

Iron Pillar Media Group Presents:

GET IN THE GAME AND WIN!



PART I

**10 SUCCESS STRATEGIES FOR
MINORITY-OWNED BUSINESSES**



By A. Wayne Gill © 2010

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Foreword



Dear Friend, thank you for your interest! In the book “A Tale of Two Cities,” Charles Dickens famously said, “It was the best of times; it was the worst of times.” In many respects, minority business owners can identify with that sentiment. On one hand, minority business spending

by large corporations is on the rise. According to the National Minority Supplier Development Council, its corporate members spent over 100 billion dollars with minority-owned businesses in 2009. Contrast that figure to the 86 million dollars spent on minority business in 1972 and it is clear that minority owned companies have come a long way.

On the other hand, the 100 billion dollars represents a tiny percentage of overall corporate spending for the same time period. Thus, there is still a long way to go. If you are one of those minority businesses not yet obtaining your share of

corporate opportunities, or if you are a start-up in need of solid advice to get started in the game, you've come to the right place. The pages ahead contain ten powerful principles and several strategies to take your business to the next level.

Of course, I cannot do your marketing, produce your product, service or win any contracts for you. That is entirely up to you. However, I've been involved with Supplier Diversity and Minority Business Initiatives for more than a decade and I've built a minority-owned business from scratch – and I do mean scratch. With an initial investment of \$250 I grew my minority-owned firm to over one million dollars in annual revenues in a little over 2 years. Three years later, I merged that firm and took an equity position in a \$50 million dollar minority owned business. With my partners, we've built that business to \$80 million dollars in annual revenue in 2009.

At all stages of my growth, I relied heavily on the principles laid out in this ebook. In fact, all of the anecdotes on the pages ahead are from actual experiences with real corporate clients. If I can use these principles and take my business from \$250 to \$80 million in six years, you can do the same or better.

I know that you already have the vision, the grit and determination to succeed in your business. What you need is a roadmap to navigate the maze in order to win some contracts and position yourself for sustained growth.

So read on my friend. And when you've read the principles, let them sink in and then read them again. Keep a copy on your desk or in your briefcase. These principles are not *rocket science*, but they are the fuel that will put your business in orbit and keep it there.

To your success,

A. Wayne Gill



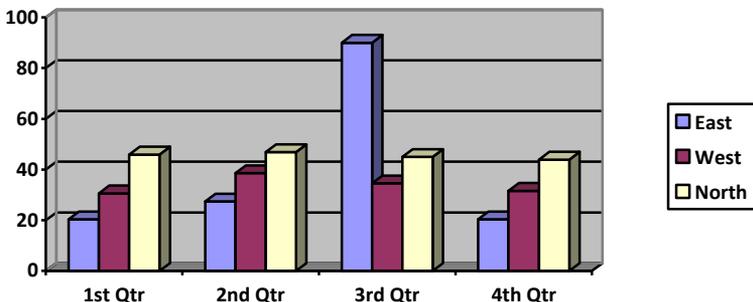
Praises For Get in the Game...

"The experiences of small and minority-owned business owners are depicted with incredible accuracy. Great lessons here for all business people."

*Cirabel Olson, former Director - Inclusion & External Affairs,
Burger King Corporation*

"The principles are sound and I would advise business people of all colors to read and implement this book!"

*Kevin Brown, Manager, Supplier Diversity, Tyco International,
Inc.*



"Outstanding work!"

*Gerry Fernandez, President, Multicultural Foodservice &
Hospitality Alliance*

Principle No. 1: Business is Business

*"You learn in this business. If you want a friend, get a dog."
Carl Icahn*

In my dealings with MBE companies, particularly new MBEs, I've come to believe that many MBEs have the notion that the very fact of being a minority-owned business presents a red-carpet invitation into the American corporate boardroom. There is a hidden assumption that large corporations are willing to look beyond ordinary business concerns in order to fulfill some kind of "minority quota."

That could not be farther from the truth. While there are exceptions to every rule under the sun, the truth is that business is business. In order to succeed, minority-owned businesses must abide by and operate within the same principles that have made businesses successful from time immemorial. Like all businesses, minority businesses must, among myriad responsibilities, create a product or service that satisfies a demand, reach its target audience through sales and marketing channels, grow its market share, create profit for its investors and stakeholders, and innovate for future growth and

opportunities. There isn't one set of rules that apply to minority business and another set for others.

This also translates within the area of service delivery and value. There are no shortcuts. *All businesses* must create value for their customers, or in the long run, those businesses will fail. Even your local "greasy spoon" creates great value for its patrons. Based on the evident economic disparity that supplier diversity programs are designed to address, there is a

temptation for the entrepreneur to believe that business opportunities are available based on the recipient's ethnic status. This is a limiting myth that minority businessperson must never believe.



temptation for the entrepreneur to believe that business opportunities are available based on the recipient's ethnic status. This is a limiting myth that minority businessperson must never believe.

The myth of receiving business based primarily on ethnic background probably grew out of affirmative action programs that provided for minority set-asides in government spending. However, those programs have been under attack from the outset and have been seriously eroded through court challenges. Minority businesses need to recognize that the

words “set aside” and “quota” are almost dirty words in the world of twenty-first-century American business.

Within the realm of supplier diversity, the practice of quotas and set-asides never took root; but the programs were designed, in part, to address vast disparities in dollars spent with minority versus non-minority suppliers. For example, it is now believed that less than four percent of annual corporate spend is spent with minority-owned companies.¹ Because these vast disparities persist, the minority entrepreneur may assume that he is entitled to a larger slice of the cake. This



assumption may be true to some degree. Most Americans would agree that minority suppliers should not be denied a fair share

of annual corporate spend in the aggregate. The disparity between the dollars spent with minority-owned companies and their non-minority counterparts begs the question of fairness and demands an answer.

Nevertheless, in order for minority companies to be in a position to bridge the gap for greater corporate opportunities, they must be ready with an excellent product or service that adds value to its intended corporate target. If the minority-owned company lacks this basic, fundamental requirement of

all businesses, then it will not succeed in any business environment. In fact, corporate buyers typically take exception to the notion that opportunities should be made available to any business for reasons other than excellent product and service delivery and added value.

Minority entrepreneurs must come to the conclusion that business is business. There are no gimmies. Corporations have designed programs of inclusion in order to diversify their supplier base because the business case (at whatever level) to do so exists. However,

presented with an opportunity for inclusion, minority entrepreneurs must be prepared to compete on

Minority Entrepreneurs must come to the conclusion that business is business. There are no gimmies.

the same level with their non-minority counterparts. If the minority company is not prepared to perform at a high (or even higher) level than the competition, then that company will be in for a rude but needed awakening.

With few exceptions, successful corporations will not accept lack of service delivery, value, capacity, and scale from any supplier for any reason. Corporations are in the business of creating wealth for their stakeholders. Business is business.

Principle No. 2: You Must Have a Plan

“The general who wins the battle makes many calculations in his temple before the battle is fought. The general who loses makes but few calculations beforehand.” Sun Tzu

It should be beyond cliché to tell business owners that failing to plan is planning to fail. With the proliferation of resources on this topic in our modern business environment, you would think this topic is passé or not even worthy of discussion. Not so. In my dealings with minority-owned companies, there are still many MBEs that are vying for contracts with some of the most sophisticated companies on the globe but fail to have a written plan of their own.

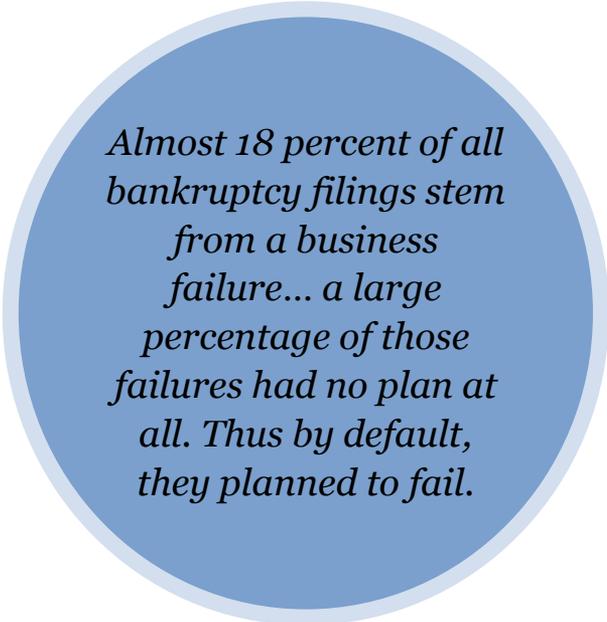
These companies oftentimes have excellent products or services but not well-thought-out plans of how they will actually get that product or service to market and make a profit. This leads to untold problems down the road such as unrealistic expectations about attracting corporate clients and what it takes to actually fulfill or exceed the potential client’s needs. The failure to plan prohibits the MBE from asking and answering hard questions about true target audience and fit.

This results in MBEs that are misdirected in their approach to supplier diversity marketing. I would suggest that all MBEs without a written business plan stop and immediately write a plan for the company. There are numerous excellent references available in the public library or on the general market. The plan should be personally written by the

entrepreneur, without any initial assistance by outside “experts.” The exercise of writing the plan will force the entrepreneur to parse through tough issues and to think clearly about the vision,

mission, and efficacy of the business enterprise.

I would encourage MBEs with a written plan to dust it off and revisit it often. In our technological age, changes are sweeping and rapid. The modern business person must be



Almost 18 percent of all bankruptcy filings stem from a business failure... a large percentage of those failures had no plan at all. Thus by default, they planned to fail.

nimble—able to turn on a dime to exploit business opportunities or to respond to rapid change.

Some years ago, in reviewing my business plan, I realized that my top three clients gave me 50 percent of my annual revenue. Another hundred clients made up the other 50 percent. This was a wake-up call for me. I realized that I needed to spend more time catering to and developing more clients like my top three and thinning the ranks of my lower one hundred.

It took some courage to part with some of those underperforming clients; but over two years, I made the transition, and it revolutionized my business. I would not have arrived at that conclusion but for my obsession with analyzing my business often and from many different angles. By constantly monitoring whether the plan is working, MBEs will learn to anticipate problems, fix them, change direction, and do whatever is necessary to succeed.



MBEs will not achieve this, however, without the rigorous exercise of writing a business plan, honestly testing its assumptions, and then tweaking it as needed along the way. A recent study conducted by the Kaufman Foundation found

that almost 18 percent of all bankruptcy filings stem from a business failure. I would venture a guess that virtually none of those bankruptcies or business failures *planned* to fail when they started. I would also venture that a high percentage of those failures had no plan at all. Thus, by default, they planned to fail.

The fast-moving and competitive modern business world demands more than “seat of your pants” entrepreneurship. We have all heard the whimsical story of the entrepreneur who wrote his business plan on a napkin and went on to make a zillion dollars. These stories inspire us, but they can also lull us to complacency.

My advice is to forget the shortcuts. Write out the plan. Be specific. Be strategic. Be ruthlessly honest. Then get in the game and win.



Principle No. 3: Get in the Game

“Success is not for the timid. It is for those who seek guidance, make decisions, and take decisive action.” Jose Silva

Assuming that the minority entrepreneur understands that he will succeed based on business acumen and tenacity as opposed to relying on ethnic status and further assuming that he has a written plan; he is now ready to get in the game. Many MBEs wrongly assume that simply being a



minority entitles them to participate in corporate supplier diversity programs. That is not entirely accurate. Virtually, all supplier diversity programs require their minority participants to be certified by certain national, certifying entities. For minority-owned businesses, the best known and most widely

accepted certification comes from the National Minority Supplier Development Council, Incorporated (NMSDC).¹

The NMSDC and its thirty-nine national affiliates, among other things, certify applicants as being legitimately minority-owned and meeting standards of viability. Through and various other NMSDC has created certified minority across a multiplicity Without this minority-owned not prepared to traditional supplier channels.

The process is and is a must for to seriously exploit

Once the MBE is registered with the company, it is routed to the party that purchases its services. That is where the real work begins.

other set business its certification programs, the a database of businesses of disciplines. certification, businesses are compete within diversity certification uncomplicated any MBE seeking supplier

diversity opportunities, yet I am always amazed at the large number of MBEs that fail to become certified or substantially

¹ www.nmsdcus.org

delay in doing so. Certification may very well be only a beginning, but it is *the* beginning. Within the realm of supplier diversity, the minority entrepreneur cannot make it to the next level until NMSDC certification is complete.

Once certified, the MBE must register itself with all of the companies with whom it seeks to do business. Companies differ somewhat with regard to how the registration process works, but

uniformity. MBE must supplier section of the Web site with about the capabilities information.



there is some Typically, the register at the diversity corporation's information MBE's and contact

Once the MBE is registered with the company, the MBE is then routed to the section of the company that purchases its products or services. That is where the real work begins. It is imperative that the MBE is persistent in following up with the individuals or departments that purchase its services in order to have an opportunity to do business with that company. This

can be a tough and frustrating task, but it is a part of the everyday grind of running a business.

When confronted with a request for business by an MBE, corporate buyers inevitably require the MBE to register with the company before there will be any real discussion about business opportunities. MBEs must learn that in order to compete within supplier diversity programs, they must get in the game. In order to get in the game, they must become certified and they must register with their intended targets.

Remember, a real decision is measured by the fact that you've taken new action. If there's no action, you haven't truly decided.

Anthony Robbins

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As a Speaker
For your next
Corporate Event!**

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Principle No. 4: Know Your Customer

“This may seem simple, but you need to give customers what they want, not what you think they want. And, if you do this, people will keep coming back.” John Ilhan

We’ve already learned the principle that business is business. Therefore, minority-owned businesses should not approach business with a desire or expectation of any special breaks based on minority status. This means that minority-owned companies like all companies, must roll up their sleeves and do the difficult work of really getting to know their intended customers.

Due to the size and breadth of the corporate spend of large Fortune 500® companies and the growing participation of American corporations in supplier diversity initiatives; the spectrum of opportunities for minority businesses is wide. Because of this and due to poor planning, some MBEs fail to narrowly tailor their marketing to specific opportunities within the corporations. MBE marketing is often directed to departments or areas that either do not buy or do not have opportunities within the MBE’s area of expertise. Other times,

the marketing campaign is directed at several corporations, across the board, without a clear assessment of the corporations' needs.

This failure of specificity results in frustration for MBEs as well as corporations. The MBEs register frustration because the corporations seem uninterested or unresponsive. The corporations are frustrated because they are not in a position to route the MBEs to any areas of real need within the corporations.

This process works best when MBEs take the time and initiative to properly research their intended targets to either discover or make those corporations aware of how

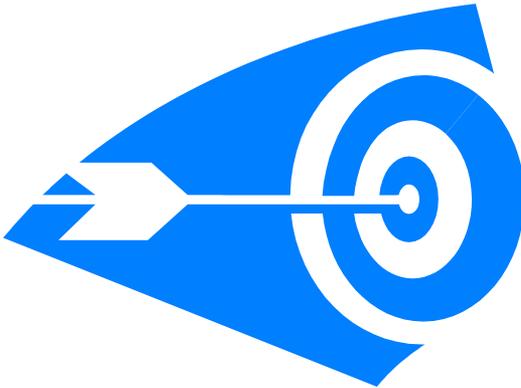
"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."

Jeff Bezos

they intend to add value. If an MBE does not have a value proposition for a corporation, then it should not market to that corporation.



Some MBEs market to certain corporations for name value only, regardless of whether they can truly add value to that potential customer. This is a mistake and a waste of time. MBEs must get to the place where they know their target clients intimately and tailor their approaches to address the needs of their intended customers.

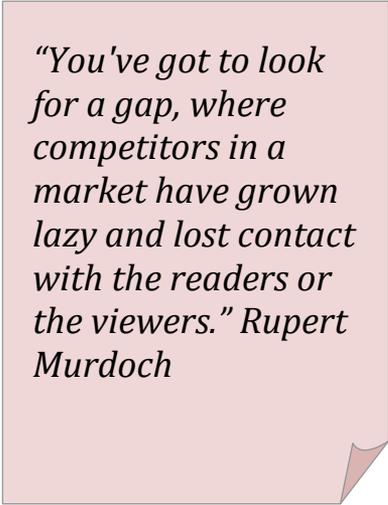


Principle No. 5: Know Your Competition

“Research your idea. See if there’s a demand. A lot of people have great ideas, but they don’t know if there’s a need for it. You also have to research your competition.” Magic Johnson

A closely related principle to knowing one’s customer is knowing one’s competition. MBEs must understand that some of their competition is doing some right things for their target customers. MBEs need to know what those things are. The competition is also doing some not-so-right things. The MBE must know those things as well. The zone of the competition’s weaknesses represents the MBE’s strategic opportunity. This is an area of real opportunity for MBEs who are willing to study their customers, their competition, and to innovate. This is where an MBE’s relatively smaller size can be leveraged as a strategic advantage. MBEs are often in the best position to design custom solutions for their clients. This is what corporate purchasers are looking for.

Many MBEs seek to replace incumbent suppliers without an appreciation of what value, if any, incumbent suppliers provide to the client. By understanding the competition, MBEs can innovate their way to successful contracts. A corporate buyer recently told me about an MBE who was hired to provide storage services for a major university. The MBE surveyed the university's current storage and noticed several warehouses chocked full of merchandise sitting idle. In developing a solution for the university, the MBE set up an online marketplace for the sitting merchandise and created a whole new business for the university.



“You've got to look for a gap, where competitors in a market have grown lazy and lost contact with the readers or the viewers.” Rupert Murdoch

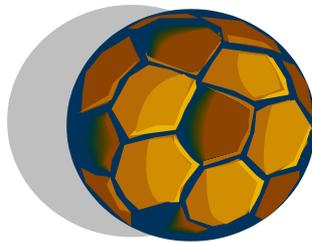
In so doing, that MBE went well beyond what any of its competitors had to offer. That MBE became a *strategic supplier*, extending itself beyond merely offering a product or service to becoming an *integral* part of its client's business. Likewise, MBEs must go beyond offering “cookie cutter” services to

corporations and then believing that their MBE status will provide the necessary added value to gain the contract.

Instead, MBEs must discover their *competitive advantage*. MBEs must offer their intended customers something (other than ethnic status) that their competition cannot. This is what all great companies do. Should MBEs do any less?

It is my intention that these materials will provoke your thoughts and provide you with inspiration to take your business to the next level. I've found that it's simple

adjustments that
greatest
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he revisited his



provide the
breakthroughs. An
told me that based
Number 2 above;
business plan,

rethought his direction, then made some critical adjustments that diversified and strengthened his company.

Stay tuned for Part II! In the weeks ahead I will be providing you with additional MBE success strategies. I would love to hear from you regarding your challenges and triumphs. Perhaps you could use a coach. Please write me at wayne@ironpillarmedia.com. Now the ball is in your court - it's time to Get In The Game And Win!

About The Author

A. Wayne Gill is a modern-day Renaissance Man. He is an equity partner in Adorno & Yoss, LLP, the largest certified minority-owned law firm in the country. He is also an entrepreneur, public speaker and minister. His first book, *Tales My Grandma Told Me – A Business Diversity Fable* (www.talesmygrandmatoldme.com) is a best-seller that speaks to the heart of minority business issues. He is an electrifying speaker and coach to many businesses.

He's won numerous awards, including Northwood University's Excellence in Entrepreneurship Award; the Macy's Crystal Award for Outstanding Minority Business Advocacy and he's won the NMSDC Regional and National Supplier of the Year on separate occasions. He was recently recognized among the *Lumina Ten*, of the top 100 African-Americans in Law and Healthcare in South Florida.

He is available for consultations and bookings through www.ironpillarmedia.com.

Endnotes:

¹ Linda Bean, "From the Ground Up—How to Lay a Foundation for Supplier-Diversity Success," *DiversityInc.*, April-May 2004, p. 71.