DO MINORITY BUSINESS PROGRAMS REALLY WORK?

My buddy is a banker and is consistently asked to help fund a community based minority business program. In the past he always said yes without much question. He figured it was good PR and who knows; it might actually make a difference. This year, with tighter budgets, he decided to ask me the big question do these programs really work? Even to my own surprise, I struggled to answer the question. I wanted to say yes because of the work we do, but I couldn’t. Actually, I couldn’t say no either. The real answer is “it’s complicated.” Over the last 12 months our organization evaluated more than 60 programs designed to assist minority businesses. Every organization (especially non-profits funded with other people/s money) should periodically have an objective a third party evaluation I’m amazed more board members and funders don’t require it. What we found can serve as a type of checklist for anyone who funds, runs, lead or cares about the impact of such programs. Programs that “work” ALL have similar characteristics:

1. **A very clear mission.** You have to be able to answer the question of what you mean by “work”. Effective programs know who (or what) they want to impact and how they want to impact them. Programs that work don’t attempt to boil oceans, but they ignite glass beakers to overflow their capacity. Doing less is more effective.

2. **Meaningful metrics** (and goals for each). Effective programs always count what matters to the mission and what matters to the mission always has to do with moving businesses forward. Of course, programs have to track the stuff the funders want tracked. Programs that work also track the stuff they know makes the difference. Meaningful metrics typically fall into two types of buckets. What the participant has that is new (money, financial statements, new contacting relationships, etc.) and what they have the capacity to do (make effective sales calls, get higher level of bonding, etc.) as a result of working with a program.

3. **Mutual expectation.** We found no program that worked without the presence of mutual expectations. Some people think you have to charge a fee to make something valuable. However, we found you only have to value something to make something valuable businesses can’t “use” your program without clear expectations for what they will do in their own behalf. It is a tough lesson, but it’s true, effective programs realize you cannot help someone if they will not help themselves.

4. **Actual accountability.** Meaningful metrics and mutual expectations are two legs to the three legged stool and accountability is the third. If we know what we want, have meaningful metrics to track it and expectations of everyone doing their part - the last step is taking action when they don’t. Effective minority business programs hold themselves and their participants accountable. If you say you have access to decision makers, you better have it. If firms are to regularly submit financials to your organization then they better. A minority firm should not want to be a part of a program with no accountability and a program should not want a firm involved that won’t be accountable. Effective programs understand this is the final and most important element to ensure a return on the investment of all parties.
Of course other things matter too. The quality of the staff is another factor to consider. But the four factors above are the DNA of success. And before you ask, no it doesn’t matter what level of business you are seeking to serve or assist. We looked at all types. These are many practical reasons organizations believe they can’t do the things effective programs do. One of the leading reasons is a motivation to have more participants involved to show funders and others you are serving big numbers. Even corporate supplier diversity programs occasionally fall into the trap of believing more minority suppliers in their database is a good thing. I get the conflict you may face in this area. If you increase expectations and accountability too high it will likely drive participants out. Organizations that “work” have the same challenges and they simply figure it out. They work with their board, their boss or their funders to reach some type of balance. Some have decided to serve the “masses” with some level of service (because they have to) and reserve their best stuff for those firms who are more committed. We also found those organizations that had given up on being effective a long time ago. They’re locked in a cycle of self justification for the simple sake of maintaining their position. The only thing I can say is make sure your leadership doesn’t call us. We are on a mission to be able to answer my buddy’s question with a smooth and confident, yes; as a matter of fact they do work. After this long answer, my buddy said he was sorry he asked. You may be too. All I could say was “I warned you it was complicated.” But at least now you know. That’s what I think. What do you think? E-mail your comments to Diaglogue@entrethinking.com.

By: Melvin J. Gravely, II 2010

Dr. Mel Gravely is the author of seven books including, Getting to the Next Level: Business, Race and Our common Goal to Be Competitive. He is also the Managing Director of the Institute for Entrepreneurial Thinking, Ltd. Contact him by email at Mel@Entrethinking.com.
The 6th Annual

RELATIONSHIP TO PARTNERSHIP SESSIONS
November 9, 2010

Purdue University, Stewart Center
128 Memorial Mall, West Lafayette, IN

KEYNOTE SPEAKER A’Lelia Bundles
Author, Journalist & Professional Speaker


In early 2006, Ms. Bundles became a fulltime author and professional speaker after enjoying a 30-year career as an executive and producer in network television news. From 2000 to 2006 she was director of talent development for ABC News in Washington, D.C. and New York.

The mission of the SDDC is to encourage diversity and support creative solutions that result in long term partnerships between small diverse businesses and the larger members of the Greater Lafayette Business Community. Coalition members realize that developing strong business relationships is profitable.

supplierdiversity@purdue.edu
INDUSTRY GROUP SEEKS TO HIGHLIGHT IMPACT INSOURCING ON SMALL BUSINESSES

A group of small business federal contractors, led by the government's former top career procurement official, has come together to put a human face on the Obama administration's effort to bring contracted jobs back into agencies.

Washington law firm Venable LLP announced Friday the formation of the Small Business Coalition for Fair Contracting. Composed of Venable clients and other contractors, the group argues the push to insure thousands of contractor positions will have severe repercussions for small businesses.

The coalition plans to spend the next several months talking to lawmakers and federal officials about the "unintended consequences" of insourcing for small businesses, said Venable partner Rob Burton, who is spearheading the initiative.

"The timing of this insourcing initiative, in view of the economy and the administration's desire to create more jobs, is not good," said Burton, who served a deputy administrator at the Office of Management and Budget's Office of Federal Procurement Policy during the administration of George W. Bush. "Pulling jobs out of the private sector in this economy is not good public policy."

While well intentioned, Burton said insourcing threatens to take work away from hundreds of small entrepreneurs.

He said the initiative already has forced small contractors across the nation to reduce the scope of their operations as their contracts are canceled and employees are hired into government jobs. One Venable small business client recently lost 20 percent of its workforce when its contract was insourced and the Defense Department hired many of its employees, according to Burton.

"I've also have heard about companies going out of business," he said.

OMB did not respond to a request for comment about the coalition.

President Obama came to office pledging to reduce the government's reliance on contractors to perform core services. Last summer, the administration told agencies to cut their overall contracting budgets by 7 percent and to launch pilot insourcing programs. In late April, agencies submitted reports to OMB detailing the results of the programs. OMB is in the process of reviewing those reports.

"It's not a healthy situation," OFPP Administrator Daniel Gordon said in a March interview with Government Executive. "There are way too many stories where it looks like the government has lost control of its own operations."

The insourcing push has been most pronounced at Defense, which plans to reduce its percentage of support service contractors from 39 percent of the workforce to the pre-2001 level of 26 percent. The Pentagon plans to replace those contractors during the next five years with 39,000 new full-time government employees, 20,000 of whom would be acquisition professionals.

Defense officials plan to insure contracted services in areas such as logistics support of aviation systems, safety engineering, cost accounting, anti-terrorism training and religious support. The plan has been heavily criticized in recent weeks by industry groups, who argue the initiative is poorly planned and driven by quotas.
"I know of one company [whose employees were] given 48 hours to join the [Defense] workforce," Burton said.

The coalition only has a handful of members at this point, but Burton said interest has been growing rapidly. The group plans to form a steering committee in the next few weeks, in time to issue comments on the administration's proposed guidance on work that is inherently governmental. Comments are due on the policy by June 1.

The coalition also plans to push for more small businesses procurement opportunities. In fiscal 2008, small businesses received 21.5 percent of all federal prime contracting dollars. The federal statutory goal is 23 percent.

By Robert Brodsky rbrodsky@govexec.com May 10, 2010

NAWBO INDIANAPOLIS

NAWBO-INDIANAPOLIS ANNOUNCES 2010-2011 BOARD OF DIRECTORS

INDIANAPOLIS - The Indianapolis chapter of the National Association of Women Business Owners (NAWBO-Indianapolis) has announced its new board of directors for 2010-2011.

The executive committee includes:

- President: Judy Montgomery, VTI Contracting; VTI, Inc.
- President-Elect: Sally Stephens, Spectrum Health Systems
- Vice President: Diana Maxam, ProMed Medical Management, Inc.
- Secretary: Deborah Oatts, Nubian Transport Management
- Treasurer: Penny Lutocka, London Witte & Company, LLP
- Immediate Past President: Dottie Hancock, Eaton & Hancock Associates, Inc.

The directors include:

- Diana Brenner, Brenner Design; B&B Barricades and Supply, LLC
- Kathy Cabello, Cabello Associates
- Ann Fisher, HR Alternative Consulting, Inc.
- Jill Hall, Repro Graphix, Inc.
- Janet Harris, CruiseOne MJHarris; Sales-Link, Inc.
- Lisa Jeff, L’Acquis Consulting Engineers
- Jeryl Mitsch, Mitsch Design
- Anne Sellers, Sensory Technologies
- Barb Scheitlin Smith, Scheitlin Communications, Inc.
- Erin Smith, The Stitch Smith
- Stacey Smith, Prairie Quest, Inc.
- Janet South, DECO Group

NAWBO national board member, Billie Dragoo, of RepuCare, Inc. and RepuStaff LLC, will assume the role of Emeritus Advisor for 2010-2011.

MEDIA CONTACT: MaryKay Scott | Chapter Administrator | (317) 608-0252 | mscott@nawboindy.org
Google and SBA Launch “Tools for Online Success” Partnership to Boost Small Businesses

WASHINGTON, DC – Today the U.S. Small Business Administration (SBA) and Google announced a new partnership and unveiled “Tools for Online Success,” an array of online resources and training designed to help small business owners harness technology to grow their businesses. The “Tools for Online Success” site (http://www.google.com/help/sba) features tutorials, video testimonials, and tips from savvy small business people who have leveraged the web to become more efficient, more cost-effective, and more successful.

"The SBA is pleased to partner with Google to put these important tools in the hands of small businesses across the country," said SBA Administrator Karen Mills. "As the web evolves and consumers adapt accordingly, we know that more customers are finding traditional 'Main Street' businesses online. With these tools for online success, we can ensure these small businesses reach new markets and customers so they can continue to create jobs."

"One fifth of searches on Google are related to location, which shows that people are looking to the Internet to make decisions about where to go and what to do in their daily lives," said John Hanke, Vice President of Product Management, Google. "We want to connect our users with the businesses that provide the goods and services they need, but the first step is for those businesses to have an online presence. We're excited to team up with the SBA to make that process easier for business owners across the country."

Google and the SBA unveiled the partnership during a forum held today at the SBA’s national headquarters in Washington, D.C., and broadcast live online to press and small business owners across the country. Susan Holt, Principal and Owner of CulinAerie, a recreational cooking school in downtown D.C., shared her experiences working with the SBA and explained how she has used online tools like Google Places and Search Engine Optimization (SEO) to attract more aspiring cooks.

Holt is just one of the many small business owners from across the country who are sharing how they’ve used online tools to reach new customers. Many are featured in the video testimonials found at the “Tools for Online Success” site. Each video documents the unique success stories that these small businesses have created using online technology:

- **Masha Hleap-Hershkovitz**, Owner of **Fuego Mundo** in **Sandy Springs, Georgia**, uses social media to request feedback from restaurant customers for improvement. Ms. Hleap-Hershkovitz even used social media to name her restaurant. “We bounced back and forth with a potential name for months, and we were kind of bottle-necked,” she says. “We put it out there [on social media], and it came back 70 percent ‘Fuego Mundo.’” Visit [http://www.fuegomundo.com](http://www.fuegomundo.com).
• Sean Vahey, Owner of Humphry Slocombe Ice Cream in San Francisco launches new menu items and cultivates a worldwide following for his company’s unique ice cream flavors using social media and Google Places. “I don’t have a lot of time to do marketing,” Mr. Vahey says. “I don’t have a lot of time to sit down and reach out to people. I’m able to get on the computer and two minutes later, I’ve gotten the word out...Our Google Places page is important, because it’s got all of our information in one spot - our website, our phone number, you can see where we are on a map, and you can even get directions.” Visit http://www.humphryslocombe.com.

• Sumul Shah, Owner of Lumus Construction in Woburn, Massachusetts, uses its website and online maps to research projects all over the United States and show potential customers examples of its past work. According to Mr. Shah, “Customers can see and visualize the types of projects and the complexity of the work we do...In the future, our website will not only talk about how much renewable energy we’re building, but we’ll actually quantify it. We’ll be able to take live data coming from all the wind turbines and solar panels that we’ve installed, simulate it, and be able to report not only how much energy we’re producing, but also what the environmental benefits are.” Visit http://www.lumusinc.com.

• Aliyyah Baylor, Owner of Make My Cake in Harlem, New York City, redesigned her website to display vivid imagery of its baked goods. Make My Cake is family-owned and operated, and Ms. Baylor says, “Our website is an extension of our business when it’s too busy for someone to answer the phone. It’s our virtual salesperson, and that is very key.” Visit http://www.makemycake.com.

• Mandy Scott, Owner of Mandy Scott Flowers in San Francisco uses highly targeted online advertising to help her premium flower boutique compete with national brands on a small marketing budget. She says, “We are tiny compared to the big players. I can’t hope to compete with them on any kind of national scale, but I feel locally we do very well. Showing up in both natural and paid search results is important for us because we want to be on a level playing field with the big guns.” Visit http://www.mandyscottflowers.com.

• Jessica Soler, Owner of Salon Red in Decatur, Georgia, uses a website and local online listings to help her customers find salon locations and book appointments. She says, “A great example of how the web helps Salon Red is we were nominated with one of the local papers to be a ‘Best Of’ salon in Atlanta, and tons of people went online to vote for all of our locations. We just were flooded with business, and it all came from online.” Visit http://www.salonred.com.

• Christopher Bartlett, Owner of Skaters Landing in West Hartford, Connecticut, uses online videos to teach customers from all over the world how to properly shop for and use ice skating products. “We really were able to reach out to new markets,” says Mr. Bartlett. “I don’t look at [our online efforts] as a place to go to and hard sell, but to really talk with people and answer some of the questions that people might have.” Visit http://www.skaterslanding.com.
Louis Rossetto, CEO of TCHO in San Francisco brings a start-up mentality to his company’s premium chocolate production. TCHO uses web analytics to constantly improve its website’s layout, ensuring consumers are engaging with its products in the most effective way possible. “You can’t be a modern company without using modern tools, and online is just fundamental to being in business today,” says Rossetto. “Our website represents our direct link to our customers. We use it to explain who we are, engage our community, and it’s certainly a storefront for us. You’re inviting the whole world into your store if you do that online.” Visit http://www.tcho.com.

Continued success stories like these are the goal of the Google/SBA partnership. Visit the “Tools for Online Success” website for a full run-down, but here are a few easy tips all small business owners should be using:

- **Establish your online presence.** One out of five searches on Google are related to location. Most local online listings such as Google Places are free, and if your business doesn’t have a website, there are ready-made site templates and free hosting services that make establishing an online presence easy.

- **Use free marketing to reach customers.** You can build a fan base with free services like YouTube, Facebook and Twitter that keep your customers in-the-know about new products or specials and aware of promotions. These services are great “word of mouth” platforms - where a customer following you might tell their friends about your business.

- **Know your customers.** Easy to use web analytics tools can tell you a lot about your customers by analyzing what search term brought them to your website or what they look at while they are there. This information can help you make smart decisions about what you feature and what search terms you should run search ads on.

- **Keep an eye on the latest trends.** The growing popularity of smartphones means that more and more customers are searching for local information on the go. This makes it all the more important that a business’s online presence be accurate and up-to-date. You can link to your menu, give users driving directions, and even post digital coupons.
NATIONAL ASSOCIATION FORMED TO ADDRESS M/W/DBE MATTERS

The National Association of State Minority, Women and Disadvantaged Business Enterprise (M/W/DBE) Directors officially incorporated on April 27 to promote business development among minority, women and disadvantaged business enterprises in communities and states throughout the United States.

"The formation of this National Association presents a tremendous opportunity for states to come together to learn best practices from each other," said Ron Marlow, Assistant Secretary for Access & Opportunities for the Commonwealth of Massachusetts and Chair and President of the Association. “We represent a new forum to bring forward federal and state policy and programmatic initiatives that foster equity of opportunity among minority, women and/or disadvantaged business enterprises."

The Association will include state M/WBE procurement and supplier diversity programs as well as state transportation department Disadvantaged Business Enterprise (DBE) programs. States that have business development programs geared toward M/WBEs also will be included.

The Association is a nonprofit corporation whose activities will consist of an email listserv for state M/W/DBE directors and managers, ongoing discussion and sharing of ideas and best practices, regular conference call meetings, online staff development seminars and conferences. The Association also will be coordinating with the federal government to find synergy between federal M/W/DBE programs and state programs and initiatives.

“With so many firms struggling, our focus on creating economic and business development opportunities for minority, women, disadvantaged and small business firms is more important than ever,” said Bridget Wall-Lennon, the Association’s Vice Chair and Director or North Carolina’s Office for Historically Underutilized Businesses. “Advocacy to increase procurement and contracting opportunities within state government and the public and private sector will promote jobs and business growth for years to come.”

The goals of the association are to:

- Increase national visibility and awareness of state M/W/DBE programs and missions;
- Provide focused networking nationally among professionals in the field;
- Create a formal professional development and training program for the M/W/DBE industry;
- Develop mechanisms to support and encourage others to join the industry through scholarships or other outreach programs;
- Survey and document the history, present and future of M/W/DBE programs nationwide;
- Disseminate local and national policy changes and court decisions affecting M/W/DBE programs;
- Educate and inform local, state and federal lawmakers on issues relevant to the M/W/DBE industry;
- Increase the development, implementation, and effectiveness of state M/W/DBE programs.
The formation of the Association follows several activities led by the **Insight Center for Community Economic Development**, including the first-ever study of all 50 states’ M/W/DBE programs, a gathering of state M/W/DBE directors in Kansas City in 2008, and an email listserv begun in late 2008 that includes state directors from 43 states. The association was incorporated with the assistance of Tim Lohrentz, Director of the **Inclusive Business Initiative** at the Insight Center for Community Economic Development.

Nine persons make up the Board of Directors of the Association, including:

- Chair & President: Ron Marlow, Assistant Secretary for Access & Opportunities, Executive Office for Administration & Finance, Massachusetts
- Vice-Chair: Bridget Wall-Lennon, Director, Office for Historically Underutilized Businesses, North Carolina
- Secretary: LeRoy Romero, State Director, Minority Business Office, Colorado
- Treasurer: L. Jay Burks, Director, Office of Minority & Women Business Enterprise, Delaware
- Melinda Carter, Director, Equal Opportunity, Department of Administrative Services, Ohio
- Cynthia Cooper, Director, Office of Minority & Women’s Business Enterprises, Washington State
- Donna Lowery, Targeted Small Business Program Manager, Department of Economic Development, Iowa
- Robert Padilla, Disadvantaged Business Enterprise Program Manager, Office of Civil Rights, California Department of Transportation
- Ken Talley, Minority Business Coordinator, Department of Commerce, Oklahoma

By: Business Initiative E-Newsletter -- Contact: Tim Lohrentz, 415-250-7879
Developing New Business Relationships

Since 1969, Turner has been training minority- and women-business owners in the disciplines practiced in the construction industry. This program has been uniquely designed to enhance the technical, administrative and managerial skills of minority and women businesses in order to make a profit and build a reputation for efficiently managing construction projects. Individuals enrolled in the program gain insights and meaningful tools that help them target their business for quality and growth and develop new, strategic business relationships. There are over 15,000 graduates of the program.

The Turner School of Construction Management Fall 2010 Schedule

Turner Construction Company will once again host a series of free seminars for minority, women and veteran owned businesses. The program, which is co-sponsored by Purdue University and the City of Indianapolis, is an opportunity for MBE, WBE and VBE firms to further develop and improve operations while networking with others in the construction industry. The sessions will begin on Thursday August 5, 2010 and continue for ten consecutive weeks. All sessions will take place from 6:00 p.m. to 8:00 p.m. and will be located at Purdue University’s Intech Park location (6640 Intech Blvd.) Please call Tiffiny Summers with Turner Construction Company at 317.708.3125 to register for the course. Please register by July 26, 2010. Space is limited to first 40 participants.

Class 1 – Setting up a Business: Legal, Banking & Accounting Basics for Construction Firms
Thursday August 5, 2010

This class introduces the basics of setting up a business in the construction industry. The topics include the components of a business plan, how to select an accountant, the type of legal counsel an emerging business should look for, how to select a bank, and what the bank looks for in a company.

Additionally the class will cover accounting basics for construction contractors, covering major components of the financial statement. This session will also answer your tax questions.
Class 2 – Project Delivery Systems and Contract Risk Management
Thursday August 12, 2010

This class introduces the concept of project delivery systems and five commonly used project delivery systems: lump sum, cost plus a fee, construction management, design–build, and program management. It also provides a brief review of the commonly used contract forms. In addition, this class addresses the issues that relate to contract risk management such as the use of attorneys, avoiding litigation, and litigation management.

Class 3 – Management
Thursday August 19, 2010

This class, which introduces the participants to the fundamentals of managing a company, covers various business-side and project-side issues such as strategic planning, effective management practices, relationship building, government compliance, contract provisions, risk management, and notification requirements.

Class 4 – Scheduling
Thursday August 26, 2010

This class first provides an overview of scheduling and why it is important. It then introduces the scheduling process and various scheduling software programs. Finally, it introduces you to the two most commonly used construction schedules: the area schedules and the look-ahead schedules.

Class 5 – Safety
Thursday September 2, 2010

This class introduces the participants to the fundamentals of safety management in the construction industry. Topics include the importance of safety awareness, business-side and project-side issues, and resources such as check lists and sample safety programs.

Class 6 – Estimating, Bidding and Procurement
Thursday September 9, 2010

This class introduces the basic concepts of estimating and procurement. It provides detailed discussion of the bidding process, including the bidding processes from the GC to the client in order to get the work and the bidding process from the subcontracts to the GC in order to select the subcontractors.

Class 7 – Insurance and Bonding
Thursday September 16, 2010

This class introduces the basic concepts of insurance and bonding and the typical insurance and bonding requirements for construction projects. It also addresses compliance issues and provides tips on how to purchase insurance and bonding, as well as, how to maintain insurance and bonding relationships.
Class 8 – Field Operations  
Thursday September 23, 2010

This class introduces the participants to the field operations management process. Additionally, business-side issues such as risk management plans, quality and safety programs, project oversight, relationships and project post mortem are discussed. The class also focuses on project-side issues such as preparing for project start, job management, job review meetings, record keeping, relationships and project closeout. This course will also discuss job costing and the main concepts associated with job costing.

Class 9 – Experienced Minority and Women Business Enterprise Roundtable  
Thursday September 30, 2010

This class will allow participants to interact with some of the most successful Minority and Women Business Enterprises within the Built Industry. Participants can ask questions of the panel members on how they have achieved the success that they enjoy today and the hurdles they have faced along the way. Class participants will have a unique opportunity to tap into the lessons learned by these experienced business owners.

Class 10 – Graduation and Networking Event  
Thursday October 7, 2010

In this final class of the Construction Management program, participants will be honored for their time and achievement with a graduation ceremony. Additionally, the graduation will be utilized as a networking event for the students, as representatives from the largest buyers of construction services in the area will be invited to attend. Additionally Turner will invite majority firms that complement the trades represented by the class participants. The goal is to initiate dialog that may lead to future partnering opportunities.

Participants who graduate* from the series will be eligible to take an on–line OSHA 30–Hour certification course through Turner’s Knowledge Network. The price of the certification will be at Turner’s cost, which is $160. The standard rate for the on–line training is $595. Furthermore, graduates will receive additional hours of web–based learning courses, such as “How to Read and Analyze Financial Statements” through the Turner Knowledge Network.

*In order to be considered a Construction Management program graduate, participants must attend a minimum of seven of the ten scheduled sessions.

ANNOUNCEMENTS

The Office of Supplier Diversity Development would like to welcome Terry Turner, our new Graduate Assistant. He started working for us in June and is from Dayton, Ohio. Terry has submitted the following bio for us to share with you:
In 2002 I received a Bachelors of Arts in Political Science from Wilberforce University. I attended the Ohio State University and graduated in 2006 with a Master of Arts in African American and African Studies with a concentration in African-American Politics. Afterwards I served as a research assistant with the Ohio State University Community Extension Center. Much of my research focused on the media’s attention on civil rights groups. After I finish my masters degree at Purdue University I plan to pursue my Ph.D. Ultimately, I want to teach at the university-level.

There is much that I look forward to as an intern in the Office of Supplier Diversity Development. I am excited to be able to gain wisdom from experienced professionals who are committed to enhancing diversity at Purdue University. I look forward to working alongside people who have a sincere desire to assist minority and women-owned businesses find opportunities to work with the University. I am glad to be a part of an organization that values the contributions of diverse vendors within the community.