

COMMERCE, FINANCE, TECHNOLOGY & POLITICS

HISPANIC Trends

JUNE/JULY 2004 \$3.95

www.hispanictrends.com

HISPANICS HIRING HISPANICS

ARE YOU COURTING A LAWSUIT?

2004 TOP ENTREPRENEURS

100 REASONS WHY HISPANIC
BUSINESS IS THRIVING

INVENTORY MOVES

KEEP YOUR INVENTORY ROLLING

A SILVER SALUTE

THE USHCC CELEBRATES 25 YEARS

PUBLISHED BY



UNITED STATES HISPANIC
CHAMBER OF COMMERCE

HispanicPublishing
Group

USHCC Chair Tina Cordova and Acting President and CEO J.R. Gonzales

EMPOWERING ENTERPRISE

With the USHCC on the front lines, Hispanic entrepreneurship is gaining visibility and clout

By ANA RADELAT

Tina Cordova, a successful businesswoman in Albuquerque, New Mexico, was stunned at the reception she and two other Hispanic owners of construction companies recently received from the federal government.

Looking for ways to snare new government contracts to expand their business, Cordova and her colleagues were told they had to know computers and develop safety plans and a quality assurance system.

"I was floored," she says. "They seemed to think we didn't have computers or know how to run a company, that we operate our businesses out of the back of our trucks."

Cordova, 44, is owner of Queston Construction and chair of the United States Hispanic Chamber of Commerce. She says Hispanic business people have made great strides, but still suffer from an image problem.

"There's just a perception among government buyers and corporate buyers that we aren't at the level that we are at," she says. "We still have this huge disparity when it comes to doing business. Although we've made progress, we're not there yet."

The good news? The U.S. Hispanic Chamber of Commerce, about to celebrate its 25th anniversary in July, is uniquely positioned to change discriminatory perceptions about Latino businesses, says Cordova.

From the beginning, the USHCC has traced a clear-cut mission: "To advocate, promote and facilitate the success of Hispanic businesses." Founded in 1979 by a handful of Latino business leaders led by Hector Barreto, the chamber has grown to a membership of 155 local Hispanic chambers nationwide, with a current budget of \$7 million.

Barreto, owner of Mexican restaurants and other small businesses in Kansas City, Missouri, first ran a local Hispanic chamber—he knew there were a growing number of Latino businesses springing up in his city that didn't know where to go for help. But when he tried to link up with a national organization, he found that it didn't exist.

"My father was prescient," says Hector Barreto, Jr., the head of the Small Business Administration, noting that the elder Barreto was one of the first to recognize the strength of the Hispanic community's entrepreneurial spirit. Today's figures prove his father right: According to the SBA chief, the number of Hispanic businesses is growing at a faster clip than any other types of businesses. At last count, the 1997 Economic Census documented more than 1.4 mil-

lion Hispanic-owned enterprises generating \$495 billion in revenues and employing some 4 million workers. Today, there are about 2 million Latino-owned businesses, says Barreto, and demographers predict that number will double every five years.

Many of those new Hispanic business owners will be Latinas like Cordova—they're the fastest-growing sector of entrepreneurs. "We are the face of economic development," Cordova says.

New leadership

With all projections indicating explosive growth in the Hispanic community, the decisions the chamber makes this year are likely to determine its future. Following the departure of former USHCC president and chief executive George Herrera, who resigned in January to become a board member of Cendant Corporation, the organization is at a crossroads.

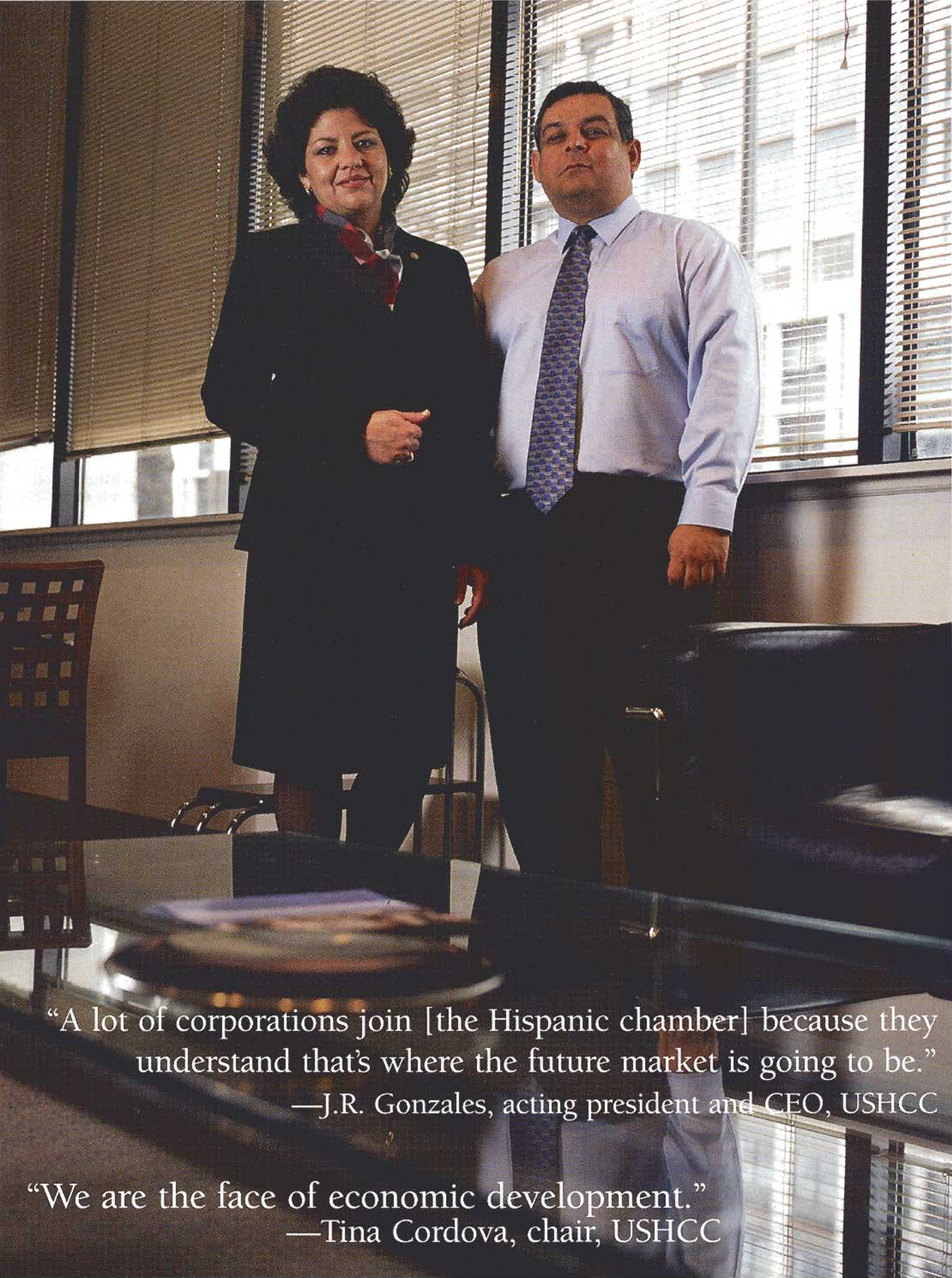
But while Herrera will be missed, the USHCC is hardly suffering from a leadership vacuum. Chamber leadership has passed fully to J.R. Gonzales, the chamber's energetic 45-year-old former chairman of the board, who has taken on the duties and responsibilities of the chamber presidency while a search committee looks for a new CEO.

Gonzales, head of JRG Communications, a public relations firm in Austin, and former chairman of the Texas Association of Mexican American Chambers of Commerce (TAMACC), knows exactly where he wants the USHCC to go.

For starters, he aims to keep local chambers educated about changes in the turbulent and rapidly changing business world. The USHCC has received a \$100,000 grant from the SBA to hold training sessions on how to run a chamber successfully. In addition, partly in response to concerns voiced by the chamber membership, he is working to make the Hispanic chamber more politically involved, and to create new wealth in the community. "We shouldn't be sweating to make others rich," Gonzales points out.

He is also reaching out to other like-minded organizations, such as the National Black Chamber of Commerce and the U.S. Pan Asian Chamber of Commerce, and plans to implement, at the national level, a version of his HAL program, a nationally recognized leadership training program established by Gonzales during his tenure as chairman of the Greater Austin Hispanic Chamber of Commerce.

A bold agenda—especially because, silver anniversary notwithstanding, the idea of a Hispanic chamber is fairly new. "We're still



“A lot of corporations join [the Hispanic chamber] because they understand that’s where the future market is going to be.”

—J.R. Gonzales, acting president and CEO, USHCC

“We are the face of economic development.”

—Tina Cordova, chair, USHCC

The boom in Hispanic-owned enterprises and the growth of Hispanic chambers has given the USHCC greater political clout.

very, very young," Gonzales notes.

The growing number of Hispanic-owned businesses underscores the need for cohesive leadership. Hispanic chambers are popping up everywhere, even in places like Little Rock, Arkansas, that have small Latino populations. It is the need for an organization that can fill the needs of small businesses—provide information about government regulations and even simpler things like the basics of setting up shop—that has driven the growth of Hispanic chambers and the USHCC, notes Gonzales.

"Hispanic chambers are outperforming greater chambers

boards for what affect our communities."

Cordova agrees that the USHCC provides entrepreneurs with an alternative. The U.S. Chamber of Commerce and other business groups make them feel "they're just a small fish in a huge fishbowl," she says.

In fact, the resources the Hispanic chamber provides, and the chance to tap into the fastest-growing market in the nation, has attracted non-Hispanic businesses to many Hispanic chambers: About 30 to 35 percent of Hispanic chambers' membership is non-Hispanic, Gonzales says.

"A lot of corporations join because they understand that's where the future market is going to be, and they're desperately trying to tap in," he notes.

Challenges ahead

But the relationship between big business and Hispanic business still needs some work.

Former president Herrera says the chamber suffered from a "credibility gap" with Corporate America when he assumed its presidency in 1998.

"It was an organization that would reach out to companies to fund events and have nothing to do with those corporations until it was time to put on another event," says Herrera.

During his tenure, Herrera fought to persuade Corporate America that they had to do more than fund charitable events and scholarships for Latinos—that they had to do business with Hispanic companies and put Hispanics in their boardrooms and in upper management.

Herrera chafes that the nation's big corporations are aware of the buying power of the Hispanic community—the amount of advertising dollars targeting Hispanics, and their \$653 billion worth of purchasing power, has grown exponentially during the past decade—but they weren't contracting with Hispanic businesses.

It doesn't help, he says, that of the approximately 10,100 board seats that belong to the Fortune 500—the nation's largest corporations—Hispanics hold only about 150.

But with the USHCC leading a rapidly growing business community, Hispanic entrepreneurship is gaining visibility and clout. The chamber's nationally syndicated television program, *Hispanics Today*, reaches 31 million Latino households every week. In partnership with U.S. Bank, the chamber last year spearheaded Capital!, a lending program designed to channel \$1 billion in fresh funds to Latino-owned companies. And, in perhaps the chamber's most ambitious move yet, it worked to establish Hispania Capital Partners, a \$100 million venture capital fund exclusively for Hispanic-owned businesses licensed by the Small Business Administration and started with the help of Bank One and Verizon.

Herrera says the chamber's next president should "maintain the message" that Corporate America must take the Hispanic community more seriously. "There must be a reciprocal relationship," he said. "We have too long let Corporate America determine how they

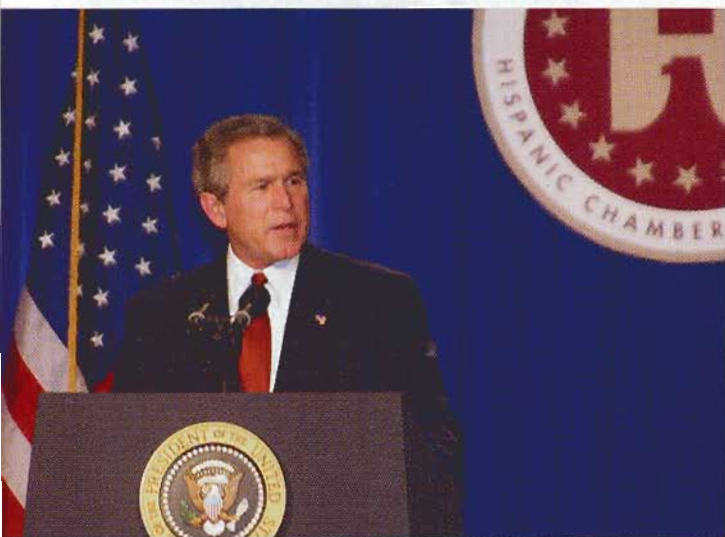


PHOTO: JUAN CARLOS BRICEÑO

President George W. Bush addresses the USHCC Legislative Conference in March.

because the greater chamber focuses on attracting tourism and industry to a town and getting involved in politics, and we help in day-to-day problems," he says.

Often asked why the nation needs a Hispanic chamber of commerce when the U.S. Chamber of Commerce has a presence in almost every town in America, Gonzales shoots back: "I say 'Why do you need more than one church in this town? Why don't you all become Catholic and go to Mass like I do?'"

Other minority business leaders concur. Harry C. Alford, president of the National Black Chamber of Commerce, says organizations like the USHCC, the National Black Chamber of Commerce, the Pan Asian Chamber of Commerce and other business organizations that are formed around race or ethnicity are needed to fight discrimination in the business world because that may not be a priority for greater chambers. He credits the Hispanic chamber for the huge growth of Hispanic entrepreneurs.

"It makes a heck of a lot of difference," says Alford. "The Hispanic Chamber and other small chambers also serve as sounding

