

# Resource guide for minority business

Thomas Webster, Contributing Writer

Kirsten's Pastré & Caffé recently opened in downtown Spartanburg. Owner Guy Mallory, a former pastry chef for local restaurants, makes it look easy. His story, however, suggests otherwise.

"I knew if I was able to get the right equipment, the capital would come in," says Mallory. "I believe that if you make a good product, the income will come. But I couldn't get a loan for the equipment."

Though he was an established customer, Mallory's bank was unwilling to loan him the money. "I planned for a year and a half, networked with friends and contacts. Finally, I managed to get a loan from a family member."

**Companies know that if they buy from minority manufacturers they can create more wealth in the community that buys their goods.**

— Kirk Stone,  
Minority Sales Corp.

Mallory, an African American, saw his dream realized through persistence and good fortune. He notes, however, that some assistance in getting started would have been welcomed. The difficulties he was faced with parallel a larger trend, one which may seem insurmountable to many minority entrepreneurs.

Recent data suggests minority-owned companies are growing at an unrivaled pace. According to a Milken Institute/US Department of Commerce report, "The Minority Business Challenge: Democratizing Capital for Emerging Domestic Markets," the decade between 1987 and '97 saw minority-owned businesses increase annually by 17%, a rate six times higher than the growth of all US businesses during the same period. Sales for minority firms also rose twice as fast as they did for all US companies.

Despite the encouraging statistics, the same report cites a wide discrepancy between the minority population and the percentage of businesses owned by minorities. The US Census Bureau indicates 23% of the population is comprised of minorities, but only 11.4% of the nation's firms are minority owned, and minority-owned enterprises receive only 2% of all private equity investments.

While minority businesses can and often do succeed, minorities are encountering impediments in establishing and staying in those ventures.

## Help for getting started

The good news for budding minority entrepreneurs and those who currently own businesses is that there are numerous sources they can turn to for guidance. The Small Business Administration, for example, provides counseling to prospective and current business owners.

"We show clients the pros and cons of

business ownership," says Marjorie Forney, public information officer for the SC district office of the SBA. "They may not be happy with what we have to say, but they leave knowing the truth about business ownership."

Armed with that knowledge, clients who wish to proceed are assisted in building a business plan and seeking financing. The SBA also assists current business owners in getting financing and procurement opportunities.

The Service Corps of Retired Executives (SCORE), sponsored by the SBA, offers clients an opportunity to sit down with someone who has a lifetime of business experience. SCORE's talent pool is comprised of people from diverse fields, and these volunteers often help clients craft a business plan.

Mark Wall, former marketing executive for Purina Mills, is presently serving as Spartanburg's SCORE coordinator. "We will attempt to answer any question people pose," he says, adding most of their clients are start-ups or new businesses.

"The weakest link is planning. We have a lot of clients who don't have a business plan," says Wall, adding a business plan goes beyond procuring funds, often helping to define where they are, where they're going and how they intend to get there.

## Helping the established grow

South Carolina's Small Business Development Center is also administered by the SBA, but provides distinctly different services. David Tinsley, Spartanburg area manager for Clemson University's SBDC, explains: "If you want to expand into foreign markets and you call the SBA, they'll refer you to us."

Tinsley says most clients contact them looking for ways to expand their current market, seeking advice in obtaining additional financing, or looking for help in creating a business plan. The SBDC provides management and technical consulting to start-ups and existing businesses."

The South Carolina Minority Business Development Center is a private corporation based in Columbia. Owned by DESA Inc., the group has a cooperative agreement with the SC Chamber of Commerce to address particular issues. The SC MBDC offers assistance to new and current minority business owners at a fee based on the client's annual revenue.

"Most of the time we see businesses that are having problems," says SC MBDC project director Anthony Washington. "They have a hard time seeking financing for growth, or they have difficulty finding government contracts and preparing to bid on them. We can guide them through this and tell them what else is out there."

Greenville-based Minority Sales Corp. deals with existing minority business enterprises. Co-owner Kirk Stone explains: "We're looking for someone who is already doing two million in sales,

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### Helpful contacts for setting up and running minority businesses:

Governor's Office of Small and Minority Business Assistance (OSMBA):  
Ste. 329, Edgar A. Brown Bldg.  
Columbia, SC 29201  
803/734-0657  
www.govoepp.state.sc.us/osmba

MinorityAmerica.com  
1401 Peachtree St., Ste. M102  
Atlanta, GA 30309  
Toll free: 877/517-7412  
(an Internet source for companies and government agencies to find and buy from certified minority businesses)

Minority Sales Corporation LLC:  
124 Broadus Ave.  
Greenville, SC 29601  
864/255-4999  
Toll free: 877/MBE-REPS (623-7377)

SC Commission for Minority Affairs  
2611 Forest Dr., Ste. 203  
Columbia, SC 29204  
803/737-7570  
www.state.sc.us.cma

SC Small Business Administration:  
803/765-5377

Service Corps of Retired Executives (SCORE):  
Anderson: 864/226-3454  
Greenville: 864/271-3638  
Spartanburg: 864/594-5000

SC Small Business Development Center (SBDC):  
Anderson: 864/656-3227  
Greenville: 864/297-1016  
Spartanburg: 864/585-1731

SC Statewide Minority Business Development Center (MBDC):  
2111 Bull St.  
Columbia, SC 29201  
803/779-5905  
www.scbmdc.com

US Dept. of Commerce Minority Business Development Agency (MBDA):

Regional office:  
401 W. Peachtree St. NW, Ste. 1715  
Atlanta, GA 30308

District office:  
51 W First Ave.  
Room 1314, Box 25  
Miami, FL 33130

probably already selling to at least one Fortune 500 corporation." The mission of MSC is to increase clients' outside sales, expanding them into new markets and pairing them with new contacts.

Stone says companies want to buy from minority-owned businesses. "It

makes good business sense. Minority consumers are a large percentage of the customer base," he says. "Companies know that if they buy from minority manufacturers they can create more wealth in the community that buys their goods." ☺

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