

**National Advisory Council on Minority Business Enterprise Meeting**  
**Meeting Minutes**  
**June 24<sup>th</sup>, 2011**

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InterContinental Hotel  
2222 West Loop South  
Chairman's Boardroom  
Houston, Texas 77207

NACMBE Meeting Minutes for June 24, 2011 Meeting

**I. Call to order:**

At 9:00 a.m. on June 24, 2011 the second meeting of the NACMBE was called to order by David A. Hinson, National Director of the Minority Business Development Agency.

**II. Attendance:**

The following members were in attendance:

David A. Hinson, Shirley Bowie-Dean, Ivonne Cunarro, Wendy Echeverría, Demetria Gallagher, Joann Hill, Jason McCall, and Gabriela Morales attended on behalf of the U.S. Department of Commerce's Minority Business Development Agency, and Joe Hurd attended on behalf of the U.S. Department of Commerce's International Trade Administration.

- Mark Hoplamazian, Hyatt (Chair)
- Janice Savin-Williams, Williams Capital (Vice Chair)
- Jean Baderschneider, Exxon Mobil
- LaMae Allen deJongh, Accenture
- Shirley Patterson (for John Harris III), Raytheon
- Dr. Paul Hsu, HSU Enterprise Group, LLC
- Anthony Jimenez, MicroTech
- Ash Luthra, LSL Enterprises, Inc.
- Jose Mas, MasTec
- Javier Palomarez, U.S. Hispanic Chamber of Commerce
- Elizabeth Plaza, Pharma Bio-Serv
- Dick Rizzo, Perini Building Company
- Roy Roberts, Alliance of Professionals & Consultants, Inc
- Michael Schell, Alcoa
- David Segura, VisionIT
- Chiling Tong, International Leadership Foundation
- William Von Hoene, Exelon
- Purnima Voria, National India Chamber of Commerce

**III. Discussion of Subcommittees Topics and Deliverables**

Chairman Hoplamazian announced that the NACMBE has determined the subcommittees, their duties, and who will chair them. The committees, their duties, and chairs are as follows:

1. The first subcommittee will recommend to MBDA David Hinson and the Secretary of Commerce how to define business minority business and the goals for what it is that we're trying to do in support of minority business enterprises. It should also answer how to measure success and the role of MBDA in supporting those goals. (Chaired by Anthony Jimenez)
2. The second subcommittee is about how the Commerce Department and potentially other policy makers in government can support a forum that is an ongoing body that would provide a backdrop of support for minority business leaders. (Chaired by Chiling Tong). Hoplamazian spoke at length about models for such a forum including without limitation the Young Presidents' Organization or YPO, which can serve as a model for the ongoing forum because of its strength with mentor-protégé programs, for example.
3. The third subcommittee focuses on strategic alliances and exports to identify ways in which, through policy, the Department of Commerce can help support putting minority businesses together with companies with which they would like to do business or that can help extend their global reach. (Chaired by LaMae Allen deJongh)

Hoplamazian reiterated the goal of the Council is to provide advice to the Secretary of Commerce, and to provide specific recommendations, not generalized feedback that would be difficult to execute.

In addition to the request for data on minority businesses, Hoplamazian also asked for an inventory of task forces, councils, President's commissions, and resources which are organized to support minority businesses. Vice-Chair Savin-Williams said she will attempt to create an inventory of these programs. Ms. Baderschneider added that her data committee has started to look at the inventory of databases on minority businesses. The data is to be used by the various subcommittees in formulating their recommendations.

#### **IV. The Role of MBDA & its Mission to Strengthen the Minority Business Community**

David A. Hinson

1. Minority Business Development Agency was provided with an application by the American- Arab Anti-Discrimination Committee, who is petitioning MBDA to be a fully recognized minority subgroup in the United States.
2. MBDA Advocacy Program- will help MBEs gain access to decision makers of corporations. It will support one of the key issues that minority businesses face, which is access to the relationships that can lead to capital and contracting opportunities.
3. Partnership with Alliance of Mergers & Acquisition Advisors (AM&AA) to create the next generation of MBEs with \$100 million or more in receipts.
4. Merger ID Technology- secure web platform that allows buyers to see companies that are being sold all around the world and allows sellers to put business units that they want to sell onto this platform. MBDA is negotiating an agreement to allow MBEs to get access to this platform.

#### **V. Export Facilitation and Strategic Alliances**

Joe Hurd

1. National Export Initiative's (NEI) goal is to double exports by 2014. It includes the following five major pillars:
  - a. Improving advocacy and export promotion

- b. Increasing access to credit. (Ex-Im Bank, SBA)
- c. Removing barriers to sales of US goods and services abroad (US Trade Representative and the Commerce Department)
- d. Enforcing our trade rules (US Trade Representative and Department of Commerce)
- e. Pursuing policies at a global level to promote strong, sustainable, and balanced growth

There were \$1.8 trillion in U.S. exports in 2010, the second highest on record. That is a 17 percent annual growth and representing 12-13 percent of the GDP.

- 2. The 2011 National Export Strategy will start measuring what agencies (18 agencies) are doing in export promotion and reaching out to businesses.
- 3. Eport.gov- one-stop shop web portal for businesses that want to export (Small and large businesses)

## **VI. New Census Export Data**

Ivonne Cunarro

Data presentation and analysis included the following highlights:

- 1. According to MBDA'S analysis of data from the U.S. Census Bureau's 2007 Survey of Business Owners, MBEs are more likely to export. Of all the survey respondent firms, 5 percent of minority-owned businesses operating in 2007 were exporters and 4.7 percent of non-minority businesses operating in the same year were exporters.
- 2. Among firms with 20 percent of their sales generated by exports, MBEs were twice as likely (2.1% of firms) to export compared to non-minority-owned businesses (1.1% of firms).
- 3. Among firms with 100 percent of their sales generated by exports, MBEs were three times as likely (0.7% of firms) to export compared to non-minority-owned firms (0.2% of firms).
- 4. MBEs were more likely to export in the Finance and Insurance industry, and in the Professional, Scientific and Technical Services industry sector compared to non-minority-owned firms.
- 5. MBEs were also twice as likely (1.2% of firms) to have operations established abroad compared to non-minority firms (0.5% of firms). These operations are probably supporting export activity.
- 6. MBE export activity is being led by Native Hawaiians, Asians and Hispanics.

## **VII. Support for the Creation of a Forum for Minority Business Owners**

Joann Hill

Presented information on MBDA's 29<sup>th</sup> National Minority Enterprise Development (MED) Conference to be held in September 2011, in Washington D.C.

**Break**

## **VIII. Presentation of National Advisory Council on Minority Business Enterprises during MBDA's National Conference**

## **IX. Keynote Speaker: James Lowry**

In the 2005 report, *A New Agenda for Minority Business*, we stated that only large, sustainable, minority-owned businesses can create the jobs and the wealth needed to invigorate the local and the national economy. Closing the gap for minority businesses requires that all major players on the field, large corporations, government divisions, minority entrepreneurs, have a new mindset, and the mindset has to focus on five very important strategic imperatives.

1. Think differently and strategically about minority business
2. Develop large minority businesses with strong capabilities
3. Collaborate in ways to develop a minority business office
4. Use their very large emerging domestic markets, which now exceed over a trillion dollars, to foster minority business development
5. Globalize minority businesses. Embrace innovative strategies for financing and growth of minority businesses

In the book, *Minority Business Success: Refocusing on the American Dream*, we stated that no one organization, agency or company could create parity in America. It would have to be a national holistic effort to do so. Fostering the success of minority businesses should be a national priority.

Three pillars of *Minority Business Success: Refocusing on the American Dream*

1. Create jobs to ensure a vibrant economy and a substantial tax base
2. Minorities are the fastest-growing demographic in America. It's projected by the year 2042 there will be more minorities than the majority.
3. MBEs demonstrate a higher rate of employment for minorities than non-minority-owned firms.

We should also move MBEs into the higher value segments of the supply chain. We also need high capitalization and high growth of MBEs. We also recommended to consolidate certifications to be certified as an MBE. We also said all diversity programs should be measured. We also have to collaborate at all levels of government and in all facets of the private sector.

America may be suffering from what is called chronic unemployment or underemployment, which exists in Europe. The U.S. has high unemployment of people who had not been able to find a job in more than six months.

## **X. Reports from Subcommittees' Plans of Action**

Mark Hoplamazian

Subcommittee chairs will organize conference calls among the subcommittees, in-person meetings if they so choose, at least once a month, in July, August, and September, for checking in and reviewing progress by the September meeting.

We may have a meeting in January after the September meeting, with conference calls and meetings for subcommittees between September and January. We need to target March for finalization of a report-out to the Secretary and to MBDA.

Each of the three subcommittees needs to report what they need data-wise. The deliverable from each subcommittee chair is to get a written compilation, with as much detail as you can, of the data you are looking for, to me, as soon as you can so we can get going on the collection and reporting back out.

**Subcommittee 1:**

Tony Jimenez and William Von Hoene

**Defining Minority Businesses and the Role of MBDA**

1. Get a basic inventory of the definitions that are in existence, those that are relevant
2. Basic inventory of the tangible things/benefits attached to these definitions
3. Recognition that the definitions were obviously designed at a time to be consistent with policies or with missions or the like: Times have changed.
4. How should our new definition impact policy changes and how will this impact the minority business community on a state and federal level
5. What should the focus of the MBDA be?
6. What are the existing rules with no compliance. How can we increase compliance? One idea is to give MBDA a greater compliance authorization.

Immediate Data Need: The subcommittee needs the definitions which are in existence. Interviews of relevant people (such as David Hinson, James Lowry, etc.) Also needs a summary of statistics of the current base of the businesses and evaluation of the economic impact of the business today. The subcommittee needs to know also where are traditional businesses to open up avenues for MBEs into new areas. They also need to figure out what are the new things coming down the road, new processes, new procedures, new ways of doing business, new technologies, and new things on which minority involvement could be focused early on, like energy, cloud computing, etc. They need statistics that could support jobs and exports by MBEs.

**Subcommittee 2:**

Chiling Tong, Javier Palomarez

**Creation of a forum for minority business owners**

1. Define a deliverable to develop the forum and the format for a new forum that could be established for the support of minority business owners, possibly minority business leaders who could create a network to support each other and minority business enterprise. We could call it the Global CEO forum.
2. MBDA's role: giving credibility to this group
3. They need to develop metrics for the forum
4. Recommend to identify a private sector or non-profit organization that could make the framework of an existing forum available to MBEs. Reach out the Billion Dollar Roundtable for their support also.
5. We could use all kinds of conferences from various organizations to host the forum.

Immediate Data Need: Database of top 100 minority-owned businesses

**Subcommittee 3:**

LaMae Allen deJongh, Jean Baderschneider

**Defining strategic alliances by investigating:**

1. Teaming Agreement Model (MBE to MBE)
2. Development Model (Supplier to Large Corporation)
3. Alliance with a government entity (MBE to Government)
4. Criteria that would be used for MBEs that are on a springboard to growth

Immediate Data Need: List of sizable MBEs, with revenues, characteristics and industry areas; existing strategic alliances.

The subcommittee talked about a two-year pilot and a process to launch this. Work to identify 25 MBEs with strategic alliances, or ones we can identify and match to a significant strategic alliance opportunity. How are we going to measure the impact of the strategic alliances, (e.g., revenue growth/export growth, etc.).

#### **XI. Public Comment**

No member of the public made a comment.

#### **XII. Next Steps and Wrap Up**

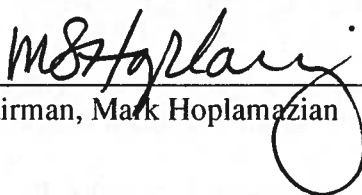
Shirley Bowie-Dean and Demetria Gallagher

Online Document Management Tool: PBWorks

1. PB Works is an online data management tool that will allow the Council to create documents, manage projects, and share files as a seamless team
2. Files, tasks, and institutional knowledge are accessible anywhere in an easy-to-use online platform
3. Documents must be approved by MBDA Information Technology department and MBDA staff will work with IT department to ensure access to the online tool is secure and abides the security guidelines of the Department of Commerce

#### **XIII. The Meeting adjourned at 4:10 pm**

I hereby certify that, to the best of my knowledge, the foregoing summary of minutes is accurate and complete.

  
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Chairman, Mark Hoplamazian

31 August 2011  
Date