

# BUSINESS NEWS

Winter 2008 Issue

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## Minority Business Viewpoint

*Ronald N. Langston, National Director*



Ronald N. Langston

To the National Minority Business Enterprise Community, the MBDA Team and Strategic Partners:

As we start the new year, this is my final message as the National Director of the Minority Business Development Agency. Since March 19, 2001, it has been an honor and a privilege to serve the national

minority business enterprise community. I sincerely thank President Bush, Secretary Evans and Secretary Gutierrez for the appointment.

Together, we have learned that the keys to entrepreneurial success are *access to capital, financial literacy* and the ability to *use technology as an e-Business tool*. MBDA has focused its programs, policies, and strategic initiatives around these keys to support minority-owned businesses in order to create new jobs, impact local communities and regional sectors, and to compete in the global marketplace.

These initiatives include:

- The **Strategic Growth Initiative**: Operating with the premise that business size, scale and capacity matter.
- The **Access to Capital initiative**: The linking of financial institutions and equity investors to

minority businesses to increase their capacity and growth.

- MBDA's **Business to Business Forums**: Designed and implemented to connect minority businesses with small and medium enterprises domestically and globally to form strategic alliances and increase capacity.
- The expansion of MBDA's presence in the **Gulf Coast**.
- And finally, the **National and Regional Minority Enterprise Development (MED) Week conferences**: The annual event in which MBDA recognizes and celebrates the best and brightest achievements of the national minority business enterprise community.

I especially want to thank the entire team at MBDA for their support and confidence. To the network of funded centers who serve as our strategic partners in providing technical and managerial assistance, we thank you for your professionalism and for embracing MBDA's entrepreneurial vision.

Finally, I thank you for welcoming me into your communities. I shall remember you fondly and ask you to continue the mission of enhancing the growth and expansion of minority business enterprises.

Looking forward, it is my intention to do what I encouraged and coached many of you to do: become an entrepreneur. I also plan to write a book about leadership.

*I ask for your prayers and thank you for one of the great experiences and joys of my life...serving you!*





# Minority Women-Owned Businesses Grow Nationwide

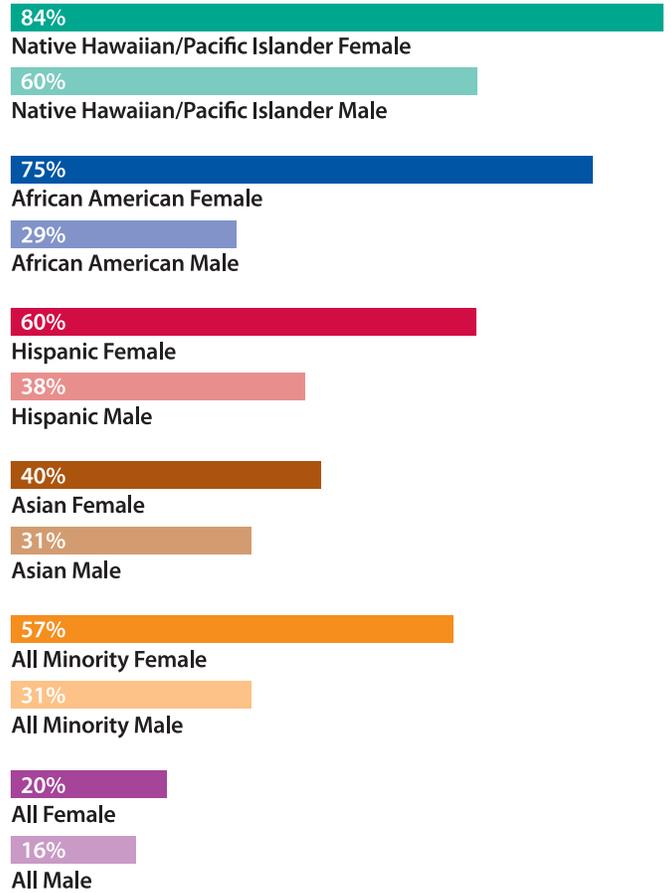
According to recent data released by MBDA, women – among all minorities – are establishing businesses nearly twice as fast as minority male entrepreneurs and three times more than non-minority men and women. Between 1997 and 2002, the growth in number of minority women-owned firms was 57 percent, compared to 31 percent for minority male-owned firms.

Out of the 57 percent growth for minority women-owned businesses, Native Hawaiian and Other Pacific Islander women-owned firms grew the most at 84 percent; African-American women-owned firms grew at the second fastest rate of 75 percent; Hispanic women-owned businesses grew 60 percent; and Asian women-owned businesses grew at a rate of 40 percent.

“Women see entrepreneurship as a key to freedom – providing flexibility and wealth creation,” said Ronald N. Langston, MBDA’s National Director. “Women are taking advantage of their talents and experience to establish businesses throughout the country at astounding rates. Many choose entrepreneurship as a way to overcome the glass ceiling that still, unfortunately, exists in corporate America.”

Nearly 1.5 million minority women-owned firms generated approximately \$111 billion in gross receipts in 2002. Though minority women-owned businesses are expanding more rapidly than other businesses, they still have not reached parity based on the population and they lag behind male-owned firms in annual gross receipts.

## Growth in Number of Firms by Group Ownership 1997-2002



## MBDA Launches Knowledge Management Initiative

To capitalize on the vast experiences and knowledge of our staff and networks, MBDA has launched a Knowledge Management Initiative. Although there has yet to be a universally accepted definition of knowledge management, it can be defined as the “process for gathering, analyzing, storing and sharing knowledge and information within an organization” according to Hansen, Nohria, & Tierney in their article “What’s your strategy for managing knowledge” in the March-April 1999 edition of *Harvard Business Review*.

The knowledge throughout the agency and our networks is a critical asset in business development, financing, technology and in global markets. By capturing, documenting and sharing this expertise, MBDA can create a more competitive strategy, streamline operations and improve overall results, ultimately helping more MBEs grow in both number and gross receipts.

The Knowledge Management unit has launched a *KM Alert* email to educate and train MBDA staff and centers on the benefits and best practices of sharing our collective knowledge.

# Increasing Collaboration Among Native American Tribes, Federal Agencies and Community-based Organizations

Many federal government agencies struggle in increasing Native American participation in government programs. To help tribes access these programs, the White House Indian Affairs Working Group partnered with MBDA's Office of Native American Business Development to bring both federal agencies and members of Oklahoma's Native American community together.

The event, held October 14, 2008 in Oklahoma City included 24 tribes and 14 federal agencies is also being considered as a model for future meetings in New Mexico and North and South Dakota. In addition to federal agencies, community-based organizations were also present to learn more about federal programs and how they can provide services to the Native American community.



The MBDA Office of Native American Business Development has been a catalyst in bringing federal partners and private sector investors together with tribal entities to identify opportunities and resources for sustainable economic development in Indian Country and the rural communities that surround them.

MBDA funds eight Native American Business Enterprise Centers (NABEC) focused on business development, business consultation, access to capital, and public and private contracting opportunities. To find a NABEC or another MBDA funded center near you, please contact 1-888-324-1551. A listing of centers can also be found by visiting [www.mbda.gov](http://www.mbda.gov).



## MBDA Explores Use of Web 2.0 Technologies for Communications

As part of the 2009 Communications Plan for the Office of Legislative, Education and Intergovernmental Affairs (OLEIA), MBDA is exploring the use of web 2.0 technologies including blogging, podcasting and the use of professional social networks like LinkedIn. The objective is to reach more MBEs

through a variety of communications channels highlighting the programs and opportunities MBDA offers.

To tell us what you think or for more information, please contact MBDA Public Affairs at [public\\_affairs@mbda.gov](mailto:public_affairs@mbda.gov).

## Harnessing the Power of Strategic Alliances

In an increasingly global market, minority business enterprises (MBEs) are smart to engage in strategic alliances which can help them expand their capabilities leading to new business and capital opportunities. MBDA recently released the paper *Increasing MBE Competitiveness through Strategic Alliances* produced in collaboration with the Tuck School of Business at Dartmouth College.

The paper provides a practical guide to help MBEs identify strategic partners. According to Professor Leonard Greenhalgh, the paper's author, "A strategic alliance is an enduring relationship between two companies designed to achieve mutual gain."



Strategic partners come in different sizes and shapes, from simple and joint contracts to mentor-protégé arrangements and acquisitions. MBEs must decide what arrangements best suit their business needs to help them grow in size, scale and capacity.

A copy of the full report can be found in the Research and Publications section of MBDA's web site at [www.mbda.gov](http://www.mbda.gov).

## IRS's Latest Hot Product, '09 Small Biz Tax Calendar, Ready for Businesses

The IRS 2009 Small Business/Self-Employed Tax Calendar is stocked and ready to go. With its professional illustrations, in-depth business tax information, and day-to-day reminders for which business taxes are due when, the 12-month wall calendar has always been a popular item - It is also FREE.

Small business and self-employed taxpayers can also download the business tax dates and reminders directly to their Microsoft Outlook calendars, and access the calendar via electronic organizers and portable hand-held devices.

New 2009 topics include:

- The 2008 Economic Stimulus Act
- Section 179 Expensing
- Minimizing Identity Theft
- Disaster Recovery for Small Businesses

To order, visit the **tax calendar ordering page** at <http://www.irs.gov/businesses/small/page/0,,id=82780,00.html> on *IRS.gov* or call the National Distribution Center at (800) 829-3676. Early orders are being accepted for the Spanish version. The tax calendar will be available online at <http://www.irs.gov/formspubs/lists/0,,id=97819,00.html> by early December and in Spanish (Pub 1518SP) by mid-November.

To get the latest IRS information and learn about IRS products and services as they become available, start a FREE subscription to **e-News for Small Business**; just go to *IRS.gov* at <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>, type in your e-mail address and submit.

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