

CATALYTIC START OF A MINORITY BUSINESS ASSISTANCE PROGRAM: A CASE STUDY

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Abstracts - As the economy rebounds from the “Great Recession” and businesses improve, there is research documenting that not all businesses are experiencing this growth. Minority-owned businesses have not benefited from the economy to the same degree as majority-owned companies. This article discusses how one Chamber of Commerce created and began a program focused on minority business development.

Keywords - Chamber of Commerce, minority business, best practices, economic growth, new economy, business planning, program development.

I. EXECUTIVE SUMMARY

There is data documenting how the economy is improving; businesses are growing and adding more jobs. The data also shows that growth is not impacting all segments of the economy. In Hillsborough County, FL, minority businesses comprise almost 50% of the businesses. They only contribute 5% to the economy. How the Greater Tampa Chamber of Commerce researched the issue and identified a program to have an impact in this area of the economy is discussed in this article. Looking for best practices in the Chamber of Commerce industry the Greater Tampa Chamber of Commerce spent three years investigating the issues related to a lack of minority business growth, how to address the problem and crafting a program from the beginning was not a simple task. There was concern about the environment and how it would be perceived in the community to engage in this topic when there was no previous activity for historical reference. The result is a new program gaining support and having an impact on the community.

II. INTRODUCTION

The economic term, “A rising tide lifts all boats,” is credited for first being used by President John Kennedy in 1963. He was announcing a sizeable public work spending project to build a dam and used the term to defend the politically unpopular project. His message to his critics was, by focusing on the macroeconomics, if everyone would benefit in the microeconomics and economic policy. Kennedy’s speechwriter, Ted Sorensen admitted the phrase was not the President’s or his own. He credited the regional chamber of commerce, the New England Council, for using the slogan: “A rising tide lifts all the boats.” From that speech going forward, President Kennedy borrowed the slogan often.

It was a different economic time in the early 1960s, and the economy has changed significantly over the

past 50 plus years. The advancements in technology has re-defined the economy and how threats and opportunities are responded to and how people react to economic change. Globalization has continued to make the world a smaller place to conduct business as commerce knows no borders.

Along the same thought process, “the new economy” has become an informal descriptor for industries that are considered high technology or state of the art technology. This economy operates and moves in an electronic format rather than by in-person interaction. Commerce flows freely 24 hours a day. If a store is out of the item desired, or the store has closed, a shopper can order it online and have it tomorrow at their doorstep. However, research shows that between 23%-28% of the U.S. urban population does not have access to the internet. According to Rani Molla, Data Editor for the website Recode.net, more than 60 million urban Americans do not have access to or cannot afford broadband internet access. Participation in the new economy is particularly tricky for these Americans. The tide may be rising as the economy grows, but many people are left high and dry and not experiencing the rising tide. Tampa Bay is no exception to this widening economic gap. The economic divide is being experienced and has been documented. The economy is not impacting the entire community, and there is a need to identify strategies for a more inclusive economy.

III. THE CASE

The Greater Tampa Chamber of Commerce’s (GTCC) mission statement, “To serve our members and enhance our community by building business success” has led to an increased interest to impact the community. In 2015, there was no indication of the GTCC board of directors wanting to change the statement in place for the past 11 years. However, there was a problem. “...enhance our community...”. What was the Chamber doing to enhance the community beyond the general membership of the

Chamber? This question kept being repeated in the Greater Tampa Chamber of Commerce, President, and CEO thoughts. What is the organization doing to have an economic impact beyond the membership? What are we doing that helps in this area? There was no identifiable program or initiative at the Greater Tampa Chamber of Commerce that was explicitly focused on the community outside the membership. The void of a program on this topic was having an impact on the Chamber and the community. The Chamber had several successful programs in place focused on business success. There were programs for small businesses, women in business, young professionals, leadership development, and military, to name a few.

The element missing from the Chamber's plan was an activity to impact the community. One of the critical elements in the Chamber's "Vision 2026" 10-year vision plan, is a new Minority Business Accelerator that has been three years in development. The Chamber also identified a need to diversify the general membership to reflect the community. However, how to do this in an impactful way was the question. Tampa and Hillsborough County has been a diverse community for generations. There was a desire to make that diversity a more prominent part of the Chamber identity. The organization had tracked the board, executive committee, and leadership line census data for over a decade. Tracking the membership was a more complicated issue. Census information on the membership is voluntary. Members are not required to provide the census information the Chamber sought to document for demographic and strategic growth purposes. The membership would need to participate in the efforts to gather this information if there was going to be a plan with measurements associated with it. It would be challenging to develop a plan for improvement if there was no data on the status. To the best of the Chamber staff's knowledge, only one percent of the chamber membership self-identified as Black and one percent self-identified as Hispanic.

The consensus of the board was that this was a result of underreporting. However, there was additional agreement that there was still a lack of diversity in the membership. The GTCC has a large Board of Directors with more diversity. In 2015, the board was 75% White, 10% Hispanic and 12% Black. The GTCC Vision 2026 Plan calls for a membership that represents Hillsborough County by the end of 2026. The Chamber does not match the county now, but the board is closer to reflecting the County. Hillsborough County's diversity is 50.8% White, 27% Hispanic, 15.5% Black, and 6.2% other.

Toward a goal of a more diverse organization, the GTCC began researching how to engage the entire business community and be a more diverse

organization. Before the Chamber can enter this area of service, they needed to know the current environment of efforts to diversify the business community and what worked and did not work. Additionally, what Chambers across the country are doing this type of work and how who is standing out with more success? What should the Chamber avoid doing? Starting wrong could lead to more problems than solutions. Getting the Chamber leadership supportive and involved would require extensive communication. Engaging the community to participate in the program would also take aggressive communication.

Staff recommended the Chamber hire a consultant to conduct a study of the economic status by race in Tampa and Hillsborough County to determine the areas needing assistance. The Executive Committee declined the first request for funding to conduct a study on the business status in Hillsborough County.

Minority Representation 2017

The reason was that there were other business issues specifically related to the Chamber that should be focused on first. Most of the items were internal and organizationally focused. Staff had a focus external to the organization.

	Non-Minority	Black	Hispanic
Hillsborough County	50.80%	15.50%	27%
GTCC	75%	12%	10%

A search for programs to assist minority businesses produced many programs that had little results. There are non-governmental programs available to Hillsborough County Government, Greater Tampa Chamber of Commerce, minority businesses. The GTCC is a member of the Association of Chamber of Commerce Executives (ACCE) an international association of Chambers of Commerce primarily from North America. There are a smaller number of chambers of commerce members from Europe and South America.

The Greater Tampa Chamber of Commerce decided to get more engaged in the local economy by working to develop a plan to connect to the community. The Chamber wanted to see a more diverse organization and knew the GTCC needed to change how it operated if it was going to attract more diverse members. Staff continued to socialize with the volunteers the idea of a study being conducted to serve as a baseline for a diversity plan.

In 2015 the Chamber was in the third year of their three-year strategic plan. The process of developing the next plan would be this year. The decision was made to stretch the organization by having the Chamber write a ten-year vision plan rather than a three or five-year strategic plan. The staff and volunteers started working on the Vivion2026 Plan. This plan resulted in the establishment of three main pillars for the organization that was based on a solid foundation of organizational excellence. The pillars selected were: Catalyst, Hub for Business, and Inclusive Organization. The board strongly supported being a more inclusive organization and placed that pillar in the center of the plan graphic to emphasize the effort.

Achieving the goal of a more inclusive organization was not going to be an easy task. The Chamber did not reflect the community when analyzed by ethnicity. The organization had monitored the diversity of the Board of directors and the Executive Committee to represent the organization's diversity. Working with a Board of Directors with 130 members, the census was monitored each year. There were several complications. First, the membership was not diverse. When the nominating committee met each year to select board nominees and Officers for the following year, it was too late to worry about diversity. The nominating committee could only select from the membership of the organization. If the Chamber wanted a different board and executive committee, the membership needed to be diverse. The focus on diversification needed to be before the nominating committee to the general recruitment of membership. To accomplish this goal, it would require a proactive plan to engage the targeted community and show an interest in their success.

The efforts to obtain data about the community proved to be complicated. After searching throughout the community and through various agencies and services at the local, state and Federal level, the quantifiable data about the business community, broken down by ethnicity and analyzed for trends was not available. Many organizations that had advice for the Chamber, but none had the data to back up their counsel.

At one meeting with a local governmental advisory group, the Chamber CEO asked the group for data and any examples of the programs they recommended. The group was quick to acknowledge that they had no documentation of plans, just experience from other cities they had lived in for previous jobs. When asked for data, they acknowledged that they had none. "How can you tell the elected officials where they need to go if you do not know where you are?", Rohrlack asked. The response was both surprising and disappointing. The group stated that their information was all anecdotal,

and they did not have statistics to support their recommendations.

Upon reporting back to volunteer leadership, it was agreed that much more information than just anecdotal was needed. Staff knew it was going to take investment by the Chamber to have quantifiable information to be able to develop a plan and a program to diversify the Chamber membership and support minority business.

The Chamber recommended hiring a well-respected economist who had worked for former Florida Governor Jeb Bush's administration leading economic development efforts. The goal was to obtain quantifiable data on the local business community. This information would show the current diversity and, as was desired by the Chamber, identify which ethnic segments of the business community needed the focused assistance. The presumption by the Chamber was that the need would be in the Hispanic and Black community.

The CEO reminded the Executive Committee of the need for the Chamber to be more diverse and how the membership was where the effort needed to be focused. To develop a program focused on the community, it would require a study would need to be conducted providing a history and well as the current and future trends of the minority business community in Hillsborough County. There was a robust discussion of the proposed expenditure. The point was made that there are many universities in the Tampa Bay area. Why not have a class work on a survey of the community? The response was that the information needed was not a survey but an economic analysis to get a picture of the business community. Why not meet with the current minority members of the Chamber to get their input on the business environment? That would be pre-mature. Before engaging anyone in the community further on developing a plan, there was a need to identify what the data tells us about the current environment. The minority membership would be needed for support and advice, but research needed to be conducted first. Was there a less expensive option for the study? Yes, but the recommended company had the reputation that will establish support for any program the Chamber recommends when identifying who conducted our research. After a lengthy discussion, the approval was given to engage the desired economic consultant to do the study for the Chamber. The Greater Tampa Chamber of Commerce had discussed the minority assistance issue for approximately a year at this point.

The results were shocking. There was a problem in the market, and it was more significant than anticipated. In Hillsborough County, the demographics showed a disparity that no organization