

Aspirations of Minority Businesses

This paper was prepared for the Joint Center of Political and Economic Studies and the Minority Business Roundtable (MBRT)

Executive Summary

Minority owned enterprises have been plagued over the years by misperceptions regarding their sizes, profile of entrepreneurs/executives and their business ambitions. These misperceptions have created a host of challenges to minority business owners like access to equity capital, human resources talents and corporate customers. In an effort to address this misperception, the Joint Center of Political and Economic Studies retained The Asaba Group, Inc., a strategy consulting firm in Boston, MA, to help write a position paper that presents data which dispels this view.

The Asaba Group's effort in developing the paper included quantitative and qualitative research. Most of the quantitative research efforts relied on previous work done by the Joint Center, US Census survey of minority owned business enterprises, recent work by the Miliken Institute and the Minority Business Development Agency (MBDA). In addition, The Asaba Group conducted primary interviews with various minority-owned businesses and a subset of members of the Minority Business Round Table (MBRT).

Key findings from the paper show that these misperceptions results from general media attitudes that range from focusing on minority buying power (as consumers) but little focus on minority business successes and entrepreneurship (as producers). In addition, the historical orientation of minority firms during the era of racial segregation focused on serving niche ethnic markets. This historical orientation while true then is not representative of minority owned businesses today. However, this continues to play a role in presenting minority owned businesses as not in the mainstream economy and portrays them with very limited business ambitions.

Interviews with the MBRT members and review of publicly available data present contrasting data regarding these misperceptions. It shows minority owned businesses with revenues between \$200 million and more than \$1 billion. It shows minority executives and entrepreneurs that are driven, ambitious, and with business visions similar to successful executives in Fortune 100 companies. It also highlights situations where these misperceptions have created challenges for MBRT executives and how they overcame these challenges.

Introduction

The recently concluded population census projects that minority populations will represent a significant share of the US population by 2050. With this increase in population, minorities have also increased their share of economic power. The collective buying power of minorities is now estimated to exceed one trillion dollars.

With these demographic shifts, minorities have become a very attractive consumer segment in the economy. However, what is lesser known is the impact minorities have as wealth creators or economic producers in the economy. What is known about minority business enterprises does not reflect the new realities. Prevailing perceptions of minority owned businesses has been characterized as:

- “Mom and Pop” businesses with sales less than a million dollars
- Businesses which lack vision and are highly undercapitalized
- Businesses with entrepreneurs that have limited ambition and lack sophisticated business skills
- Business enterprises concentrated in business-to-consumer segments focused on minority niche markets e.g. retailing and food products

Nevertheless, this is a huge misrepresentation of the profile of minority owned and operated businesses. While these views may reflect the state of minority businesses 40 to 50 years ago, it by no means reflects the current make up of minority businesses and entrepreneurs

A 1992 US Census enterprise survey (the most recent 1997 survey will be published in 2000) along with a recent study by the Milken Institute, shows that minority businesses collectively grew faster than all firms in the US economy. These studies also estimate the size of the minority business sector at \$205 billion.

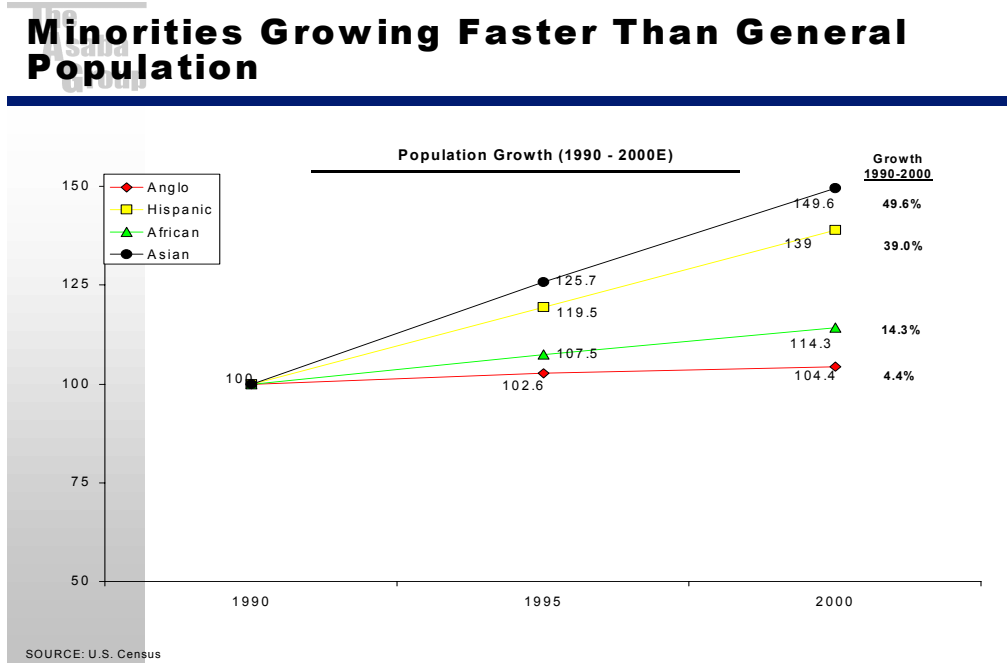
The industry concentration of these businesses is quite varied and ranges from retailing to professional services to manufacturing. In fact, knowledge intensive segments like finance, insurance, and communication are the highest growth segments. In addition, minority entrepreneurs are more sophisticated, well educated, business savvy, and just as visionary as main stream business leaders.

This paper begins with presenting data of the changing demographics, then addresses the plausible drivers of the above mentioned misperceptions. We also present data on minority owned businesses that provides insights to size (revenues) and growth rates. In addition, qualitative research conducted with a subset of the Minority Business Round Table (MBRT) members and shows how they overcame the barriers that resulted from these misperceptions. In addition, we present insights into the leadership characteristics, vision, ambitions, challenges, and keys to success of these business leaders and entrepreneurs.

Changing Demographics

Recent census projections and estimates show the changing face of America. Minority populations are the fastest growing demographic segment and are forecasted to become almost 50% of the total population. From 1990 to 2000, Asians, African and Hispanics Americans have grown by 49.6%, 39% and 14.3% respectively while Anglo-Americans have witnessed a modest 4.4% growth over the same period (see chart one).

Chart one



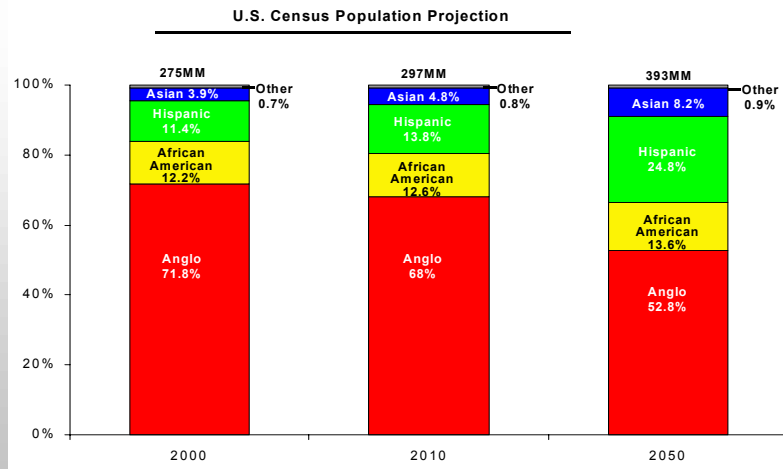
Today minorities represent approximately 28% of the total population. By the year 2010, minority population will represent one-third of the US population. In 2050, minority population is forecasted at about 50% of the total population (see chart two). The US population will grow from 275 million in 2000 to 393 million in 2050, a net gain of 118 million. Minority population will account for 108 million, which is 92% of the total incremental gain. The breakdown by ethnicity of the incremental growth is as follows:

- Asian-Americans will grow by 21.5 million and will account for 8.2% of the population
- Hispanic-Americans will grow by 66 million and become the largest minority group with 25% of the total population
- African-Americans will grow by 20.6 million and constitute 13.4% of the population

Early indication of this “browning of America” is reflected in the recent US Census estimates that show that the state of California at the end of 2001, will have minorities with over a 50% share of its total population.

Chart two

Minorities Projected To Be Significant Share In 2050



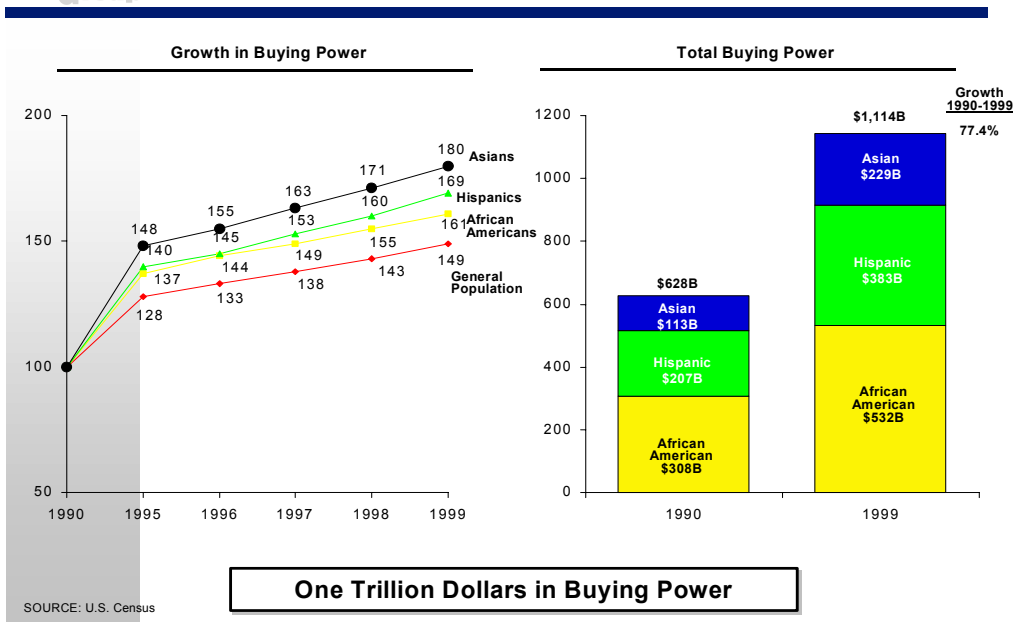
SOURCE: U.S. Census

Increase in Buying Power

With this change in demographics also comes an increase in purchasing power. From 1990 to 1999, minority purchasing power increased by 77% compared to 49% of the general population. Minority buying power is estimated at about \$1.1 trillion (see chart three).

Chart three

Minority Buying Power Increasing Faster Than General Population



Why the misperception exists?

The wildly held misperceptions of minority business as small, under-capitalized with limited growth opportunities can be attributed to the following:

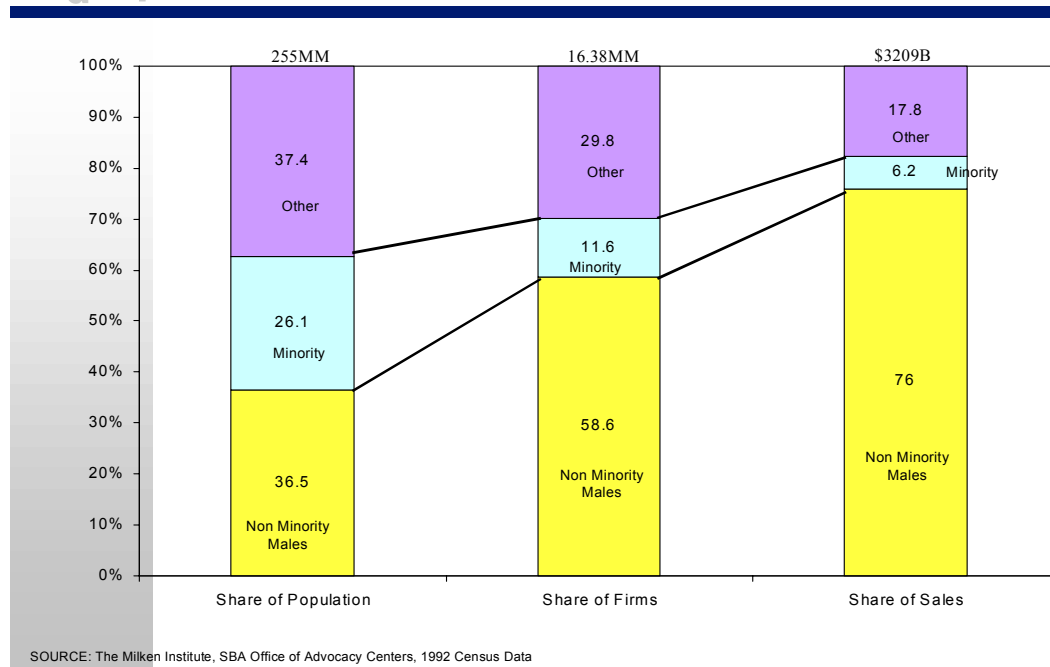
- During the period of racial segregation, minority entrepreneurs were precluded from participating in the mainstream US economy. Most entrepreneurial efforts focused on satisfying the needs of minority consumers. This led to a secondary market economy focused on minority dominated commerce. This market was small with limited growth opportunities but created wealth for a limited number of savvy minority entrepreneurs. Small, retail “mom and pop” establishments characterized the market segments that existed. Examples of these are beauty salons, food stores, ethnic restaurants etc. These were the first or pioneering business activities of minorities.
- Limited press coverage of minority advancement by the mainstream media has also contributed to the continued misperceptions. Very little coverage on successes of minority entrepreneurs in business and the coverage that does exist tend to focus on entertainment and sports successes. Today, published business ranking of the largest minority owned businesses, similar to Fortune 500 rankings, exist only in niche publications like Minority Business News, Hispanic Business, and Black Enterprise.
- Current political dialogue around affirmative action policies tend to portray minority business as non-competitive, lacking to ability to grow and be successful without government intervention and dependent on “set aside” programs

- Most coverage in the general media focuses on the minority population as consumers rather than as producers in the growing economy. Significant emphasis on \$1.1 trillion dollars in buying power has led to significant expenditures by marketers on multicultural advertising.
- Minority representation in business has been under-represented as compared to its population share. This under-representation can be linked to historical inequities which are linked to racial bias towards minority groups (see chart four).

Chart four

Population Segment Share of Firms and Sales

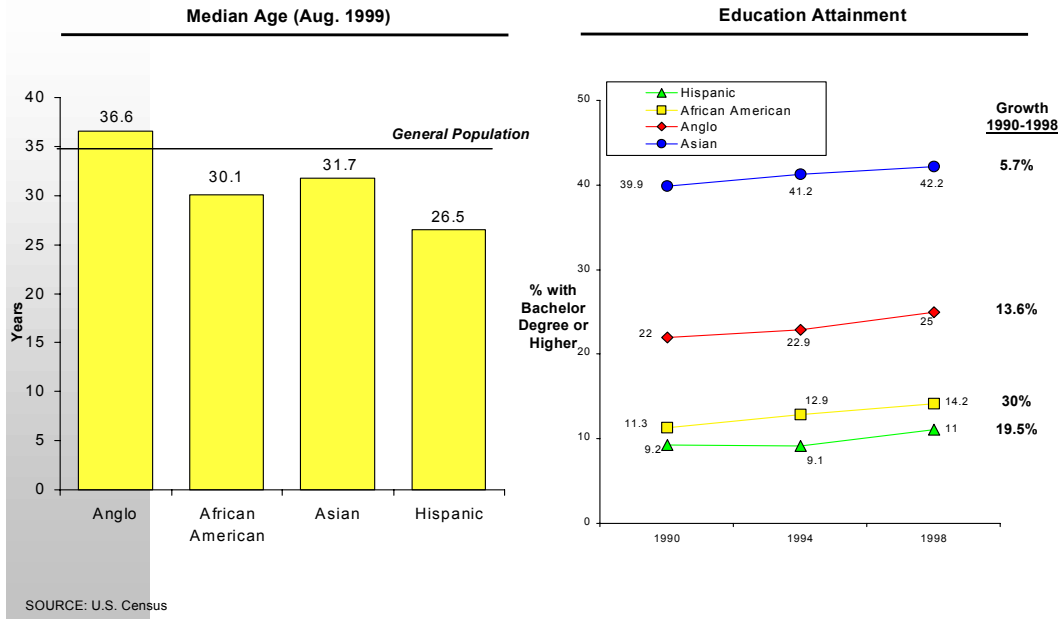
- Minorities underrepresented in firms and sales



This under-representation will be addressed over time. Minorities are becoming better educated and talented. In addition, as minorities approach the ages between 35 and 40, the typical age range for starting new entrepreneurial ventures (see chart five), more minorities will join the growing pool of highly educated and talented business entrepreneurs.

Chart five

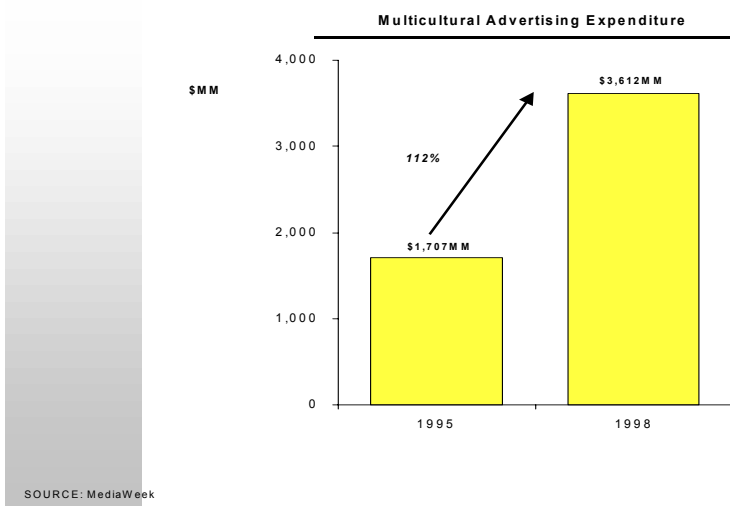
Minority Population Increasingly Educated and Approaching Prime Entrepreneurial Age (35 -40)



- Emphasis on buying power has led to significant expenditures on multicultural advertising thereby reinforcing minorities as consumers with little attention to minorities as competent producers in the economy. From 1995 to 1998, multicultural advertising has risen over 112% (see chart six).

Chart six

Minority Focused Advertising Expenditures Has Grown 112% Since 1995

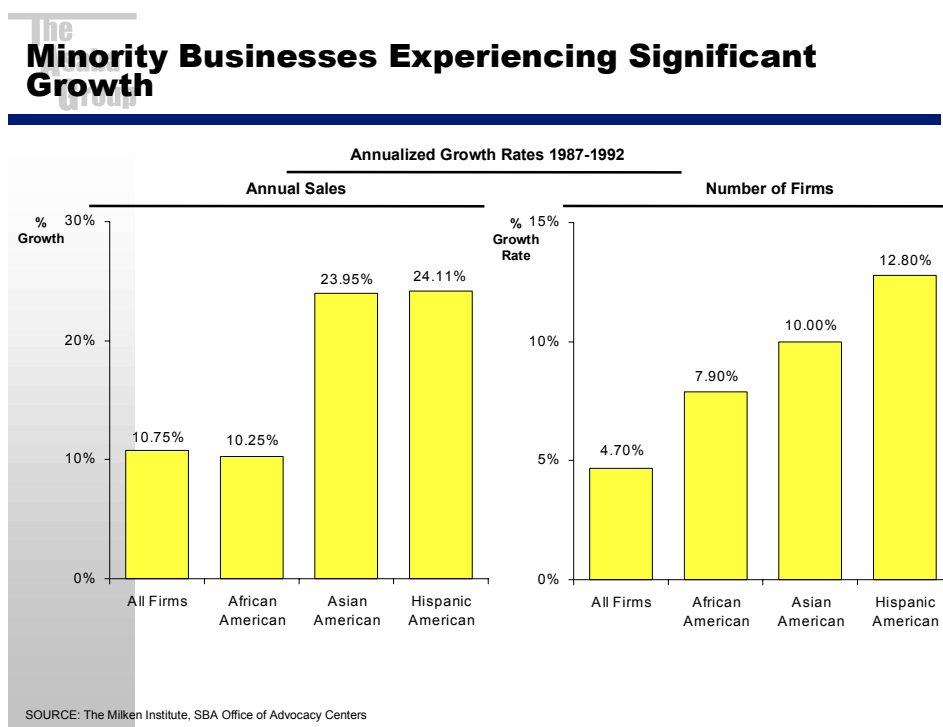


Profile of minority businesses (size and growth)

What is less known is that minority owned businesses have witnessed explosive growth during the last decade, and indeed have doubled the growth rates of all firms in the US economy (see chart seven). Even as minority firms and sales are under-represented when compared to population share. From 1987 to 1992, the total number of firms in the US economy increased by 4.7% and corresponding sales rose by 10.75%. Contrasted with minority groups during the same period shows the following:

- Hispanic-American owned firms increased by 12.8% and sales rose by 24.11%
- Asian and Native American owned firms rose by 10% with sales increase of 23.98%
- African-American owned firms increased by 7.9% and sales rose by 10.25%

Chart seven



According to 1992 US Census SMOBE records (does not include corporations), there were approximately 1.9 million minority owned businesses with total sales estimated at about \$205 billion dollars. The breakout by minority group is as follows:

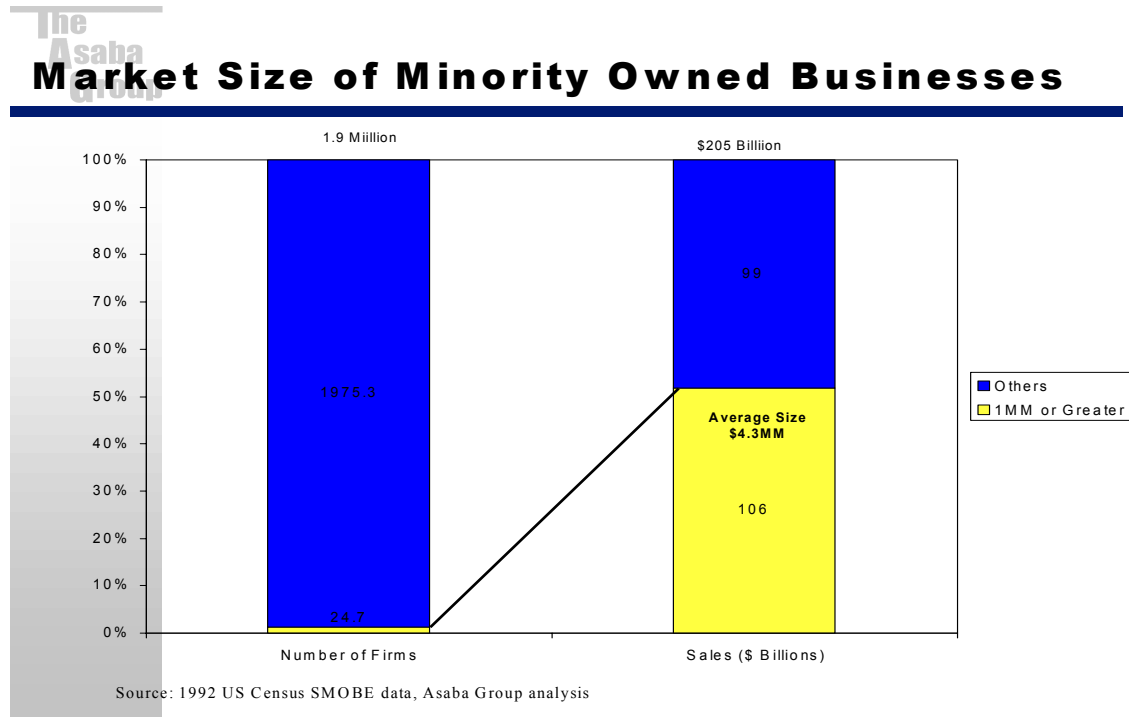
- Hispanic-American owned firms total 772,000 with total sales of \$72.8 billion
- Asian-American owned firms total 504,000 with total sales of \$91.7 billion
- African-American owned firms total 621,000 with sales of \$32.3 billion
- Native-American owned firms total 102,000 with sales of \$8.0 billion.

Extrapolation based on the annualized growth rates from 1987 to 1992, estimates the size of minority businesses in 1998 at about \$653 Billion dollars with total number of firms at 3.5 billion.

Minority businesses with sales greater than \$1million dollars in revenues, (less than 2% of all minority businesses), contribute sales of approximately 52% of total revenues from minority businesses (see chart eight). The average size of these firms is \$4.3 million in sales. These are the

larger minority businesses (typically with sales greater than \$100 million) which are concentrated in the general market segments or firms entering the expansion phase for growth.

Chart eight

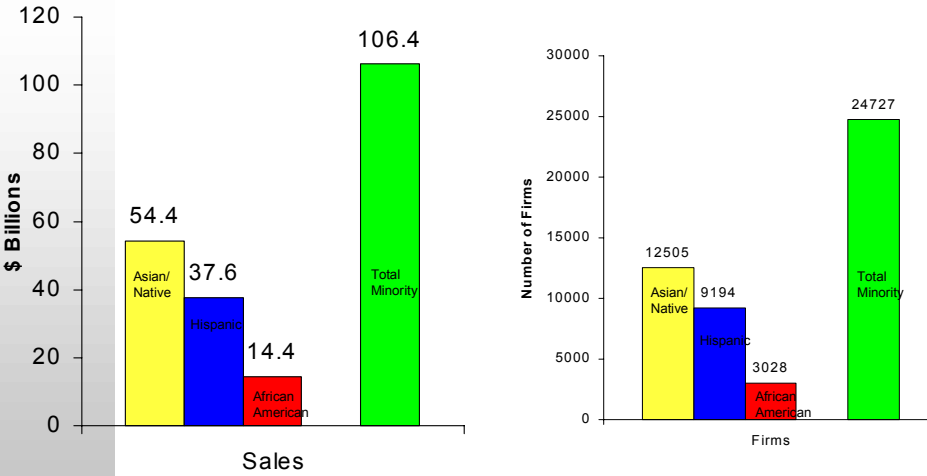


The breakdown of these firms by ethnic group is as follows (see chart nine):

- Native and Asian American total 12,505 firms with sales of \$54.4 billion
- Hispanic-American owned firms are 9,194 with sales of \$37.6 billion
- African -American firms total 3,028 with sales of \$14.4 billion.

Chart nine

Breakout of Minority Firms With Sales Greater Than \$1MM (By Ethnic Group)



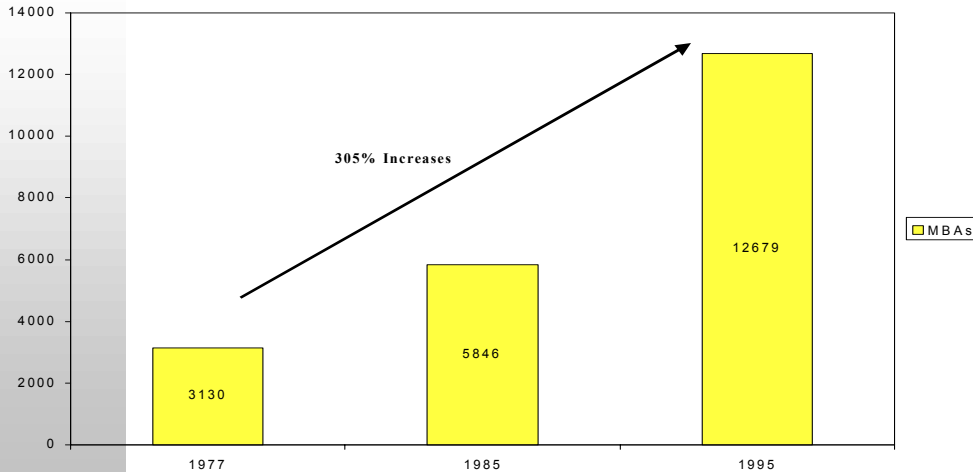
SOURCE: US Census Bureau, 1992 Economic Census

Profile of Minority Entrepreneurs

The new generation of minority entrepreneurs not only targets minority dominant markets, but also the general population. Increasingly, this generation of entrepreneurs not only posses the entrepreneurial skills of early generations, but are more educated and have gained credible experience within mainstream Corporate America. An important statistic, which highlights this trend, is the number of minority students conferred with a Master of Business Administration (MBA) degree. This has increased over 300% since 1977 (see chart ten)

Chart ten

Number of MBA Degrees Conferred On Minorities



SOURCE: Milken Institute, Fairview Capital Partners, US Dept of Education

This generation of entrepreneurs is focused on business-to-business market segments (construction, energy, distribution, transportation etc.) A look at the top minority businesses with sales greater than \$200 million indicates that three quarters of these companies are in the business-to-business segments. Chart eleven provides a list of minority owned businesses with 1999 revenues greater than \$200 million. This list was compiled from some available public data sources. In addition, only two companies in this group have a significant share of revenues from minority dominant markets and can be viewed as serving minority niche markets. (Chart eleven only includes one Asian American firm, none of the data sources listed 1999 revenues for other Asian American owned companies).

Chart eleven



Minority Businesses With Sales Greater Than \$200 Million

Rank	Company Name	Ethnic Ownership	1999	Business Sector
			Sales	
1	Cook Inlet Energy Supply	Native American	\$ 1,200	Energy
2	MasTec Inc.	Hispanic	\$ 1,100	Telecom
3	The Burt Automotive Network	Hispanic	\$ 1,003	Automotive
4	Goya Foods	Hispanic	\$ 685	Manufacturing
5	Ancira Enterprises Inc	Hispanic	\$ 525	Automotive
6	Mel Farr Automotive	African American	\$ 423	Automotive
7	World Wide Technology Inc	African American	\$ 413	Telecom
8	International Banshares Corp	Hispanic	\$ 401	Finance
9	Red Man Pipe & Supply	Native American	\$ 400	Construction
10	Philadelphia Coca-cola Bottling Co.	African American	\$ 395	Distribution
11	Johnson Publishing Co.	African American	\$ 386	Publishing
12	Active Transportation Company	African American	\$ 358	Transportation
13	Pan America Hospitals	Hispanic	\$ 339	Services
14	Troy Ford	Hispanic	\$ 329	Automotive
15	Sedano Supermarkets	Hispanic	\$ 311	Retail
16	The Related Group	Hispanic	\$ 303	Construction
17	The Bing Group	African American	\$ 302	Automotive
18	IFS Financial Corp	Hispanic	\$ 284	Finance
19	Lloyd A Wise Inc	Hispanic	\$ 262	Automotive
20	Saturn Electronics & Engineering Inc	Asian American	\$ 257	Electronic Mfg
21	March/Hodge Holding Company	African American	\$ 254	Automotive
22	Prestige Automotive	African American	\$ 253	Automotive
23	Chicago Truck Center	African American	\$ 230	Automotive
24	BET Holding Inc.	African American	\$ 225	Entertainment
25	Washington Cable Supply Inc	African American	\$ 212	Telecom
26	Spiral Inc	African American	\$ 208	Distribution
27	Don Coleman Advertising Inc	African American	\$ 202	Advertising

SOURCE: Asaba Group Analysis, Minority Business News, Hispanic Business, Black Enterprise

Perspectives from the members of the Minority Business Round Table (MBRT)

Members of the Minority Business Round Table (MBRT) represent a sample of minority businesses that represent a sharp contrast to prevailing misperceptions (see chart twelve).

Chart twelve

Minority Business Round Table Members

Rank	Company Name	Ethnic Ownership	1999 Sales	Business Sector	Chairman/CEO/President
1	Cook Inlet Energy Supply	Native American	\$ 1,200	Energy	Gregory Craig
2	Mel Farr Automotive	African American	\$ 423	Automotive	Mel Farr, Sr
3	Red Man Pipe & Supply	Native American	\$ 400	Construction	Craig Ketchum
4	Philadelphia Coca-cola Bottling Co.	African American	\$ 395	Distribution	Bruce Llewellyn
5	Active Transportation Company	African American	\$ 358	Transportation	Charles Johnson
6	Troy Ford	Hispanic	\$ 329	Automotive	Irma Elder
7	Chicago Truck Center	African American	\$ 230	Automotive	Robert Hatcher
8	BET Holding Inc.	African American	\$ 225	Entertainment	Robert Johnson
9	McBride and Associates	Hispanic	\$ 175	Services	Teresa McBride
10	Complas Inc	Hispanic	\$ 173	Telecom	Monica Garcia
11	Lopez Foods Inc	Hispanic	\$ 152	Food Processing	John Lopez
12	Ruiz Food Products Inc	Hispanic	\$ 125	Food Processing	Ricardo Alvarez
13	Essence Communications Inc	African American	\$ 123	Publishing	Edward T. Lewis
14	Corrella Companies	Hispanic	\$ 120	Manufacturing	John Corella
15	Mevatech	Hispanic	\$ 65	Services	Nancy Archuleta
16	Plastech	Asian American	\$ -	Automotive	Julie Brown
17	AGE Refining Inc.	Hispanic	\$ -	Services	Al Gonzalez
18	eOn Communications Corporation	Asian American	\$ -	Telecom	David Lee
19	Rush Trucking	Native American	\$ 50	Transportation	Andra Rush
20	Aleut Corp.	Native American	\$ 40	Diversified	Vincent Tutiakoff, Sr
21	WIN Labs Ltd	Asian American	\$ 75	Computers	Winfred Wu

SOURCE: Joint Center for Political and Economic Studies

These minority owned and operated businesses compete in different sectors of the mainstream economy. Those that historically focused on minority niche markets now participate in broader new segments to achieve profitable growth.

These businesses have achieved size, scale, and profitable growth by running their operations with world class best practices. Some of these best practices are:

- Creating a network of strong business alliances and relationships
- A relentless focus on continuous improvement
- Achieving cost competitiveness
- Instituting strong employee and management systems
- Creating an internal culture that encourages superior customer satisfaction

The minority entrepreneurs at the helm of these businesses all exhibit traits which are found in most highly successful business ventures. These traits are what MBRT members identify as their keys to achieving success. They are:

- A passion for excellence
- Persistence in the face of challenges and obstacles
- Being innovative
- Courage and intelligence
- Strong prior and exemplary business experience

All members of the MBRT have had to overcome obstacles that result from these misperceptions. Some of the obstacles mentioned are as follows:

- Access to capital for growth expansion, new ventures and working capital financing.
- Attracting world class managerial talent to their organizations
- Growing the business within the business-to-business environment

MBRT members' expectations and aspiration by being in business

Interviews with members of the MBRT regarding their expectations and aspirations of being in business reveals that the executives had a strong desire for financial independence and a need to control their individual destiny. Most believe in creating a lasting legacy. It was an issue of creating a business that could be passed on for generations. It was also one, which acted as a symbol to other minority entrepreneurs that success is achievable if you persevered and was determined regardless of the hurdles encountered. Also, all aspired to be the best they could be, and they had a passion for excellence. These expectations and aspirations are contrary to the misperceptions that minority business owners are limited in ambition. Below are, some noteworthy examples.

Ed Lewis of Essence Communications became an entrepreneur out of a desire to control his own destiny and be the best in his endeavors. Mr. Lewis desired to be the best and set a vision of building Essence Communications to be comparable to TimeWarner Inc. Today, Essence Communications is a \$125 million company; TimeWarner has become a strategic investor in the company. Mr. Lewis says: "I wanted financial independence, this means more than just surviving. I came from a family where my uncle had his own business. I recognized that no one (publication) served the needs of the women I admired [Mother, Aunts etc.]." However, his aspirations are more than just satisfying his needs but encompass creating a lasting legacy, which involves helping to create wealth in the community. "If I can hire 30,000 people like TimeWarner Inc., in the community, I can help solve a lot of problems."

Monica Garcia of Complas Inc. also views being in business as a path to create financial independence and control her own destiny. But, her desire to learn new things and confront new challenges is also very important. "I say being in business is learning something new everyday, everyday is indeed a revelation, everyday is indeed an adventure."

Craig Ketchum of Red Man Pipe & Supply became CEO after his father passed away. He aspires to make his father's dream a reality. "I am carrying the torch for Dad. Dad wanted to build something for the family. He could have sold the business, but it is more important to build legacy-for the family and employees."

Mel Farr Sr. of Mel Farr Automotive, while playing professional football, saw an opportunity to own an automotive dealership in 1968 and made that his goal. Today, Mel Farr Automotive has sales of approximately \$423 million. Mr. Farr can be characterized as a trailblazer. He was one of the early minority dealers in the automotive industry and now he pioneered a new debt asset class on Wall Street known as Urban Paper. Urban paper is a debt class, which securitizes higher credit risk automotive loans. This financial security was a grade below the sub-prime-debt class. These were loans typically made to customers with below average credit risk profiles and in most cases were urban dwellers. His business vision is built on a belief that urban transportation is a right and not a privilege. By creating new financial instruments, it enables urban consumers to have access to basic transportation. He says "two-thirds of all entry level jobs are created in the suburbs. The

urban dweller must have access to basic transportation. I believe it's a fundamental right just like any other utility service – water, light etc.”

MBRT members have significant prior experience in business

MBRT members possessed significant business experience from prior employment with mainstream corporations. In most instances, these executives occupied significant leadership positions in these corporations. These executives mirror the same profile of successful CEOs in Fortune 100 businesses: strong prior business experience with demonstrated leadership in high level positions. Bob Hatcher of the Chicago Truck Center began the business seven years ago. He had worked for General Motor Corporation for eighteen years. During this period, he spent time assisting minority owned dealership on a wide range of business issues. Ricardo Alvarez of Ruiz Foods Products was recruited from Burns-Philips, an Australia multi-national company. At Burn-Phillips, he was the president of the North American operations.

While, Monica Garcia at Complas Inc. started her company in 1989. She possesses over 25 years experience in international product distribution, warehousing, purchasing and marketing. Before starting Complas Inc., she worked at a wholesale record company and help set up two new divisions. She also gained international experience working in London. Mel Farr, Sr. while playing professional football, spent seven years during the off-season learning the automotive dealership business with Ford Motor Company.

Industry trends, obstacles to growth and expectation of firm's performance

MBRT members face the same business challenges like other companies in their respective sectors. In every instance, these executives have approached these challenges with innovation, winning business strategies, and perseverance. For Ed Lewis and Essence communication, the realization of the purchasing power of minorities has attracted increased and new competition. Not only from minority publications, but also from mainstream publishers whom are tailoring content to attract minority audiences. New competition is not only in publishing, but electronic media – radio television and the Internet. The explosive growth of ethnic portals is evidence of this newfound competition. However, the rising economic power of minorities has created some new opportunities for Essence Communications. Ed Lewis recently launched *Latina*, a new magazine to target the Hispanic-American market. Ed Lewis is building on Essence Communication competencies in delivering valuable editorial content to ethnic minorities.

Similarly, Ricardo Alvarez of Ruiz Foods sees the consolidation across the value chain in the foods industry as increasing the level of competitiveness of the industry. He is dealing with fewer but bigger customers who leverage their large volumes to get price concessions. Mr. Alvarez says “we are dealing with this trend by increasingly providing customers with more value. This requires being brand relevant and innovative with new products.”

Along with industry pressures, the misperceptions of minority businesses have created obstacles. MBRT members cite access to capital for growth as the primary obstacle.

Bob Hatcher of Chicago Truck Center addresses the issues of access to capital by picking financial partners who understood the difficulties, industry cycles, and challenges of his business and not just the upside. “I have picked financial partners who are familiar with the business, who understand the difficulties rather than only the upside. I selected not just lenders.”

Ed Lewis in Essence Communications provides some insights on how misperceptions have affected his business. “Vogue and Essence magazines have comparable circulation of approximately one million issues, but Vogue today has two to three times more advertising than Essence magazine.”

Mel Farr Sr. believes that misperceptions about minority businesses have slowed the full-scale adoption of Urban Paper as a viable financial instrument. “Lack of funding has prevented adoption of Urban Paper, I need to establish a track record to prove to Wall Street that this asset class has its financial merits.”

Opportunities for MBRT members to achieve their growth potential

With all these incremental challenges from the misperceptions, MBRT members have successfully grown their businesses both organically and by acquisitions. Bob Hatcher grew his business by acquiring other non-minority businesses in Milwaukee and Philadelphia. However, He strongly believes that growth should be executed in the context of achieving stronger cash flow positions and increased profitability. “I am not willing to grow for growth sake...It must improve my cashflow and profitability. I am targeting \$300 - \$400 million in revenues within the next five years.”

Monica Garcia’s Complas Inc. competes in the high growth and very dynamic telecommunications industry. For her, thinking ahead on how to deploy resources is essential. “We must be able to anticipate next moves...deploying assets, infrastructure and people in a constant challenge. Finding the necessary technicians is very challenging” With these challenges, Ms. Garcia has set her sights on building Complas Inc. to a \$1 billion company.

MBRT members’ best practices

One common theme in the management philosophy of MBRT members is the notion of running their organizations like a public company. This philosophy embodies the following best practices:

- Strong reporting systems of financial and operating performance
- Active and very effective corporate boards, with members who have shared and aligned interest with the business success. Also, selecting board members who bring valuable external and specialized expertise to bear in helping management achieve the required business objectives
- Strong rewards and culture-reinforcing incentive systems where the employees have aligned incentives with the business success.
- A willingness to deploy external professional expertise to solve business problems. For example, using top class management consultants, law firms, and accounting firms.
- Relentless dedications to building world class capabilities by investing and developing employees and hiring the right people who share essential values.
- Relationship management expertise: maintain close relationships with majority partners: customers, service providers, and capital providers.

Below are some perspectives from MBRT executives:

Bob Hatcher’s asset-intensive business requires a focus on maintaining cost competitiveness. This requires strong financial reporting systems. “It is very important I compare my expenses to the marketplace. It’s essential to be cost competitive.”

Gregory Craig of Cook Inlet Energy Supply Inc. captures the need for having world class professional advisors who share common values. “Cook Inlet is run like a public company. We surround ourselves with top-flight advisers like PriceWaterhouseCoopers (Auditors) and Mayer, Brown & Platt are our attorneys. Our advisers all share our philosophy. We all value diversity and inclusion.” Mr. Craig also highlights the need for teamwork and a collegial working environment – “We have very little hierarchy and excellent communication. Our culture encourages healthy debate and conflict. Our compensation system is self-reinforcing, we sink or swim together.”

Essence Communications also operates like a public company. It has a board, which consist of top class people that bring expertise and have accomplishments in their fields on endeavors. Individuals like Bruce Llewellyn, CEO of Philadelphia Coca-Cola Bottling Company, Inc. and Congresswoman Maxine Waters are board members. Ed Lewis says, “We run our company like a public company. Our board is not a rubber stamp. We had to persuade our board members to join”

Ricardo Alvarez of Ruiz Food Products believes aligned incentive and a strong board are important best practices. Currently, a phantom stock program exists for the management team and five out of eight board members are outsiders.

Monica Garcia at Complas Inc. is investing in building a Complas University focused on developing the technical competencies of Complas employees. In addition, she strives to create an environment, which brings out the best from her employees. “ I believe in treating people the way I want to be treated. I create an environment where employees can strive to be the best at what they do. It is essential that we hire employees who are like minded and share same core values.”

Ms. Garcia believes business relationships are essential. In order to be successful they must be defined early in the process and create a "win-win" for all involved.

Similarly, for Craig Ketchum of Red Man Pipe & Supply, valuing employees is critical to business success. He says, “ Treat everyone like they are part of the family. Our employees are our most precious assets.” Craig Ketchum took over the helms of the business after his father passed away, so he inherited a management team recruited by his father. Mr. Ketchum believes in surrounding himself with good, quality people who know the business and in creating the essential business processes that facilitates the decision making process.

Ed Lewis believes that hiring the best people and working with a partner who shares the same values are essential best practices. “Management is an art, it requires knowing how to work with and through people, but this is made more effective by hiring and retaining the best talent.” Regarding partnerships, he says, “my partner Clarence Smith is a co-founder of Essence Communications. We have been together from the onset, since 1969. This is because we share the same values.” Indeed very few partnerships in business have lasted this long.

Ricardo Alvarez’s perspective on retaining employees is to develop a culture where his company becomes the employer of choice. “I want you to come and work for us. We will give you the choice to work for us at a competitive pay in an environment that you can grow and achieve your individual aspirations”

Why members joined the MBRT and their expectations?

Most MBRT members joined for reasons which range from having a forum where they can advocate for policies that influence minority businesses, to providing a platform that can provide guidance for the next generation of minority entrepreneurs. Gregory Craig was a presidential appointee on the Presidential Export Council. He saw how effective it was in collaboration between government and private sector to influence policy. “I believe the MBRT can be an important focal point to bring issues to a spot light, just like the Presidential Export Council. The dovetailing of government and business leaders can bring action to a lot of good talk.”

Other MBRT executives share their reasons for joining the roundtable:

Mel Farr Sr.: “I joined because we need a platform for advocacy to government and corporations, to remove obstacles and allow us to create jobs and hire the people we need. Just like the majority business round table, they protect their interest so we at the MBRT should do the same.”

Robert Hatcher: “Significant government policies affect what we do. I needed a forum to voice my opinions especially those that are unique to minority businesses”

Ms. Garcia: “I have been involved in the local and regional level and I desired a national platform to make it easier for others (minority entrepreneurs) to grow and avoid the potholes I encountered”

Ed Lewis: “We as a force can be helpful in making sure that our concerns are heard and can in turn help a substantial number of minority owned and operated businesses”

Craig Ketchum joined the MBRT to help other minority entrepreneurs, and have a voice in advocating issues of concern. “My Dad was given an opportunity, and I would like to see others have an opportunity to succeed. Also, I joined the MBRT to learn from other members.”

Ricardo Alvarez joined to help provide a voice that showcases successful minority businesses. “We need to show that being “minority owned and operated” is not a crutch. We can compete against the very best, even the public companies”

Ms. Irma Elders joined the MBRT also to speak up and advocate issues that affect minority companies. She believes minority firms just need a chance, an opportunity to succeed, but not a hand out. She says “ Don’t fish for me, show me how to fish and let me get to the river. We must remove the obstacles that prevent access to the river and I will survive.”

Reference sources

1. “Mainstreaming minority business – Financing domestic emerging markets” by The Milken Institute Feb 1999
2. The Black Enterprise 100, June 2000 issue
3. Minority Business News The MBN100
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5. US Census 1992 Enterprise Statistics

**Minority Owned Business With Revenues Greater
Than \$100 Million.**

Rank	Company Name	Ethnic Ownership	1999 Sales	Business Sector
1	Cook Inlet Energy Supply	Native American	\$ 1,200	Energy
2	MasTec Inc.	Hispanic	\$ 1,100	Telecom
3	The Burt Automotive Network	Hispanic	\$ 1,003	Automotive
4	Goya Foods	Hispanic	\$ 685	Manufacturing
5	Ancira Enterprises Inc	Hispanic	\$ 525	Automotive
6	Mel Farr Automotive	African American	\$ 423	Automotive
7	World Wide Technology Inc	African American	\$ 413	Telecom
8	International Bانشares Corp	Hispanic	\$ 401	Finance
9	Red Man Pipe & Supply	Native American	\$ 400	Construction
10	Philadelphia Coca-cola Bottling Co.	African American	\$ 395	Distribution
11	Johnson Publishing Co.	African American	\$ 386	Publishing
12	Active Transportation Company	African American	\$ 358	Transportation
13	Pan America Hospitals	Hispanic	\$ 339	Services
14	Troy Ford	Hispanic	\$ 329	Automotive
15	Sedano Supermarkets	Hispanic	\$ 311	Retail
16	The Related Group	Hispanic	\$ 303	Construction
17	The Bing Group	African American	\$ 302	Automotive
18	IFS Financial Corp	Hispanic	\$ 284	Finance
19	Lloyd A Wise Inc	Hispanic	\$ 262	Automotive
20	Saturn Electronics & Engineering Inc	Asian American	\$ 257	Electronic Mfg
21	March/Hodge Holding Company	African American	\$ 254	Automotive
22	Prestige Automotive	African American	\$ 253	Automotive
23	Chicago Truck Center	African American	\$ 230	Automotive
24	BET Holding Inc.	African American	\$ 225	Entertainment
25	Washington Cable Supply Inc	African American	\$ 212	Telecom
26	Spiral Inc	African American	\$ 208	Distribution
27	Don Coleman Advertising	African	\$ 202	Advertising

28	Inc H. J. Russell & Co.	American African	\$	191	Real Estate
29	Fuci Metal USA Inc.	American African	\$	186	Importation/Distribution
30	Molina Healthcare Inc	Hispanic	\$	184	Healthcare
31	Granite Broadcasting Corp.	African	\$	182	TV Broadcasting
32	Hawkins Food Group	American African	\$	176	Retail
33	McBride and Associates	Hispanic	\$	175	Services
34	Siméus Foods International Inc	African	\$	175	Food Processing
35	S&J Enterprises	American African	\$	174	Automotive
36	Complas Inc	Hispanic	\$	173	Telecom
37	Mexican Industries Inc	Hispanic	\$	170	Telecom
38	Eagle OPG Inc	African	\$	170	Distribution
39	Alert Staffing	American African	\$	161	Services
40	Sayers	American African	\$	161	Services
41	32 Ford Mercury Inc	American African	\$	157	Automotive
42	Lopez Foods Inc	Hispanic	\$	152	Food Processing
43	Armstrong Holdings	African	\$	150	Diversified
44	Mays Chemical Company Inc	American African	\$	149	Distribution
45	Avanti/Case-Hoyt	Hispanic	\$	147	Manufacturing
46	Southgate Automotive Group	African	\$	142	Automotive
47	Government Micro Resources Inc	American Hispanic	\$	140	Services
48	Thos S Byrne Inc	Hispanic	\$	135	Construction
49	Barrett Holdings Inc	Hispanic	\$	130	Automotive
50	Ruiz Food Products Inc	Hispanic	\$	125	Food Processing
51	Essence Communications Inc	African	\$	123	Publishing
52	Anderson-Dubose	American African	\$	122	Food
53	Total Premier Services Inc	African African	\$	121	Services
54	Corrella Companies	Hispanic	\$	120	Manufacturing
55	Navarro Discount Pharmacies	Hispanic	\$	116	Retail
56	Lou Sobh Pontiac Buick GMC Inc	Hispanic	\$	110	Automotive
57	Electrowire Inc	Asian	\$	109	Telecom

58	Belle Of Orleans LLC	American African	\$	101	Entertainment
59	Modern Technologies Corp	American Asian American	\$	101	Services

Source: Asaba Group Analysis, Joint Center For Political and Economic Studies, Public available data