension or lump sum) are also less likely to need a large income.

10. Support for veterans, partners and reservists – what is on offer and what works best?

10.1. Summary of findings

- Over half of all survey respondents groups combined (51%) said they received no general employment support or advice and just under a half reported that they did not receive any advice or support on self-employment (49%).
- Two thirds of veterans who received career advice and guidance were satisfied with the support received, and almost two thirds were satisfied with advice or information on becoming self-employed or setting up their own business. Over a half were satisfied with their mentoring or coaching support but respondents were less satisfied with other aspects. These figures raise questions around whether or not resources are being well used in all cases.
- When asked if the military was providing enough general employment support to those transitioning out of the Services, only one of the interviewed veterans said yes. The vast majority thought that the military could do more or could provide better support.
- One area which appears to be under-supported is the psychological impact of leaving the Services and getting a job (e.g. where things do not go well in a civilian environment).
- Some veterans had moved into self-employment several years after leaving, which highlights the issue of extended support from the military after transitioning. Many of those who could have benefited from any support on offer while still in the Services may have missed out and as a result will be under-prepared for the realities of self-employment.
- There were mixed responses to the support received from the CTP: many commented that the 'standard' CTP resettlement courses were not very useful although not all perceptions of support were negative. Many of those in the higher ranks felt that the CTP standard offering was too low-level. Even some of those in lower ranks felt that the course on CV writing and interview skills was not useful, and one suggested that they should split the CTP course into two, the first two days being spent on employment and the subsequent two days being spent on employment or self-employment, depending on interests.
- Findings raise the issue of what kinds of employment advice and support would be most useful: a) overall; and b) to those from different ranks and with different employment aspirations. Providing generic support in basic skills may not be a good use of resources which may be better used in tailoring support towards different groups.
- Those who were still transitioning were much more likely to say support was or would be most useful '6 months or more before leaving' (74%), compared with 42% of

veterans. Almost a third of veterans said that support was or would have been most useful two years or more after leaving, reflecting the need for long-term support. Most of the interviewed veterans felt that 18 - 24 months before leaving would be the best time for support, although others felt that advice and support should be offered earlier. In addition to pre-transition support, and in support of the survey findings, many still required support several years after leaving the Services.

- Those who had received mentoring support from X-Forces Enterprise were mostly very appreciative of their help. Others had acquired informal mentors from their own networks or other resources.
- The majority of partners said that they did not receive any support or advice from the military in terms of employment or self-employment. In most cases partners said that they never expected to receive support from the MOD. A minority received some support (e.g. via the HIVE), but this was felt to be too basic. From outside of the military, partners received support from a variety of organisations and support groups.
- A few reservists experienced conflict between the demands placed upon them as a reservist and working in self-employment (it can be harder for someone who is self-employed to fulfil their reservist commitments as they are unable to take large amounts of time away from the business). They felt that the military was not always understanding of this.
- 32 veterans responding to the survey named X-Forces Enterprise as the most useful support received, by far the highest single response. The CTP was also named as most helpful by 11 respondents. Partners focused upon support from family.
- Stakeholders said that advisers and career consultations are very important but there may be difficulties getting people to ask for help. The military's emphasis on self-reliance could, potentially, be acting as a barrier to ex-service personnel employing adaptive help-seeking behaviours.
- In spite of increasing digitalisation and the creation of apps and online resources to support personnel in their job searches, not all veterans may have the required digital skills to engage with and use these technologies. Traditional approaches like face-to-face coaching/support may still need to form the basis of support for many.
- Stakeholders also said that self-employment support services are diverse but service delivery is quite often restricted to particular cohorts by either the objectives of the charity organisations or by government contracts/initiatives, resulting in a fragmented commercial and service landscape.

10.2. Introduction

Section 3 highlighted the support available both to UK veterans and to veterans from other countries. In terms of the current support offering, a new resettlement contract was awarded and implemented under the CTP with effect from 1 Oct 15 (<https://www.ctp.org.uk/assets/x/54306>).

In the Tri-Service Resettlement and Employment Support Manual from 2017, it is reported that CTP support is available for all, regardless of time served or reason for leaving. The different programmes that CTP will offer as part of the new integrated resettlement provision are:

- **Core Resettlement Programme (CRP)** – available to those who have served more than six years and all medical discharges (regardless of time served).
- **Employment Support Programme (ESP)** – available to those who have served between four and six years.
- **Career Transition Partnership Future Horizons (CTP Future Horizons)** – available to Early Service Leavers (ESL) i.e. those who leave before the four-year point or those who lose entitlement to other programmes because of a compulsory discharge.
- **Specialist Support Programme** – the Specialist Support Programme (SSP) is responsible for delivering the CTP Assist resettlement pathway to support wounded, injured and sick personnel to achieve a sustainable and fulfilling career, regardless of time served.

In addition, the Manual outlines two Employment Support Trials, whereby the new contract provides the following additional elements:

- **Spouse Employment Support Trial** – designed to offer employment support for eligible Service Spouses and Civil Partners, run as a trial by Joint Forces Command and the Royal Air Force.
- **Reservist Employment Support Trial** – a limited number of unemployed reservists (including FTRS and ADC personnel and those under a civilian redundancy notice) will be entitled to civilian employment support. This will be run as a tri-Service trial.

It should be noted that the majority of our participants are unlikely to have taken part in the spouse and reservist support trials (although one partner did refer to the spouse employment support trial in her interview and the trial was completed earlier this year). The results from these trials, therefore, may have an impact on perceptions of support available (or not available) to these groups, but these will need to be tested in future research. Any changes in support to veterans via the CTP will also need to be evaluated in research with new leavers to gauge the impact of such changes.

The following section examines support through the eyes of the veterans, and highlights any differences by rank, perceptions on the timing of support received, and mentoring. Perceptions of support by partners and reservists are also included as separate sections.

10.3. Support received from the military

Survey respondents were asked if they received any general employment support or advice (see Table 14).

Table 14: Percentage of respondents who received general employment support or advice (% within each group)

	Veteran/still transitioning	Reservist	Partner	All
Yes	38.6	7.7	38.8	37.7
No	51.1	76.9	46.3	51.2
Unsure	10.2	15.3	14.9	11.1

Total	100%	100%	100%	100%
Total responses	352	13	67	432

Of those who responded¹¹ (note small numbers of reservists and partners), over half of all groups combined (51.2%) said they received no general employment support or advice. Over a third of both veterans and partners reported receiving some general employment support.

A question then asked all respondents if they had received advice or support on self-employment (see Table 15).

Table 15: Percentage of respondents who received support or advice on self-employment (% within each group)

	Veteran/still transitioning	Reservist	Partner	All
Yes	44.9	23.1	53.9	45.5
No	48.9	76.9	46.0	49.3
Unsure	6.2	0.0	0.0	5.2
Total	100%	100%	100%	100%
Total responses	350	13	63	426

Of those who responded, just under a half of all groups combined reported that they did not receive any advice or support on self-employment (49.3%). Of those who responded, in all groups, a higher proportion of respondents reported having received advice or support on self-employment (45.5% overall) than on general employment. Over 44% of veterans received advice or support and 53.9% of partners.

10.3.1. Satisfaction with support received

All respondents were then asked how satisfied they were with the various types of support they had received (see Table 16), ordered for the veterans – as the largest group – from highest level of satisfaction to lowest.

Table 16: Percentage of those receiving support of each type who were satisfied (very or quite satisfied)*

	Veteran/still transitioning	Partner	Total
Careers advice and guidance	66.0	87.5	69.4
Advice or information on becoming self-employed or setting up own business	65.1	86.2	68.5
Financial advice or information on setting up a business	57.9	87.1	63.1

¹¹ It must be noted that the survey and interviews were targeted towards those in the Armed Forces Community who were self-employed or considering self-employment, rather than those in paid employment. Satisfaction with CTP services may therefore differ among a wider group of veterans.

Mentoring and/or coaching	56.2	88.9	62.3
Financial support	50.8	87.1	58.1
Information on entrepreneurial education and/or training opportunities	43.9	70.4	48.4
Sales and marketing tools and techniques for your own business	43.3	75.0	49.7
Entrepreneurial training	35.5	58.3	39.1
Support with knowledge exchange with established businesses	35.5	53.8	39.1
Links to or information on local networks of self-employed veterans	31.0	48.0	34.3
Links or information on local/national networks of business owners	30.4	57.7	35.7
Other	42.3	77.8	51.4

*Reservists were not included in this table as numbers of respondents were so small

Table 15 demonstrates that of those who had received support, two thirds of veterans who received career advice and guidance were satisfied, and almost two thirds were satisfied with advice or information on becoming self-employed or setting up their own business. On the other hand, only around a third of those who had received entrepreneurial training and support with knowledge exchange with established businesses were satisfied. Over a half were satisfied with their mentoring or coaching support¹².

Less than a third of veterans who had received links or information on local networks of self-employed veterans or local/national networks of business owners were satisfied with this support. These figures raise the question of whether or not resources are being well used: for example, if a large majority of those receiving entrepreneurial training are not satisfied, it would seem that this kind of training should be re-considered (i.e. revised delivery or targeted towards different groups of participants).

Partners appeared more satisfied with support received but the numbers of respondents were very low, so these results should be treated with caution.

10.3.2. General perceptions of support

The earlier section highlights levels of satisfaction with support received, but survey responses did not give us greater detail about what was good and bad about the support received. Most interviewed veterans had done some of the 'usual' CTP resettlement courses, which varied in length and subject matter. Some Officers had done long business courses, e.g. a 3-week course at Bristol Management Centre on project management, completed about 9 months

¹² Attempts were made to identify general satisfaction scores for the CTP programmes but these are collected by the CTP on behalf of the MOD and are not available for viewing by the wider public.

before leaving; a 3-week course on advanced management at Manchester Business School; a 3-week course at Manchester Business School using learning credits.

Another veteran attended a 'small business accounting course' and a marketing course, as well as a short self-employment course 3 years before leaving. Others used ELCs or resettlement grants to fund relevant courses, e.g. one used his resettlement grant to fund his book-keeping course but didn't use his learning credits; another spent some of her settlement money on doing a Level 3 adult education and training course, and spent her learning credits on a pattern grading course to learn how to take dress patterns up and down sizes. One Officer explained that a lot of Senior Officers typically did a business and management course. However, he already had a bachelor's degree in business management so didn't see the point of doing this. Instead he trained as an electrician (a 'practical' course which provided him with a trade at no expense to himself).

When asked if the military was providing enough general employment support to those transitioning out of the Services, only one of the interviewed veterans said yes (although it should be noted that the survey and interviews were targeted towards those pursuing self-employment). A few said they were 'unsure' or 'it's hard to tell' but the vast majority thought that the military could do more or could provide better support, e.g. the military should help prepare people with '*going back into the reality of life after leaving the Services*'; '*preparing people for the change of culture*'; '*should do more to help with selling yourself and self-confidence*'. One veteran said that he had listened to many other resettlement stories and most veterans were not prepared.

One veteran who had suffered from adjustment disorder and depression after leaving told us that the military could help more with the transition into civilian life, e.g. providing advice on what possibly could happen. '*They break you down and rebuild you into a fighting force*' but soldiers see/experience things [during time serving] and should be able to speak to someone about those experiences. However, he felt that if he had done this he would have been seen as a weak link. He was '*labelled as unemployable*' but has since received help from other organisations (e.g. Help for Heroes and Combat Stress). He is currently working in a charity providing help for veterans. Similarly, a veteran told us about one area '*which is not covered*': the military '*underplay the psychological impacts of leaving the Services and getting a job*' (where things do not go well in a civilian environment) – no pointers or '*handrails*' for support in this area. After a year of working in his first job after leaving the Services he suffered a '*stress incident*' and was off work for a week. A colleague had a similar transition story and he felt that not enough attention is paid to this in briefings on mental health and depression. This would apply equally to the transition to paid employment or self-employment.

One veteran who had served for four years in the Army told us that he signed up when he was 15/16 and therefore had no life experience before he joined and school did not prepare him for employment. He said that when he signed off he was not part of the Regiment and was doing a '*tick over job*'. He felt that this time could have been better spent doing courses and other proactive things to help him transition.

Another veteran who had served for over 30 years told us that at the time of leaving, general management had been his focus but then he changed to self-employment. He felt that he probably could have done more on this if he had known at the time, as advice on self-

employment was available. This brings into focus the issue of extended support from the military after transitioning: as already pointed out in Section 5, many veterans, partners and reservists 'fall into' self-employment or choose it after being unemployed or under-employed after transitioning out of the Services. As a result, many of those who could have benefited from any support on offer while still in the Services will have missed out and may well be under-prepared for the realities of self-employment.

One Officer told us that he didn't receive much from the military (this wasn't a complaint as he knew what was on offer and had sampled some of it before over the past 20 years). However, he didn't feel that the CTP or the Army in general is set up to help people to be self-employed: *'I think it's all about getting a job in industry or a large organisation because that's what they're used to'*. They aren't really *'tuned in to SMEs and one-man bands'*.

Many of the participants commented that the 'standard' CTP resettlement courses were not very useful (e.g. one said: *'It wasn't brilliant, it was 'here's the information, here's the website to go on and look for employment that way'*) although some added that they had already known what they wanted to do and so didn't actively seek help. Very few had done any courses related to setting up their own business. Many who had left some time ago acknowledged that transition support was different now, however.

Not all perceptions of support were negative: one Officer told us that he thought the Armed Forces do provide enough support. He described the resettlement package as *'extensive'*, allowing him to search and explore different skill sets. The time to go and learn a trade was really good. However, he did add that the generic courses were less useful for him but would probably be useful for others. Overall, he said that the time, money and support were all great.

An NCO reported that his CTP adviser told him that his CV needed to be more focused and to sell himself more. During the CV workshop, the feedback received was very good.

10.3.3. Differences by rank

Many Officers, however, felt that the CTP standard offering was too low-level:

'The CTP course was all surface level; nothing for professional self-employment options (generic support only)';

'The CTP just 'work within a framework' – CV writing only, not interested in individuals: only interested in finding people a job';

Although another Officer was *'not blown away'* by the CTP support, he added that the time it gave him – nine months before he left he did a course – was helpful (the whole process helped him to incrementally increase his self-confidence).

Even some of those in lower ranks felt that the course on CV writing and interview skills was not useful, as exemplified by an ex-RAF NCO who told us that there is too much emphasis on employment and too little on self-employment. He suggested that they should split the CTP course into two, the first two days being spent on employment and the subsequent two days being spent on employment or self-employment, depending on interests. He felt that CV

writing workshops were a waste of time as he knew this already. On the other hand, he learned how to write a business plan himself through personal research (applying for funding, contracts, make-up of a business, directors, how business works) but this may have been good as a course for those interested in self-employment.

These findings raises the issue of what kinds of employment advice and support would be most useful: a) overall; b) to those from different ranks; and c) to those with different employment aspirations. Providing generic support in basic skills may not be a good use of resources which may be better used tailoring support towards different groups. Indeed, one veteran told us that life skills would have been useful: *'what is the average wage, how much money will I need to survive, how much is rent, can I afford to be self-employed?'* In terms of financial advice – all of this is a *'big blur'* to him, e.g. the cost of advertising, the cost of equipment, etc. On the other hand, some Officers leave with a PhD or Master's degree in business or other relevant subjects: clearly, the needs of these different types of serving personnel vary and cannot be satisfied within a single course.

10.3.4. Timing of support

Veterans were asked at what points they received support and at what points support would have been/was most useful. The vast majority reported receiving support six months or more before leaving, and almost a third of veterans (i.e. not including those still transitioning) reported receiving support two years or more after leaving.

Survey respondents were also asked when support was or would have been most useful (see Table 17). These responses have been divided into those still transitioning and those who have already left to show any differences.

Table 17: When was support most useful or when would support have been most useful for you?

Time period	Responses			Percentage of those receiving support		
	Serving	Veteran	Total	Serving	Veteran	Total
6 months or more before leaving	25	121	146	73.5	42.3	45.6
3-5 months before leaving	3	47	50	8.8	16.4	15.6
1-2 months before leaving	2	41	43	5.9	14.3	13.4
Around the time of leaving	1	76	77	2.9	26.6	24.1
1-2 months after leaving	2	39	41	5.9	13.6	12.8
3-5 months after leaving	1	20	21	2.9	7.0	6.6
6 -12 months after leaving	3	51	54	8.8	17.8	16.9
13-24 months after leaving	1	33	34	2.9	11.5	10.6
2 years or more after leaving	1	89	90	2.9	31.1	28.1
Total	34	286	320	100.0	100.0	100.0

Note: These questions were not asked of reservists or partners. Respondents could tick more than one answer but were then asked for the most useful time which is presented above.

It is notable that those who were still transitioning were much more likely to say '6 months or more before leaving' (73.5%), perhaps reflecting their current circumstances and experiences of support, or indeed lack of it. Of the veterans, 42.3% also said '6 months or more before leaving'. However, almost a third of veterans (31.1%) said that support was or would have been most useful two years or more after leaving, reflecting the need for long-term support. Those still transitioning are unlikely to anticipate the need for such longer-term support (highlighting again the mis-match between expectations and reality).

Interviewed veterans also discussed whether or not the support they received was offered at the right time: most felt that 18 - 24 months before leaving would be appropriate pre-transition, although others felt that advice and support should be offered earlier, e.g. *'it should be offered annually as you never know when the military career will end'*; *'military personnel should start resettling the day you join the Services, not 6 months before you leave (building yourself a future)'*.

Another Officer said that for younger leavers, the information should come *'far earlier [...] and they need direction'*. They need to be given information 5 years before leaving, not in the last 6 months; *'this is when you really need to start looking, you need training [...] need to decide what you want to do when you grow up, sort of thing'*. This applied even to those in their forties:

'What the military gives you – and we're not always told what to do – there are some very bright young guys [...] but we're in this bubble where we don't really know what's going on in the outside world, you get caught up in your own actions, in the politics [...] and I think we just need to make sure that people are told or given the means to look outwards and see what's available and what help they can get at a fairly young age, pre-transition.'

An NCO highlighted the importance of ongoing support due to the uncertainties of a military career:

'I was told all through my career that once you are out, you are out and you just become a number and that does become apparent to you. So, I suppose any support that can be built into that career because you don't know when it could be over would be a massive help to our forces.'

In addition to pre-transition support, and in support of the survey findings, it became apparent that many still required support, even after leaving the Services. For example, one veteran who was interviewed twice for the project told us on his second interview that he was now working part-time as a caretaker but was hoping to set up his own business: he looked into getting a loan from The Start-Up Loans Company (SULC) through X-Forces Enterprise, but was unsure if he was eligible due to his current situation. He plans to go to a free event run by the council in a week (a drop-in centre around setting up a business) and is hoping to get some feedback on his business plan, advice and signposting on what he can do next. The CTP course was in 2013 and he does *'not have a clue'* where to start looking for advice now.

Some consideration may need to be given to those struggling with their self-employment or considering setting up a business some time after leaving: if such ventures are to succeed in

the longer-term, the military should consider expanding its support into the longer post-transition period, should the need arise.

10.3.5. Mentoring

The most useful support or advice received varied but those who had received mentoring support from X-Forces Enterprise were mostly very appreciative of their help. Others had acquired informal mentors (e.g. from a fellow veteran who had also set up his own business).

10.4. Support received – partners

The majority of partners said that they did not receive any support or advice from the military in terms of employment or self-employment.

'I don't feel that I have received any support as a spouse from the Army as a whole in trying to maintain employment'.

In most cases partners said that they never expected to receive support from the MOD and for this reason often did not even seek it. A minority received some support (e.g. via the HIVE), but this was felt to be too basic or not what they needed.

From outside of the military, partners received support from a variety of organisations and support groups, many of which were specifically aimed at women. These included Unsung Hero, Smart Women (a local scheme), Army wives business networking group, Talented Ladies Club and Facebook groups, which were all found to be useful to varying degrees. However, it was noted that it can be difficult to maintain these networks when relocating with their serving partner. The most commonly cited support organisation by partners was X-Forces Enterprise. Partners were either signposted to X-Forces by others or they *'stumbled across'* them on the internet. The support they received was typically securing a business loan or receiving mentoring support, which for most was a very positive experience. For instance, one partner said:

'I knew straight away that they [X-Forces] would understand, that I wouldn't have to explain. I thought it would be easy and it was'.

Managing the financial side of their business (tax returns, VAT, invoices, etc.) was a concern to some and was something that some partners sought advice on and would like to receive more information on going forward.

Support from family (including the military partner) and friends was cited by a number of partners. This was either calling upon the expertise or advice of friends/family or receiving practical or financial support from them during business start-up.

A couple of partners felt that there is information and support available about employment/self-employment from the Armed Forces, it is just poorly communicated. However, others disagreed. They felt that the *'role of the spouse is underestimated'*, their career is viewed as less important, but that the MOD has a duty of care to all members of the community.

10.5. Support received – reservists

Only one reservist said that he had received support or advice from the military about employment/self-employment which he received via the Career Transition Partnership (CTP) on leaving regular military Service. This provided him with CV writing skills, which he found useful. Those who had not received any support said that this could be attributed to the dual problem of being a reservist (and therefore receiving less support than Regulars – advice is *'non-existent'*) and the military being more focused on providing support for employment rather than self-employment.

From outside of the military, reservists cited receiving support from organisations such as Scottish Enterprise and X-Forces Enterprise, which were viewed positively. However, much of the information they received was accessed online using resources such as HMRC's website, Business Gateway, YouTube videos, and online seminars. Although a few sought advice from friends and family or those who had set up their own business, this was less prevalent than with the partners.

When talking about support, a few of the reservists talked about the competing demands of being a reservist and being self-employed. They acknowledged that they often experience conflict between the demands placed upon them as a reservist and working in self-employment (e.g. needing to work weekends). They explained that it can therefore be harder for someone who is self-employed to fulfil their reservist commitment as they are unable to take large amounts of time away from the business. They felt that the military was not always understanding of this.

10.6. Perceptions of best support received

Responses varied on the question of what was the most useful support received. A total of 32 veterans responding to the survey named X-Forces Enterprise as the most useful support received, by far the highest single response (this was an open question). The CTP was also named as helpful by 11 respondents.

Some interview participants focused on family and friends, some on ex-military colleagues or mentors and others discussed some of the support received during transition. For example, one veteran told us that the best advice he received was during a seminar by the Officers Association in 2008 where prospective employers and ex-military were speaking. The advice given was to *'pick a niche'*, identify something you know you are good at.

Another said that X-Forces Enterprise questions about sales forecasts were a stark reality check and extremely useful. Another mentioned the 3-week Manchester Business School course – *'good and comprehensive'*, which explored the skills he had learned in the military and equivalent roles in civilian life. There were also free lunch sessions on setting up a business which proved informative on the basic steps.

One Officer focused on the importance of individual responsibility; he told us that X-Forces Enterprise had provided some very good information but a lot of it was not new to him. He enjoyed the interaction with them, however:

'They [X-Forces] expect a certain amount back for that, you've got to show drive and ambition so it's not just a one-way thing'. Regarding all forms of employment (including self-employment) 'there's only one person you can rely on and that's yourself [...] you're very much master of your own destiny [...] you'll only get out what you put in'.

A military partner told us that she received lots of support from her family which has given her the confidence *'to take a leap into the unknown'*. She talked to her (military) partner and her family a lot about making that decision to be self-employed: it was important to get the support of her partner as potentially she could have no income when she starts.

The diversity in responses to this question highlight the fact that support systems are wide-reaching and varied, according to many factors, such as the life-stage of the individual, rank (if a veteran), marital status, availability of a pension or lump sum (or other means of financial support), among other factors.

10.7. Stakeholders' views on support

Stakeholders were also asked about support available to veterans and others within the Armed Forces Community. The main points from these interviews are highlighted below:

- Military personnel can lack sales/marketing/commercial knowledge that is important for self-employment. There is also a need to understand tax, relationships, contracts etc., if you are to be self-employed, and this requires a *'sophisticated'* individual.
- The role of advisers is *'massively important'*. Career consultations can help personnel think through what they want. However, there may be difficulties getting people to ask for help (due to a belief that it is a sign of weakness to ask for help/ not wanting to be seen as a *'charity case'*) but they often open up to their adviser in a one-to-one session. This suggests that there may be difficulties getting people to access some resources. The military's emphasis on self-reliance could, potentially, be acting as a barrier to ex-service personnel employing adaptive help-seeking behaviours.
- There is increasing digitalisation and creation of apps and online resources to support personnel in their job searches. However, some personnel need support with online tools and job boards. Those who are *'furthest away from the employment market'* often need face-to-face support. The increasing use of online resources raises the question of whether ALL ex-military have the required digital skills to engage with and use these technologies. Traditional approaches like face-to-face coaching/support may still need to form the basis of support for many. Online resources can, often, be accessed anonymously so are perhaps more acceptable to other users than walking into an office and asking for help or advice face-to-face.
- As a whole, self-employment support services are diverse. However, the service delivery is quite often restricted to particular cohorts by either the objectives of the charity organisations who are funding the activities or the government contracts/initiatives that have been set-up. This results in a very fragmented commercial and service landscape which can be confusing for the Service leaver. For example, the RAF Benevolent Fund only deals with the RAF community, the Naval Families Federation (NFF) deals primarily with naval spouses, etc. Some charities that

are Tri-service, (such as Royal British Legion and Help for Heroes) do not have in-house expertise so refer to X-Forces Enterprise.

- Some support organisations are focused on activity rather than outcome or they define outcome with a more activity-based focus than a holistic lifestyle outcome. The welfare charities focus very much on the holistic approach, whilst the perception is that the CTP – because of their scale and the commercial nature of the contract with the MOD – do not have endless time to focus on the holistic picture (their focus is on career transition and not personal wellbeing). For the charities, it is also a case that success is measured when individuals are no longer dependent upon their services.

10.8. Summing up

Satisfaction with support received varied: veterans were more satisfied with career advice and guidance, advice or information on becoming self-employed or setting up their own business, and mentoring or coaching. They were less satisfied with other types of support received. Some revision of courses, and some further targeting of support and advice, may be justified.

The vast majority of veterans thought that the military could do more or could provide better support for veterans, and from a younger age. One area which perhaps needs to be further considered is the psychological impact of leaving the Services and getting a job or moving into self-employment.

Responses to the support received from the CTP raise the issue of what kinds of employment advice and support would be most useful to veterans: a) overall; b) to those from different ranks; and c) to those with different employment aspirations. The costs of providing generic support in basic skills for all may be better used tailoring support towards different groups with different needs.

Most of the interviewed felt that 18 - 24 months before leaving is the best time for support, although others felt that advice and support should be offered earlier. In addition to pre-transition support, and in support of the survey findings, many still required support several years after leaving the Services. Some veterans had moved into self-employment several years after leaving, and missed out on any specific courses while still transitioning, which also suggests a need for extended support from the military (i.e. beyond 24 months).

Mentoring is a popular support service and should be encouraged and rolled out via both formal and informal channels.

The military should also consider partners in ensuring a successful transition: most did not receive, or expect to receive, any support or advice from the military in terms of employment or self-employment.

Reservists may experience conflict between the demands placed upon them as a reservist and working in self-employment and the military needs to consider their needs and the support available.

Advisers and career consultations have an important part to play in transition, but there may be difficulties getting people to ask for help. Although digitalisation and online resources for

job searching are now more prevalent, face-to-face interactions may still be important for many.

It would appear that some military charity organisations should provide a more joined-up approach, focusing on what they are good at but also working together to help deliver the best kinds of advice and support to those most in need. Examples of this are already available.

11. Conclusions

Based on the findings of the project, the following conclusions can be drawn. These are set out according to the specific research requirements highlighted in Section 1.2.

Identifying the characteristics of, and factors determining, successful self-employment by members of the Armed Forces Community

Evidence from the research helps to identify the key characteristics determining successful self-employment, as defined by members of the Armed Forces Community. Successful self-employment is typically characterised by veterans as being financially secure, having a good work-life balance, enjoying their job and having pride in their business.

Whether personnel are successful in self-employment depends upon a number of factors, including the range of skills and competencies gained through military experiences which are considered useful for self-employment (e.g. communication skills; organisational skills; team working; and decision-making skills), camaraderie and trust amongst veterans and a willingness to support each other in the civilian labour market, having a good and extensive network, access to a full or partial pension or a lump sum which can act as a 'buffer' or a 'safety net' while businesses get up and running, and the ability to plan ahead and do the research to identify a gap in the market for self-employment or setting up a business.

Whilst considering the factors and characteristics determining successful self-employment, it is also important to consider the barriers to success. These included a lack of forward planning, research and self-reflection, a lack of personal finances or difficulty in getting financial support or a loan, mental health issues and physical health/disability issues and difficulties transitioning from the Services into civilian life. In these instances, individuals may face the dual challenge of both establishing a business whilst managing the social, psychological and practical implications of adjusting to life outside of the Armed Forces.

For those veterans who were no longer self-employed, the most common reasons related to a lack of financial viability: those most badly affected had either a small pension or no pension, suggesting that there may be greater 'room for error' and the option to learn from mistakes for those personnel with a greater financial buffer or those who are only seeking to 'top up' their pension. Those in the higher ranks and who had served for longer were more able to draw on a good military pension, providing a greater financial safety net while setting up in self-employment.

Factors unique to Armed Forces Community compared to the general population

Current employment statistics show that there are some similarities, and also some differences, between civilians and veterans. The percentage of veterans who are self-employed generally increases with age. The same pattern is found for non-veteran men, but rates of self-employment are generally higher for non-veterans than veterans. Self-employed veterans and civilians were most likely to work in construction activities.

Veterans generally had lower qualifications than similar-aged civilians but the gap between non-veterans and veterans in the percentage qualified to degree level was greatest for those in employment and smaller for the self-employed. Self-employed veterans were more likely to have degrees than employed veterans (this was not the same for non-veterans), which suggests that many of those with higher qualifications are choosing to set up their own businesses after leaving the Services. Employment statistics also show that self-employed (and employed) veterans are much less likely to be claiming benefits than civilians, although this could be for a variety of reasons, including the availability of their military pension. This is somewhat surprising, as veterans generally have smaller businesses than civilians. These findings could highlight different resources and aspirations in self-employment among veterans and civilians: given the availability of a military pension or lump sum, some veterans may be less likely to want or need a second career, and the income from a small one-person business may be enough to supplement the military pension.

A slightly higher percentage of veterans than non-veterans had been self-employed for less than five years, but the percentage of veterans in business for more than 20 years was also higher. The reasons for this are unclear but may reflect a greater desire for self-employment among veterans in more recent years. Those in self-employment for more than 20 years are likely to be the 'survivors' who have weathered the storm of early challenges: if veterans can overcome these challenges, including financial barriers and difficulties, it is likely that their resilience and determination will contribute to longer-term success.

Previous research evidence, from the UK and internationally, suggests that the unique skills and competencies developed through the military are useful for those transitioning into self-employment and some suggest that these have been key to their success. The majority of veterans taking part in the study believed that they had developed a range of skills and competencies from their time in the military but, for some, the challenge was translating those skills into a civilian context.

Veterans, and most reservists, also have a shared set of values and standards around work and how work is undertaken, including: professionalism; reliability; camaraderie and trust; discipline; and a commitment and determination to complete work to the best of their abilities. It is this combination of factors that mean many veterans are perhaps more suited to self-employment than their civilian counterparts.

However, these same factors can also make the move into a civilian environment challenging. Many veterans felt that they lacked the life and financial skills to cope in a competitive, business environment where there is an emphasis on making money. Veterans' experiences of the civilian labour market had challenged their strongly-held beliefs about work, with many commenting on poor relationships and a lack of team-working to get a job done. Veterans' work ethic, trusting nature and determination are embedded within military training and culture, and are often not replicated in the civilian labour market. A number of veterans reported that they had been the victims of scams in the early days after setting up a business. As a result, veterans had to learn fast and adapt or change their mind-set in order to not only manage their transitions into the civilian labour market, but, significantly, to ensure that their businesses were sustainable if self-employed.

For some military partners, self-employment was the only viable option as a result of regular geographical relocations; living in remote areas/bases; and/or difficulties in finding and maintaining employment due to frequent changes in their serving partner's postings. Others reported difficulty finding paid employment that was interesting or at a level commensurate with their skillset/qualifications due to this high level of mobility. However, military partners had reported particular challenges with running a business, e.g. not being able to operate in particular countries due to local rules on income and tax. Partners may therefore face additional challenges to setting up and/or maintaining self-employment.

Overall, these unique factors experienced by members of the Armed Forces Community suggest a need for tailored support (from the MOD, CTP and/or relevant military charities) to: understand the civilian labour market and how it operates; become commercially and financially aware; develop life skills; and identify how to translate their expertise, skills and competencies to the civilian labour market.

The value of self-employment

The value of self-employment for most members of the Armed Forces Community is being their own boss, having control, establishing a better work-life balance and being able to work flexibly. Partners said that the value was in earning a reasonable amount of money and being better able to balance work and family life. All expected self-employment to be hard work, and they often had to work harder than initially anticipated, but many said that things had turned out better and their businesses had expanded more quickly.

Stakeholders pointed out that some of those leaving the Services seek self-employment in direct response to the institutionalisation of the military. However, aspirations around self-employment are likely to vary by rank, length of service, gender, age and dis/ability. Self-employment can provide a particularly valuable form of employment for military partners and those with a mental or physical disability, allowing them to work more flexibly, both in terms of the number of working hours and also where they work.

Recommendations on enhancing the contribution of self-employment to the overall employment outcome

The evidence highlights the need for practical advice and training while still in the decision-making stages of leaving the Services. This would help Service leavers make the right decisions with regard to self-employment or paid employment, and access support to ensure a positive and successful outcome. Those who plan ahead and have even set up their own business while still in the military appear to be better-prepared and able to succeed (this includes getting a loan while still employed within the Services, something which many struggled with after leaving).

Furthermore, the evidence points to the need for the military to prepare personnel for civilian roles before they exit the Services and offer support with translating skills and competencies to the civilian context, as well as offer practical courses to develop commercial, finance and marketing skills, so that veterans are better prepared and more likely to succeed in self-employment. Whilst some of these supports are already on offer via the CTP, military charities

and other institutions, it is acknowledged that resources are limited and the communication and marketing of the availability of these services is varied and inconsistent.

Importantly, the findings show that veterans often choose self-employment years after leaving the Services, either in response to new opportunities arising but often as a result of a lack of success or low job satisfaction in paid employment. This raises the issue of longer-term support for veterans wishing to move into self-employment.

A number of recommendations have been produced that highlight actions and support that need to be provided and targeted at various stages of the self-employment journey. These recommendations are detailed at the start of the report and are presented in four phases:

- **Exploration and planning** – when an individual is first considering their prospects and whether or not self-employment might be right for them;
- **Education and training** – when the transition to employment or self-employment is imminent and the individual is seeking out information and support to help them in the transition;
- **Transition** – when the individual has made the first steps into self-employment; and
- **Development and stabilisation** – when the individual has experienced self-employment over a longer period of time.

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Appendix 1: Detailed methodology

Literature review

A systematic literature review was undertaken of extant evidence relating to self-employment and the Armed Forces Community. The review used an established methodology that provided a robust framework within which to conduct a transparent and comprehensive review. The aim of the review was to find, analyse and evaluate evidence on military personnel pursuing self-employment, starting a business and/or engaging in entrepreneurial activity. Secondary to the main review, evidence was also sought on reservists, military personnel partners and dependents. The findings of the review provide evidence of current practice, an understanding of those engaged in this form of employment and identification of what does and does not work in supporting the Armed Forces Community to pursue self-employment. The review also informed the later stages of the research project. The following review question was set:

- What evidence is there on the Armed Forces Community pursuing self-employment in the UK and internationally?

The review included studies with an explicit and documented evidence base to ensure that the resulting literature review was sufficiently robust to inform policy development and practice. The methodology consisted of five phases: setting review parameters; searching, screening; data extraction; synthesising and reporting. Whilst the main review was undertaken in early 2017, further searches were undertaken through 2017 and early 2018 to ensure any new evidence were captured. Of the search results, 302 documents were fully reviewed and 28 included in the review.

Evidence was found on all Services from the UK, Europe, Canada, Croatia, Israel and with much evidence from the US. Evidence from the US, where entrepreneurial training programmes for veterans are well established and funded, highlights what services and support can be offered, as well as what works in practice. It is considered useful as much of this learning could be transferred to the UK context and help inform policy. The synthesised evidence was presented by themes emerging from the literature and included:

- Military support and services for those transitioning to self-employment;
- Legislative frameworks to support self-employment;
- Entrepreneurial training programmes for veterans;
- Impact of military service on entrepreneurial behaviour.

Quantitative data collection and analysis

The data source used for this report is the APS for January-December 2016. The MOD report calculated a set of weights to make the structure of the non-veteran population match that of the veteran population. This analysis does not adopt that approach. Instead, the focus is on people of working age (here defined to be 16 to 64), since the interest of the project is in

veterans' use of self-employment as a means of pursuing a livelihood¹³. Data in the tables and diagrams presented here has been weighted using the variable PWTA16. The non-veteran population is not weighted differentially.

Table A1: Urban-rural distribution of veterans, 2014-16

	Numbers of veterans of working Age	Numbers self-employed	Share of Great Britain self-employed	Percent self-employed in rural/urban areas
Scotland: Large Urban Area	20,873	2,071	2.1	9.9
Scotland: Other Urban Area	23,477	2,281	2.3	9.7
Scotland: Accessible Small Town	7,685	.	.	.
Scotland: Remote Small Town	2,016	.	.	.
Scotland: Very Remote Small Town	2,045	.	.	.
Scotland: Accessible Rural	11,257	1,940	1.9	17.2
Scotland: Remote Rural	3,443	1,013	1.0	29.4
Scotland: Very Remote Rural	2,075	.	.	.
E&W: Urban major conurbation	125,363	16,507	16.6	13.2
E&W: Urban minor conurbation	17,233	2,501	2.5	14.5
E&W: Urban city and town	322,808	43,176	43.4	13.4
E&W: Urban city and town in a sparse setting	1,911	.	.	.
E&W: Rural town and fringe	72,597	12,291	12.3	16.9
E&W: Rural town and fringe in a sparse setting	4,266	853	0.9	20.0
E&W: Rural village	44,307	8,068	8.1	18.2
E&W: Rural village in a sparse setting	2,769	.	.	.
E&W: Rural hamlet and isolated dwellings	23,253	5,843	5.9	25.1
E&W: Rural hamlet and isolated dwellings in a sparse setting	2,175	804	0.8	37.0
Total	689,553	99,574	100.0	14.4

Source: ONS 3-year Annual Population Survey for 2014-16. Crown Copyright.

. Note: "." Indicates unweighted count less than 10.

¹³ People aged 65 and over are assumed to be predominantly retired (though this may be less for veterans, if their ability to build up pension entitlements were reduced). Indeed, 60% of veterans (7,763 of 12,586 respondents classified as veterans) were retired and not seeking work. A further 2.5% (compared with 3% of non-veterans) were long-term sick or disabled.

Stakeholder interviews

The aim of the stakeholder interviews was to better understand the barriers (and the support systems available) to becoming self-employed, as well as what is considered to be a success or failure in self-employment among the Armed Forces Community from an organisational perspective. The findings helped shape the online survey questions and the interview topic guides.

Stakeholders from across the Armed Forces Community were approached for interview. They came primarily from the third sector, military charities who are supporting individuals and their families post-transition. Some active government-backed organisations and commercial organisations operating exclusively or specific services in this space were also engaged: Career Transition Partnership, University of Wolverhampton, Reserve Forces and Cadets Association (RFCA) and X-Forces Enterprise. Representatives were interviewed from the following Armed Forces organisations and charities: Army Families Federation; Navy Families Federation; RAF Families Federation; ABF The Soldiers Charity (Army Benevolent Fund; RAF Benevolent Fund; The Royal Navy and Royal Marines Charity (RNRMC); The Royal British Legion (TRBL) and Royal British Legion Industries (RBLI Life Works); Help for Heroes, Blind Veterans UK; Veterans Scotland; RFEA: Regular Forces Employment Association (The Forces Employment Charity); Officers Association (OA); OA Scotland; Poppy Factory; and SSAFA The Armed Forces Charity (Formerly Soldiers, Sailors, Airmen and Families Association).

Interviews typically lasted between 45 and 60 minutes and were recorded where consent was gained. A detailed summary was then written up by the interviewer. The interviews followed a semi-structured design, using a pre-designed interview guide comprising the following topics:

- The stakeholder organisation's engagement with the military and the self-employed community and the services provided;
- What success in self-employment looks like, with a focus on defining success and failure and the critical points for the beneficiaries of their services;
- What strategies, policies and actions from their experiences have been seen to work or not work, with a focus on whether the UK environment (i.e. financial, legislative and political) has positively or negatively impacted on the way self-employed businesses operate within the UK;
- What they would like to see continue or start to happen in the future in terms of support for veterans.

Online survey

Participants were recruited by using the contacts of organisations supporting individuals seeking to enter self-employment and via QinetiQ and X-Forces Enterprise's previous experience of working with military personnel. These organisations were asked to advertise the study on their websites and through relevant forums and a link to the survey and information page was provided for those who wished to take part in the online questionnaire survey. X-Forces Enterprise also distributed the link to the survey to CTP contacts who have been through the CTP Enterprise program from 2016 onwards and other self-employment

programmes supported by Help for Heroes and ABF The Soldiers' Charity. Social media was also used extensively to raise awareness of the survey. All the stakeholders referenced previously were approached to help with dissemination to reach their own beneficiary groups.

The survey was managed using Qualtrics software and hosted on a secure server meeting EU regulations regarding data protection and preservation of the confidentiality of personal data. The IER downloaded data from this server to undertake statistical analyses. Data sets were stored securely on computers protected by password access and complying with University of Warwick and GDPR regulations on information security. Personal identifiers were separated from the data used for statistical analysis, which only contained a sequence number for the response.

The Qualtrics platform was used to create the online survey and manage the survey data. There were three distinct pathways through the survey dependent on how initial edibility questions were answered. The veteran survey comprised 40 questions and included a mixture of closed and open questions, ending with standard demographic questions. Similarly, the reservist survey comprised 32 questions and the spousal/partner survey 36 questions. A set of initial questions determined eligibility to complete the survey to ensure the survey was correctly targeted. All surveys included a mixture of quantitative questions and free-text, with respondents being invited to explain their experience of self-employment in greater detail. Questions were tested and discussed with FiMT before roll-out of the survey.

The survey was launched on 26th July and was closed four months later on 23rd November. A total of 557 responses were achieved. Typically, there were around 10 responses per day while the survey was open, with a few bursts of responses – in late July, early August, late September (around the Invictus Games) and at the start of November. Repeated reminders encouraged responses, but the survey was petering out in November at which time the survey was closed. Figure A1 shows the geographical distribution of respondents.

Figure A1: Geographic location of online survey respondents



The following table (Table A2) details the industries online survey respondents are currently engaged in with the self-employment activity.

Table A2: Industry of self-employment (percentage of category)

Industry	Respondent type			No.	Total	
	Veteran	Reservist	Partner		Percent	
NS	29.6	71.1	24.4	215	38.5	
Agriculture, Forestry and Fishing	1.1	0.0	3.3	7	1.3	
Manufacturing	2.9	2.6	5.6	17	3.0	
Electricity, gas, steam and air conditioning supply	1.1	0.0	1.1	5	0.9	
Water supply, sewerage, waste management and remediation activities	0.8	0.0	1.1	4	0.7	
Construction	5.9	2.6	1.1	24	4.3	
Wholesale and retail trade; repair of motor vehicles and motorcycles	6.9	2.6	14.4	40	7.2	
Transportation and storage	4.3	2.6	3.3	20	3.6	
Accommodation and food service activities	4.3	0.0	5.6	21	3.8	
Information and communication	6.9	2.6	2.2	29	5.2	
Financial and insurance activities	1.6	0.0	0.0	6	1.1	
Real estate activities	2.7	0.0	0.0	10	1.8	
Professional, scientific and technical activities	10.1	7.9	13.3	53	9.5	
Administrative and support service activities	1.9	0.0	1.1	8	1.4	
Public administration and defence; compulsory social security	3.7	0.0	0.0	14	2.5	
Education	4.0	0.0	1.1	16	2.9	
Human health and social work activities	2.7	2.6	4.4	15	2.7	
Arts, entertainment and recreation	8.5	5.3	17.8	50	9.0	
Third sector/not-for-profit	1.1	0.0	0.0	4	0.7	
All industries	100.0	100.0	100.0	558	100.0	

ONS Annual Population Survey, January to December 2016. Crown Copyright.

Time 1 Qualitative interviews

We anticipated that gaining access to this cohort would be challenging. Consequently, we identified a number of key organisations to approach who were well positioned to help us gain

access to our target audience. X-Forces Enterprise were instrumental in this part of the research, given their support to ex-forces personnel and their families to start-up businesses across the UK with start-up loans, mentoring and support. They also offer self-employment awareness workshops.

We also gained access to interview participants via the online survey (i.e., asking survey participants if they were willing to be interviewed).

The interview schedule was based on findings emerging from the literature review and stakeholder interviews. The telephone interviews followed a semi-structured interview topic guide, were arranged at a time convenient for the participants, and lasted around 30-45 minutes. Confidentiality was ensured. Given permission, interviews were digitally recorded and the researchers also wrote up detailed notes afterwards. All data and summarised notes were anonymised and stored securely in a password-protected folder at IER. Participants were given a pseudonym for the purposes of reporting, and any identifiers removed to ensure confidentiality.

Time 2 Qualitative interviews and case studies

Of the 55 interviews undertaken at Time 1, we selected 29 which were typical or interesting cases to follow up (e.g. we had a number of personal trainers in the sample so we chose one who would exemplify the common experience of all, as far as was possible). Of the Time 2 interviews, there was a good mix of veterans, partners and reservists, and also of male and female participants.

The interview schedule revisited some of their previous experiences (e.g. 'You said in our earlier interview that your expectations of self-employment were X, Y and Z; do you still feel the same or has anything changed?'). Questions were also asked about any more recent support received and what they would have found useful or would still find useful now. Any changes in employment or other circumstances were recorded.

As with the Time 1 interviews, the telephone interviews followed a semi-structured interview topic guide, were arranged at a time convenient for the participants, and lasted around 30-45 minutes. Confidentiality was ensured. Given permission, interviews were digitally recorded and the researchers also wrote up detailed notes afterwards including quotes. All data and summarised notes were anonymised and stored securely in a password-protected folder at IER. Participants were given a pseudonym for the purposes of reporting, and any identifiers removed to ensure confidentiality.

Of the 29 follow-up interviews, four were chosen as case studies to provide a more detailed picture of the self-employment journey for participants from the Armed Forces Community.

Qualitative data analysis

All of the interview data (including Work Package 3a stakeholder interviews, Work Package 4 and Work Package 5 interviews) were analysed using a framework approach.¹⁴ Data was coded and analysed according to themes that emerge. The team developed an agreed coding procedure and all qualitative researchers engaged in the data analysis, culminating in a qualitative data workshop held at the University of Warwick. The coding and analysis was cross-checked by another member of the research team in order to maintain inter-coder reliability. Comprehensive Excel spreadsheets were designed to incorporate all key summary information. The findings were synthesised and analysed for the final report and anonymised verbatim quotes used to highlight key themes.

¹⁴ Ritchie, J. and Spencer, L. (1994). Qualitative data analysis for applied policy research. In A. Bryman and R.G. Burgess (eds) *Analysing Qualitative Data* (pp.305-29). London: Routledge.

Appendix 2: Definition of Rank by Service

The following was provided by Army Families Federation (AFF) and was used within the survey.

	Royal Navy	Royal Marines	Army	Royal Air Force
Senior Commissioned Officer	Admiral	General	General	Air Chief Marshal
	Vice Admiral	Lieutenant General	Lieutenant General	Air Marshal
	Rear Admiral	Major General	Major General	Air Vice-Marshal
	Commodore	Brigadier	Brigadier	Air Commodore
Commissioned Officers	Captain	Colonel	Colonel	Group Captain
	Commander	Lt Colonel	Lt Colonel	Wing Commander
	Lt Commander	Major	Major	Squadron Leader
	Lieutenant	Captain	Captain	Flight Lieutenant
	Sub Lieutenant	Lieutenant	Lieutenant	Flying Officer
	Midshipman	Second Lieutenant	Second Lieutenant	Pilot Officer
Warrant Officers and Senior Non-Commissioned officers	Warrant Officer 1	Warrant Officer C1	Warrant Officer C1	Warrant Officer
	Warrant Officer 2	Warrant Officer C2	Warrant Officer C2	
	Chief Petty Officer	Colour Sergeant	Staff Sergeant	Flight Sergeant
	Petty Officer	Sergeant	Sergeant	Sergeant
Junior Non-Commissioned Officers and Other Ranks	Leading Hand	Corporal	Corporal	Corporal
		Lance Corporal	Lance Corporal	Senior Aircraftman
	Able Rate	Marine	Private	Aircraftman