



BUSINESS NEWS

Spring 2009 Issue

www.mbda.gov

Viewpoint

From the desk of Edith McCloud, Associate Director for Management, MBDA



Edith McCloud

In March, MBDA celebrated more than four decades promoting competitive business growth for minority entrepreneurs. While March 5, 2009 marked the 40th anniversary whereby former President Nixon signed the Executive Order establishing MBDA, our celebration will continue throughout the

year. MBDA's newsletters, 40th anniversary website and newly launched blog (www.mbda.gov/blog) will highlight businesses that have benefited from MBDA programs and positive impact on their local communities.

Over the last 40 years the growth of minority firms has been remarkable, but we're not done yet. If the growth actually reflected the minority population growth, it would mean an additional 2.4 million firms and gross receipts of \$2.5 trillion — that's nearly four times the current amount of gross receipts. In addition, 16.1 million more workers would have jobs. In today's economy, those numbers could have tremendous impact on some of the hardest hit communities.

As we all know, the U.S. Census Bureau confirms by 2042 there will be a remarkable shift in American demographics to a majority minority population. Based on that shift, the future success or failure of the American economy is directly linked to the success or failure of minority-owned firms. That said, minority

entrepreneurs are in a unique position to generate long-term employment and economic sustainability in their communities and for the United States.

It's against that backdrop that the mission of MBDA continues. MBDA is the only federal agency dedicated to promoting growth in size, scale and capacity for minority businesses. Last year, MBDA touched more than 25,000 minority firms in turn creating 5,000 new jobs. In addition, MBDA programs generated \$1.85 billion in terms of the dollar value of contract and financial awards to minority businesses.

Without the national network of minority business centers, dedicated MBDA staff and programs that provide access to contracts and financial opportunities, this success would not have been possible. Let's celebrate the successes of the last 40 years and rededicate ourselves to the future success of our nation's minority entrepreneurs.



**National MEDWeek
Conference to be held**

August 26-28

**at the Omni Shoreham Hotel
in Washington, DC**

www.medweek.gov

**Nomination information for the
MEDWeek Awards
available soon.**





MBDA Focusing on Access to Capital During Tough Economic Times

Minority firms have been hit hard by the economic crisis. This is due to the fact that minority entrepreneurs are more likely to rely on short term debt to finance their businesses. As financial institutions pull back on the number of loans provided it becomes harder and harder for minority entrepreneurs to start and grow their firms. This leads to minority firms being disproportionately hit by the economic downturn. As a result, there is a heightened focus to find ways to finance the growth of minority firms.

According to Eric Dobyne, MBDA's Chicago Regional Director, "It's clear that a financial jolt to the economy as a whole has threatened the minority business community. The issue is how to get minority businesses the capital they need to take on the task of rebuilding America's economic future," he adds.

It's an issue Mr. Dobyne says has been "talked to death," but now is the time for action. The Access to Capital Initiative, Mr. Dobyne emphasized, "is about finding a national solution" and moving forward with an action plan to implement that solution.

In February and March, more than fifty minority business stakeholders met with the Minority Business Development Agency (MBDA) at the U.S. Department of Commerce on the topic of capital financing. Stakeholders included representatives from federal, state and local governments, minority business advocacy and trade associations, capital providers, investment institutions, foundations, and academic and policy institutes.

These gatherings served as the foundation for the agenda of the National Capital Access Forum to take place May 11th and 12th at George Washington University in Washington, DC. The goal of the forum is to identify major areas for public and private sector partners to work jointly to increase the flow of capital to minority businesses. In addition to policy initiatives, MBDA expects to expand its network of financial providers and will continue to match minority entrepreneurs with appropriate lending institutions. For more information please visit www.mbda.gov.

MBDA Grant Saves Moore Street Retail Market in Brooklyn

The Moore St. Retail Market, on the edge of the Williamsburg neighborhood in Brooklyn, NY, is home to 13 minority-owned retail businesses and a focal point for the local Hispanic community. Just one of four surviving public markets built during the depression and run by the city's Economic Development Corporation, the City of New York proposed to demolish the building and replace it with housing.

But thanks to an MBDA grant to the Project for Public Spaces (PPS), the Moore St. Retail Market will continue to operate. Congresswoman Nydia Velázquez (D-NY), whose district includes the Market and who also presides over the House Small Business Committee, sponsored the MBDA grant to PPS, an internationally-recognized design firm specializing in the revitalization of public markets.

John Coyle, NYNEC Business Development Specialist, worked with MBDA's Office of Business Development and PPS to expand its original proposal to include vendor development goals, a comprehensive milestone schedule and a study that could serve as a model for other public markets.

An advisory board was created for the project and included John, staff from PPS, staff of Congresswoman Nydia Velázquez' office, the Brooklyn Economic Development Corporation (BEDC), and Moore Street Retail Market vendors.

The work conducted by PPS as a result of the MBDA grant has been cited by the Brooklyn Economic Development Corporation (BEDC) as the primary justification for BEDC's assuming control of the market and its intent to preserve the Market in its current form.

On December 6, 2008 Congresswoman Nydia Velázquez along with MBDA NY Regional Director Heywood Davenport and other public officials attended a PPS-organized workshop at the Market. The Congresswoman thanked MBDA and PPS for their help in preserving an important resource for the local community.

Government Contracts, ARRA and Minority Businesses

The ARRA makes a long-overdue and historic investment in our national infrastructure — including roads, bridges, public transit, housing and broadband — to save or create nearly 400,000 jobs for American workers today and power enhanced economic growth for decades to come.

The Act includes \$150 billion in new federal infrastructure funding that reflects President Obama's belief that we can only strengthen our economy by investing in local economies. For more information related to the Act, please visit www.recovery.gov.

Some of these projects include:

- Investing more than \$17 billion in public transit and high speed rail to reduce our dependence on foreign oil.
- Safeguarding the roads, bridges, dams, ports, rail and water systems our families use everyday with an historic \$40 billion, two-year investment.
- Expanding broadband throughout America.
- Making an historic \$25 billion investment in school construction, sufficient to renovate and modernize 10,000 schools.

What does this mean for minority businesses?

MBDA is working with many government agencies including the Small Business Administration, the National Telecommunications and Information Administration, the Department of Transportation, the Army Corps of Engineers and the Economic Development Administration to make sure minority businesses play a role in rebuilding our nation. Key to this is identifying minority firms capable of bidding on federal, state and local government contracts and notifying MBDA minority business centers of available opportunities.

To this end, MBDA wants to remind minority entrepreneurs that ARRA contracting will be done no differently than any other government contracting opportunity. MBDA recommends that minority businesses:

- Register in the Central Contracting Registry (CCR) www.ccr.gov. Or, if you are already registered, please make sure your profile is up-to-date with correct contact information, capabilities, bonding and most important "past performance."
- Register with MBDA's Phoenix Opportunity Matching System and visit your local MBDA minority business center. For the nearest MBDA centers go to www.mbda.gov.
- Look out for "Sources Sought" and "Request for Information (RFIs)" postings. If you are contacted regarding an opportunity, please respond as soon as possible
- Make contacts and build relationships. Some contracts may be large or bundled, but by building strategic partnerships with other companies, your company can still be a part of the work.
- Firms who are 8(a)s, on the GSA schedule, women-owned business, Historically Black Colleges and Universities (HBCUs), Trical Colleges and Universities (TCUs), Service Disabled Veteran Owned, Native Tribes, in Hub-Zones: are state certified and have strong past performance have a competitive advantage for "shovel ready projects."
- Keep informed by visiting recovery.gov, fedbizopps.gov and grants.gov to make sure you are aware of every opportunity for your business.

Overall, make sure your business is ready, has strategic alliances in place and can take advantage of these opportunities as they become available. For more information, or to locate ARRA opportunities, please contact a minority business center near you. MBDA's minority business centers can be found by visiting www.mbda.gov.

Building the Fresno Community, One House at a Time

In December, Allright Diversified's CEO, Olga Martinez was home sick with the flu and like any entrepreneur, she was in bed with her laptop "not working" when she saw on the news that ABC's Extreme Makeover: Home Edition would be coming to Fresno, CA. Since Allright is a construction company, Ms. Martinez immediately decided to become a sponsor and partner for the project. What's most unique about this project is the build must be completed in seven days and all products and services must be donated.

"Allright is committed to making a difference in our community — after all, the community is a tribute to our success as a company," said Ms. Martinez. "We were so pleased to do whatever was asked of us, it was such a blessing to be able to make a contribution to a family in need."

The recipient of this episode of Extreme Makeover: Home Edition was Mary Ann Riojas. Born without legs and only one fully developed arm, Ms. Riojas was no stranger to adversity. She was placed in foster care at an early age and grew up in poverty and an unstable household. After getting married and having four children, Mary Ann struggled financially and found herself on welfare.

Unfortunately, her own home was ill-equipped to serve her physical challenges and had led to many serious physical injuries. Mary Ann's children were concerned about their mother's care and safety, especially when she's home alone. Despite its challenges, Mary Ann's home is nonetheless a source of great pride to her. After seven days and more than



3,800 volunteers — including those from Allright Diversified — Mary Ann and her four children, Nichole (18), Victoria (17), Angel (15) and Jessie (14) have a beautiful new home where they can live safely and create memories to last a lifetime.

"Mary Ann and her family are true heroes in our community and it is because of this that Allright Diversified participated in ABC's Extreme Makeover: Home Edition," adds Ms. Martinez.

Since becoming a client of MBDA's Los Angeles minority business center in 2004, Allright Diversified has received assistance with marketing and certifications — in addition MBDA has guided the firm to more than \$18 million dollars in contracts and procurement opportunities. As a result, more than a dozen jobs were created at Allright, and countless more with sub-contractors working with the company.

Legislative Corner

Bills to Watch

Re-Build America Bonds: On Wednesday, February 4, Rep. Loretta Sanchez (D-CA) introduced **H.R. 852**, a bill that would authorize the Secretary of the Treasury to issue Re-Build America Bonds to finance essential infrastructure projects.

Access to Capital: On Thursday, March 12, Rep. Eddie Bernice Johnson (D-TX) introduced **H.R. 1479**, a bill to enhance the availability of capital, credit and other financial services and to ensure that community reinvestment requirements are updated to account for changes in the financial industry.

New Markets Venture Capital: On Thursday, March 12, Rep. Gwen Moore (D-WI) introduced **H.R. 1491**, a bill to reauthorize and expand the New Markets Venture Capital Program.

Start-Up Expenditures: On Tuesday, March 17, Rep. Frank Kratovil (D-MD) introduced **H.R. 1551**, a bill to increase the amount allowed as a deduction for start-up expenditures.

Native American Economic Development: On Thursday, March 19, Delegate Eni Faleomavaega (D-American Samoa) introduced **H.R. 1607**, a bill to provide for and promote the economic development of Indian tribes by furnishing the necessary capital, financial services and technical assistance to Indian-owned business enterprises and to stimulate the development of the private sector of Indian tribal economies. This is the companion bill to **S. 439** introduced by Senator Inouye (D-HI).

Chicago Area Minority Businesses “Road Trip” to Federal Military Facilities

MBDA’s Chicago Minority Business Opportunity Center (Chicago MBOC) recently arranged a series of “road trips” to federal military facilities in Illinois for its clients. These facilities were Scott Air Force Base (located 20 miles east of St. Louis, MO); Rock Island Arsenal (Rock Island, IL 180 miles west of Chicago); and Great Lakes Naval Station (Great Lakes, IL). Each of these facilities are host to military and civilian “commands and headquarters”, responsible for purchasing billions of dollars in products and services for the US military and civilian agencies. The Rock Island Arsenal, alone, purchases more than \$25 billion in goods and services, annually.

The purpose of these trips was to create opportunities for face-to-face meetings between MBOC clients and small business advocates and contracting officials at these facilities. During these meetings, MBOC clients were able to learn about the items (or services) each command or contracting office procures and of current and upcoming contracting opportunities. MBOC clients also had an opportunity to make capabilities presentations to facility procurement and small business program staff.

Clients were invited based on the needs of the various commands at Scott AFB. In this case, clients providing services in IT/IS, architecture/engineering, training, office furniture, electronics recycling and construction.

Members of the Illinois Air National Guard talked about current and upcoming bid opportunities. They had an immediate need for office furniture and electronics recycling which two minority businesses



were able to provide. Other clients were given valuable information about how best to position themselves to be successful in gaining business with the government. Overall, minority businesses that participated were able to make successful strategic connections for business opportunities.

The second “road trip” included representatives of Rock Island’s small business program. Minority businesses providing goods and services needed by Rock Island were given an opportunity to present themselves to the procurement and small business contacts. Steve Goff and Corey Koch saw a huge opportunity for their company, Funk Linko, that could translate into a very lucrative opportunity. “We can’t wait to get back to the office and start crunching numbers,” said Goff. This has been a great trip for us.” Similar excitement was expressed by the other minority business clients as well, who were grateful for the chance to meet these folks and to the MBOC for putting it all together.