

DyNAMC Speaks with our Nation's Prominent Policy Influencers

Alejandra Y. Castillo

**MBDA National Director,
U.S. Chamber of Commerce**

A Leader Up to the Challenge of Change

By Writer Susan J. Smith-Grier

Alejandra Y. Castillo is the first Hispanic-American woman to lead the Minority Business Development Agency (MBDA) at the U.S. Department of Commerce. Ms. Castillo serves as the National Director of the MBDA with a conviction that reflects her passion for success for minority businesses. In our exclusive interview with Ms. Castillo, she shared with DyNAMC her clear understanding of the scope of the challenges and the necessary solutions to bring minority businesses into the forefront of global competition.

Alejandra Castillo grew up watching her father's business grow and thrive. She saw how his success led to jobs for family and community members as well as community improvement. She told DyNAMC that she draws from this rich heritage in leading the Minority Business Development Agency (MBDA) as the first Hispanic-American woman in the role.

During our interview, Director Castillo provided the backdrop for what brings her to the important role she holds. She discussed the inception of the MBDA in 1969, under President Richard M. Nixon, and its mission to provide leverage, sustainability, and growth for minority businesses. Formerly, the Office of Minority Business Enterprise, the MBDA is still a vital resource for minority businesses.

What was a civil rights issue in 1969 has, in 2015, become an economic imperative for the Nation. Minority businesses must be leveraged if the country is to continue to successfully compete in the global market. According to Ms. Castillo, "Given the growth of the minority population in the U.S., it becomes more of an economic imperative to make sure that minority businesses are at the forefront of growth in this country."

As the National Director of the MBDA, Ms. Castillo provided some insight as to the importance of this role. "The MBDA is the only federal agency dedicated to the growth and global competitiveness of U.S.

minority-owned businesses. It is important for me, as the National Director, and our agency to be the voice of the minority business community in promoting growth and scale as well as diversifying the industries of tomorrow. Ms. Castillo also expressed to DyNAMC that "it is important to continue address existing challenges that impede the growth of MBE's and develop solution based engagement at all levels in the public and private arena".

Director Castillo was asked to speak to the challenges her agency has identified with regard to improving supplier diversity (inclusion of minorities in contracting and procurement). She revealed to DyNAMC



that attaining government contracts is, in and of itself, challenging. She further stated that it is at times challenging for MBDA to identify opportunities in a timely fashion, as those who seek such opportunities require established track records. She advises Minority Business Enterprises (MBEs) to become established by working with local governments, starting with city and municipality contracts, and moving on to increasingly larger jobs so they will be prepared for federal contracts when the opportunities present themselves. Other businesses working with MBDA are being helped to grow in capacity so that they will be able to take on those contracts.

Director Castillo shared that MBDA has 44 centers around the country. These centers are doing what it takes to help groom minority businesses to grow and participate fully in the strengthening of the nation's economy by working with them in three specific areas: access to capital, access to contracts, and access to markets. MBEs are assisted to compete in such markets as sustainable energy, technology, advanced manufacturing, and infrastructural construction just to name a few.

Over the past few years centers have been allowed to develop more specialization. They act as a network providing assistance in critical areas to minority businesses throughout the country. For example the San Antonio center specializes in exporting while the San Francisco center is more involved with technology transfer, utilizing the Berkeley national labs. One very significant center born out of public policy priorities is the Federal Procurement Center located in Washington, D.C.

The Director states emphatically that MBEs need to be positioned at the forefront of innovation. They need to have the capital and the technology to market and commercialize concepts. They need to bring better and more innovative products to the many large companies seeking suppliers. "From a public policy perspective, as government, we want to be able to create that ecosystem," Director Castillo told DyNAMC. She is quick to point out how minority businesses have the capacity to make a strong impact on the economy and how valuable they are to corporations because of their unique abilities, insights, and willingness to learn and be flexible.

DyNAMC asked Ms. Castillo what role can (and does) government play in adopting policies to ensure disadvantaged companies opportunities to compete in the marketplace. She related to us that, for over ten years as

established in the Small Business Act of 1953, the federal government has had a goal to award 23% of contracts to minority contractors. Additionally, each department in the federal government has an Office of Socially Disadvantaged Business Utilization (OSDBU) whose purpose is to carry out the 23% mandate; a goal made a White House priority by President Obama who created a White House Taskforce to determine how that goal could be met. Agencies are graded by how well or how poorly they meet that goal. The MBDA served as the Commerce representative to help develop 13 recommendations to improve the federal contracting process. For the first time in over ten years the 23% goal was finally met. Director Castillo further explained that this and similar policies work well in ensuring that every department has robust supplier diversity. "It shows that when leadership makes it a priority, it happens," she commented. Ms. Castillo then shared her thoughts about the challenges government faces in implementing and enforcing policies related to improving supplier diversity.

"As we celebrate 45 years of service, MBDA continues to be a dedicated strategic partner to all U.S. minority-owned businesses, committed to providing programs and services that provide access to capital, contracts, and markets. Our commitment is to ensure that minority businesses are fully participating in the economy that fuels our nation with new and innovative products, services, and solutions. We strive to keep MBEs aware of the opportunities in emerging markets like green solutions, lab to market, and tech transfer. Through our efforts in helping MBEs position themselves to succeed, policies will work in our favor."



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DyNAMC asked Ms. Castillo if she felt there was an advantage in being both female and a minority in understanding and advocating for diverse small business

representation.

"Having a connection to the minority business community has an advantage," she tells DyNAMC, "However, the greater advantage for me was being raised by entrepreneurs, my dad and mom. Through them I got to see first-hand the challenges and benefits of business ownership." She added, "I think the fact that I became director is also, perhaps, a testament to the current business dynamic. Minority women-owned businesses are the fastest growing. Women entrepreneurs and especially minority women entrepreneurs are leading the way. I take it as an honor to be in this position and I am very passionate about ensuring that minority businesses continue to create jobs and wealth for our communities."

She also acknowledges her team as a critical component to MBDA's success. "I can only be grateful for the fantastic team that we have," she says. With the exception of Joan Parrot-Fonseca, the MBDA has been primarily led by men.

When asked what organizations like NAMCO, who advocate specifically for diverse "small" businesses on a national level, should be doing to affect positive change in public policy regarding diversity and pipeline initiatives, Director Castillo told us, "For 45 years, MBDA has been on the forefront of advocating for minority owned businesses. Our progress and success can be attributed to the many partners we gained along the way. Namco's mission to advocate for diverse small businesses on a national level, contributes to diverse business growth and opens up supplier diversity opportunities."

She adds, "The minority business community is very nimble, as well as very eager, to provide innovation and adapt to market changes," says Director Castillo. She acknowledges that there are hurdles to overcome, yet she feels that MBEs have the ability, as well as the desire to meet those challenges and the MBDA is there to help accomplish that goal.