

Black Business News

YOUR LINK TO BLACK BUSINESS ENTERPRISE IN SOUTHERN CALIFORNIA

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President's Message Capacity Building Takes Two September 2007

The Black Business Association (BBA) is dedicated to assisting emerging companies with building business capacity. Particularly, the BBA works to identify areas of capacity building that will open opportunities to deliver goods and services to major corporations. This work is becoming more problematical as the buying formula for meeting operational requirements employed by larger corporations is constantly changing and with greater complexities instituted by the rules for engagement. Consequently, our experience with contract matching to purchasing opportunities for our members is coming up short, due in part to the perceived limited capacity to deliver by small business enterprise.

The changing mix of purchasing requirements casts a thick cloud on what corporate buyer's can confidently include in the purchasing matrix. At the same time, small business owners are finding major corporations less inviting to pursue contracting activity. BBA members frequently comments that major corporations lack the capacity in their respective outreach and internal purchasing management practices to work favorably with small businesses.

From the 1960's forward, a concerted movement for economic development ensued by the majority of large buying agencies, but most of the focus has centered on making the small business more qualified to compete. Little to no

attention has been placed on building the buyer's capacity to include small businesses within the annual purchasing plans.

Improvement in this area reverts to a proven plan needed to wake-up top and middle managers about the importance of and critical balance necessary for domestic economic trade. Major corporations must route authoritative internal memos from CEO's and senior managers that supplier (employee & customer alike) inclusion is a key value for their respective organizations. Only the CEO or executive group can make the appropriate impact, and the directives given should include timetables and goals specific to African American enterprise inclusion strategies.

Limited operating capacity is commonly associated with the required space, machinery, labor, materials, or capital. However, on the other side, smaller companies anticipate that mega organizations will be able to demonstrate an increase in their respective capacity to engage small companies through qualified management strategies. Unfortunately, larger corporations seem to have a better skill at excluding competitive firms versus expanding internal capacities to include active participation of small businesses.

Objectively, it takes both sides and all participants in economic development to have an active role with personal and internal growth characteristics to broaden the field of inclusion.

A topical example of one-sided development occurs annually at this time of year by the Federal Government's National Minority Enterprise Development (MED) Week. An annual celebration set aside to recognize the achievements of smaller businesses contributing to the USA's economy. This year earmarks the 25th Annual National MED Week celebration. The celebration does not give rise to any internal capacity building by the private or public sector, only

highlighting that minority businesses are making it despite the lack of change in public policy or improvement in private practices toward building capacity to utilize small businesses.

In addition, the National Minority Supplier Development Council (NMSDC) will host its 35th Conference in Miami Beach Florida at the end of October this year. The name of this organization includes 'supplier development' without inference to 'corporate' development. The irony in the title is that the structure of NMSDC consists only of major corporations and no membership of small suppliers. The capacity building process does not take place for either side in this particular business model.

On the bright side, the BBA will participate in a multi-sided capacity builder, the **Black Business Expo**, taking place September 21-23, 2007 at the Los Angeles Convention Center. Major corporations should not overlook the opportunity to build capacity with building relationships among the participants enrolled in this national event.

As expected, the Black Business Expo includes a wide array of impressive business activities from business education, fashion, catering, publishing, health, fitness, youth entrepreneurial development and much more. The BBA will, in cooperation with our seminar sponsor **HSBC**, present two sessions of the "**Business Capital Seminar**" led by BBA member and financial advisor LC Green. Mr. Green's team will lead us through the process of putting our business finances in order.

The expo website (www.expoupdate.com) has schedule details for the BBA sessions and all other expo events.

As readers, we should participate, get involved and attend the Black Business Expo that collectively serves to build capacity. 🍷

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