



Minorities in Business Reach Mountaintops

By Crystal Rawls

Every business, big or small, begins with an idea. No matter the ethnicity of the mind in which the idea develops, all can agree that ideas are catalysts for great things. Transferring the floating concept to reality, however, is where barriers begin to form, and sometimes it is especially difficult for minorities.

In 2002, the U.S. Census Bureau reported that of the nearly 23 million firms in the United States, 19.9 million are owned by whites, 1.6 are Hispanic-owned, 1.2 million are owned by African Americans, and 1.1 million are owned by Asians. In fact, Texas boasts more women- and minority-owned businesses (955,304) than 45 other states.

Using figures obtained by the U.S. Census Bureau, the Greater Houston Partnership estimated that the Houston region has approximately 26,857 black-owned businesses; 30,087 Asian-owned businesses; and 63,482 Hispanic-owned businesses.

With ever-changing demographics, it is obvious the minority population in Houston is increasing; with that growth comes more minority-owned businesses and other entities, despite cultural and perceptible obstacles.

Facing the Mountain

Based on several years' experience helping small businesses and minority-owned businesses succeed, Joe Decker, director of the Fort Bend County University of Houston Small Business Development Center (SBDC), believes the main roadblocks faced by minority business owners are poor or no communication in English, lack of understanding the elements used by businesses to operate, and understanding the credit system. Similarly, Richard Heubner, president of the Houston Minority Business Council (HMBC), blames skewed perception as the number one challenge preventing minority firms from obtaining respect in the marketplace.

In the early 1990s, it was West Virginia native Terry Hornsby's goal to move to major metropolitan cities in an effort to further her career. By 1994, Hornsby was determined to make the leap from employee to business owner in Houston, in spite of a still skewed perception of minority leaders.

"I have had people in a meeting say (in disbelief), 'You own that business?'" In some cases, it is race related," she said. "I was sitting in a

board room with eight white males ... one of the men made a comment that his wife could do (what I was doing). The issue was that I was black. This was something that would normally take three to four days, as far as the proposal. I followed up for a month, and they never would return my call."

Establishing and growing TLC Adcentives, Inc., a now highly successful full service commercial advertising firm, was difficult for Hornsby, who, as an American, is already familiar with the culture and the language. Imagine starting a business with less than that.

The American Dream is still alive and well in the hearts of individuals who travel to the United States in search of their destiny. Decker told of a Hispanic male who did not know English and had little money to spare. The young man began his business by renting a small piece of property to sell his products. When his landlord became unreasonable, he searched for property located elsewhere, despite lack of funds to purchase. Immediately, he met banker after banker in an attempt to get a loan, to no avail. Eleven banks later, the loan officer suggested that he contact the SBDC for help. The young man perceived the difficulty in obtaining a loan was due his ethnicity. In truth, once an SBDC consultant recommended a CPA to organize his financial paperwork, doors began to open. According to Decker, the young man's company now boasts sales over \$2 million, more than eight employees and owns 14 acres of very valuable land.

Making the Climb

"Diversity is what makes Houston tick," said one HMBC professional when discussing the growing minority population in the area.

HMBC, along with the SBDC, the Greater Houston Partnership's Minority Partnership Program, the Houston Area Urban League and the NAACP Economic Development Committee, are just a few of the local organizations offering resources and guidance to new minority business owners as well as experienced hands looking to increase their reach (see sidebar for details, page 8).

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According to Heubner, the 262 HMBC corporate members and 1,100 minority-owned businesses associated with HMBC have fueled the Houston economy with \$9.5 billion in sales and have created 50,000 jobs. Likewise, Decker reported that since 2003, the Fort Bend SBDC has assisted over 1,600 clients. Of that figure, 55 percent were white-Caucasian, 25 percent were black or African-Americans, 17 percent

were Hispanic, and three percent were Asian, Native-American/Alaskan or Pacific Islanders.

"It is often difficult to not read past experience into present circumstances," said Heubner. "My experience is that quite often, the misperceptions are on both sides of the table. The most important part of overcoming that is actually building relationships with trust, understanding and mutual respect so that we are not tainted by our

TOOLS FOR SUCCESS

Thousands of successful Houston-area, minority business enterprises (MBE) have turned to area organizations for guidance, support and networking in order to see their businesses flourish. Tools for success are readily available throughout the Houston area whether MBEs are just getting started, or are well established and looking to reach new heights. Below are just a few of the many organizations prepared to provide resources, education and certification for MBE's:

City of Houston One Stop Business Center, 713-247-2982, www.houstontx.gov/onestop: Provides a free getting started packet includes information on permits, licenses and applicable regulations, sources of technical assistance, counseling, mentoring, incubator and educational opportunities in addition to city, county, state and federal regulations affecting current or proposed businesses.

Government Procurement Connections, 713-718-5158, www.houstongpc.com: Public sector contracting fair, business expo and entrepreneur training conference attracting over 10,000 participants annually.

Greater Houston Partnership Minority Partnership Task Force, 713-844-3600, www.houston.org: Promotes opportunities for minority business executives to enhance business development in professional service provider sector.

Houston Minority Business Council, 713-271-7805, www.hmbc.org: Certifies ethnic minority companies and provides reciprocal certification with other National Minority Supplier Development Councils, automatic certification with HUB and a common certification agreement with the City of Houston. Also provides programs and services geared toward minority business development, including insight into purchasing trends of major corporations, government agencies and education institutions.

Houston Minority Business Development Center, a division of the U.S. Department of Commerce Minority Business Development Agency, 713-644-0821, www.houstonmbdc.com: Provides technical assistance to start-up companies in addition to helping companies with business plans, feasibility studies and marketing strategies.

Houston Area Urban League, Inc. Workforce Development Programs, 713-393-8700, www.haul.org: Offers free professional services to employers and applicants seeking employment, including job readiness/retention services, job fairs, workforce training and "Job Club."

NAACP Economic Development Committee, 713-526-3389, www.naacphouston.org: Provides workshops and seminars for minority businesses, primarily start-up, marketing and government contracting, in addition to sponsoring an annual campaign to support, strengthen and increase minority businesses.

University of Houston Small Business Development Center main office, 713-752-8444, www.sbdc.uh.edu: Offers free business consulting and affordable training seminars designed to help attract customers, improve operations, increase sales, and successfully access capital. Includes: Houston Metropolitan Center, International Trade Center, Procurement Technical Assistance Center, Training Center, and Direct Business Assistance Program.

perceptions. Some people will perceive that because we have special programs to assist minority firms that perhaps they are not able to achieve in and of themselves. That's wrong."

Organizations existing to help minority-owned businesses not only increase avenues for networking and establishing strategic alliances with larger corporations, but also provide additional training, advocacy, mentoring, access to technology, marketplace, financing, general business enhancement and empowerment. With today's market trends of globalization, it has become necessary to explore and become educated to form alliances with firms half a world away. For instance, the SBDC is one that not only educates non-native English speakers, but also allows for native English speakers to take on a foreign tongue, embracing the smaller world in which businesses today thrive.

It is evident that association with these organizations, in addition to an openness to change, come great rewards. HMBC members, for example, are held to high standards in accountability and ethics and are recognized for standards of quality, leadership, corporation and prestige.

Rod Lemon, president of AHRMDCO International, Inc. joined the HMBC in 2003 in order to connect with decision makers and to tap into the market dominated by larger scale firms. "From my standpoint, HMBC provided me with mentorship and guidance and brought me to a level that I was ready to perform. I learned to channel my energy and not to be focused on the fact that I have a minority-owned business, but that I have a successful business that happens to be minority-owned."

Reaching the Summit

As with any business, the challenge always exists to be greater, climb higher and reach further than present circumstances. Ultimately, as with Rick Cortez, president of MCA Communications, Inc., the perseverance to succeed is a combination of tools provided by area organizations in addition to the heart, soul and belief that one will reach the mountaintop. Cortez advised business professionals to "make passion and determination what encourages you to your business goals. Surround yourself with positive leaders like HMBC and its members."

More often than not, highly successful business leaders site flexibility and innovation as key assets in the development of any entity. No matter the current success of a business, all have faced adversity at one point or other. It is the ability to accept diversity; to grow with societal changes that make any one business stand above the rest.

Tom Ren, along with co-founder Lily Xiong, established AECsoft USA, Inc., a highly-resourceful web application software company. Certifications with HMBC, the State of Texas Historically Under Utilized Business (HUB), and the U.S. Small Business Administration (SBA), have led to large corporate buyers and long term contracts with corporations such as Marathon Oil, United Space Alliance, BP, Halliburton, KBR, Duke Energy, among others. Although Ren admits there were some initial challenges to overcome as far as ethnicity, he and his team worked extra hard to prove, "that we can respond fast, work hard and do good work – to offset our communication and culture differences."

After all, as Heubner pointed out, the definition of any entrepreneur, regardless of status, ethnicity or origin, is someone who brings something new and innovative to market. The future is bright for entrepreneurs because they are the leaders who will largely define what that future is. **N**

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