



# BusinessLINC Guidebook: **BUSINESSES**



INVESTMENT

LEARNING

NETWORKING

COLLABORATION

June 2002

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INVESTMENT

LEARNING

“Now more than ever, business-to-business partnerships are essential to developing local economies and neighborhoods. The BusinessLINC Guidebook for Businesses provides a solid, successful framework for promoting strong business relationships and smart business practices.”

NETWORKING

COLLABORATION

— RAMANI AYER  
*National Chairman,*  
BusinessLINC National Coalition  
*Chairman & CEO*  
The Hartford Financial Services Group

# Executive Summary

As the business environment becomes more competitive, global, and fast-changing, leading companies have begun to recognize that they can increase their economic competitiveness by managing their business-to-business relationships to create the highest possible value. These leading firms hone their core internal competencies while relying on strategic partner firms to complement and leverage these strengths. Strategic partnerships range from familiar examples — such as suppliers for key components — to the less obvious examples — such as subcontractors, distributors, dealerships and retailers — that can reach new customers and identify their buying preferences.

The common denominator is that these are win-win relationships, typically with agile smaller firms that bring meaningful benefits to the larger company.

This business trend is underway and fairly well-known in the mainstream business community. What's less appreciated is how leading firms are deploying these same business strategies with smaller entrepreneurial

firms located in economically distressed communities. With long-term business discipline, leading firms have discovered that firms in the inner city or in rural areas can open the door to new markets and lower costs, with no sacrifice in service and quality.

BusinessLINC stands for Learning, Investment, Networking and Collaboration — the strategies used to begin encouraging these mutually beneficial relationships. This BusinessLINC Guidebook is aimed at business executives who are interested in using these strategies to improve their company's economic performance and, simultaneously, to strengthen their partners' performance. These are strategies that companies can

immediately and directly use. A second BusinessLINC Guidebook deals with financial institutions' unique relationship as investors and lenders to small business, and a third BusinessLINC Guidebook addresses intermediaries (such as business and trade associations or specialized nonprofits) that can facilitate these partnerships.

Chapter I explains BusinessLINC and the expanding network of firms that are involved. Chapter II details the economic benefits of these strategic partnerships. Chapter III is the centerpiece of this Guidebook; it lays out the specific business-to-business strategies that firms are using to create economic value. The following list outlines those strategies, and you will most likely find that they can be put in to practice relatively quickly:

## Business–To–Business Strategies

- **ADOPT-A-SUPPLIER** Large firms offer intensive technical consulting and undertake collaborative business planning with selected suppliers to boost their capacity. Manufacturing firms have taken this strategy to the highest level, combining internal consulting teams with carefully monitored subcontracts to accelerate their partners' growth. These manufacturing firms have found their partners often produce goods at lower cost and at superior quality to other suppliers.
- **JOINT MARKETING AGREEMENTS** Large and small firms sign agreements to pursue customers jointly, with specific sales responsibilities for each party. Both firms benefit by pooling their leads and developing sales strategies based on the combined firms' capacities, rather than thinking narrowly. Ultimately, this leads both firms to see their self-interest in mutual success.

**BusinessLINC stands for Learning, Investment, Networking and Collaboration — the strategies used to begin encouraging these mutually beneficial relationships.**

- **EXECUTIVE GROOMING** Firms choose promising individuals to cultivate and train as owners, suppliers, distributors or franchisees and help them launch new partner firms. These executives may come from within the firm or be recruited for “internships” to familiarize them with the firm’s practices. The larger firm assures a strategic fit by identifying the complementary business need beforehand and then helping to launch these new firms with the appropriate skills and resources.
- **JOINT VENTURES** Large and small firms jointly invest in creating a third company that offers a new capacity or competitive edge over alternative suppliers. For example, the joint venture may own or develop previously unavailable production skills or technology, may combine talents and skills into a single firm that did not previously exist in the market, or may simply offer a product or service in a less expensive location than alternatives.
- **MENTORING** Large firms take a holistic approach at assisting a smaller firm in building its capacity, experience and market savvy. This is accomplished through a variety of venues, including short-term, loaned staff; apprentice-like partnerships with CEOs of small businesses; partnerships involving specific departments or divisions of the large business partner.
- **CLASSROOM TRAINING AND SMALL BUSINESS COLLEGES** Firms organize a business curriculum tailored to potential suppliers or to firms in particular industries, tapping other firms or experts to teach specialized subjects. This approach is most highly developed in training prospective franchisees and dealers, and is also well known in the construction trades. Supplier workshops are a more abbreviated form of this strategy.

Companies are putting these successful BusinessLINC strategies to work in their organizations, and Chapter III cites these specific examples. Chapter IV summarizes the keys to success, and Chapter V lists some additional external resources.

We urge you to consider these proven BusinessLINC strategies. If these approaches fit your economic goals and business philosophy — as they clearly do for most firms — please ask a senior member of your strategic team or line management to design an approach that works for your firm. This Guidebook should help them get started.

Finally, we would like to include your firm on our list of firms that have committed to developing these economically competitive strategic partnerships with firms in distressed areas. By simply making that commitment, we will add your firm as a BusinessLINC partner.

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# I.

## Explanation of BusinessLINC

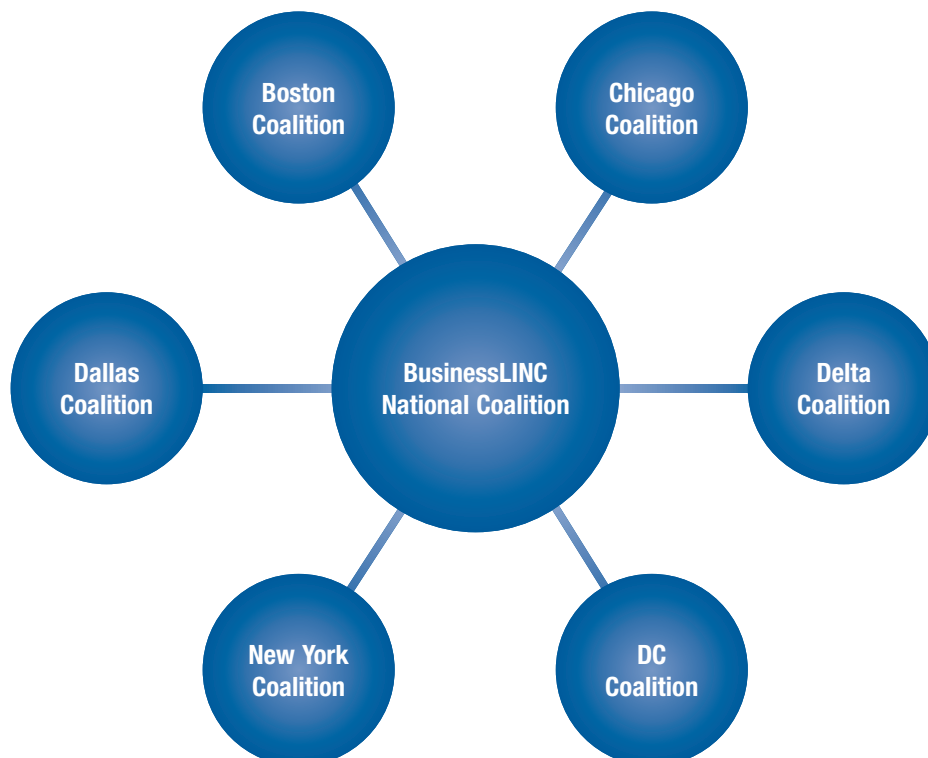
### What is BusinessLINC?

BusinessLINC is a program aimed at stimulating economic growth in cities and distressed rural areas by helping to foster business-to-business partnerships. BusinessLINC stands for Learning, Investment, Networking and Collaboration that together can facilitate a full range of economic benefits. The goal of BusinessLINC is to encourage large firms to help locally owned smaller firms to flourish by providing technical assistance, business advice, networking, investment, and/or joint venturing and contracting opportunities.

The BusinessLINC program targets small businesses in distressed urban and rural communities, especially minority- and women-owned firms.

BusinessLINC's work is done at the local level, where local coalitions have been formed to facilitate these relationships. Each coalition is chaired by a corporate CEO, hosted by a local business, community or civic association, and comprised of corporate partners.

The organization chart below illustrates the BusinessLINC Network at the time of its inception:



## BusinessLINC today

### *BusinessLINC National Coalition*

The BusinessLINC National Coalition is made up of corporate and organizational representatives from each local coalition, as well as representatives from BusinessLINC's national partners. The National Coalition, led by The Business Roundtable, works closely with the U.S. Department of Treasury and the Small Business Administration. The National Coalition also provides the assistance to the local BusinessLINC coalitions, disseminates information relating to best practices, and assists in the development and promotion of new local BusinessLINC coalitions.

### *The Business Roundtable*

The Business Roundtable is an association of Chief Executive Officers of leading U.S. corporations with a combined workforce of more than 10 million employees. The CEOs are committed to advocating public policies that foster vigorous economic growth and a dynamic global economy. Ramani Ayer, Chairman & CEO of the Hartford Financial Services Group, represents The Business Roundtable as the Chairman of the BusinessLINC National Coalition.

### *U.S. Department of the Treasury*

The Mission of the Department of the Treasury is to promote prosperous and stable American and world economies, manage the Government's finances, safeguard our financial systems, protect our nation's leaders, secure a safe and drug-free America, and continue to build a strong institution. The Treasury Department has provided support and guidance in the development of BusinessLINC since its inception, and continues to be a partner in the National Coalition.

### *U.S. Small Business Administration*

The U.S. Small Business Administration (SBA), established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, in addition to a venture capital portfolio of \$13 billion, SBA is the nation's largest single financial backer of small businesses. The SBA, along with the Department

of Treasury and the Business Roundtable, was one of the original partners in developing BusinessLINC at the national level.

### *BusinessLINC Local Coalitions*

Local coalitions are being formed around the country on a continuing basis. Local coalitions can be comprised of local business and civic organizations, community based organizations, large and small businesses, universities, and municipal, county and state government entities. The following list comprises the initial BusinessLINC local coalitions (as of 1/1/01).

- **BOSTON** The Business Collaborative is leading the local Boston BusinessLINC coalition. UNC Partners in conjunction with Marsh Carter, CEO of State Street Bank have built a collaboration to expand mid-size businesses in the Boston area for Entrepreneurs of Color (EOC). The goal of the business collaborative is to give these EOC organizations access to big business, the ability to build organizational capacity and facilitate partnerships.
- **CHICAGO** The Commercial Club of Chicago is leading the local Chicago BusinessLINC coalition. Designed to grow jobs in Chicago's inner city neighborhoods, The Commercial Club has identified 12 disadvantaged businesses and partnered them with 12 large corporations. In collaboration with the Civic Committee, The Chicago Commercial Club promotes job growth and increased revenue in the inner city.
- **CLEVELAND** The Cleveland Commission on Economic Partnerships and Inclusion includes The Greater Cleveland Roundtable, Cleveland Tomorrow and The Greater Cleveland Growth Association. Chaired by Eaton Corporation

**The National Coalition, led by The Business Roundtable, works closely with the U.S. Department of Treasury and the Small Business Administration.**

CEO Sandy Cutler and former Congressman Louis Stokes, the Commission will focus on establishing viable economic partnerships between large and small businesses, between majority- and minority-owned businesses, and in expanding supplier and internal diversity of Cleveland's major corporations.

- ▶ **DALLAS** The North Texas Commission, a non-profit, membership-supported organization, made up of approximately 400 North Texas businesses, cities, counties, chambers of commerce, economic development entities and higher education institutions, and the Dallas-Fort Worth Minority Business Development Council, are leading the local Dallas BusinessLINC coalition in coordination with TXU Corporation. The coalition runs the Mentor-Entrepreneur program.

**Local coalitions can be comprised of local business and civic organizations, community based organizations, large and small businesses, universities, and municipal, county and state government entities.**

- ▶ **FLINT, MI** The Metropolitan Chamber of Commerce has set-up a coalition of private and public partners in Flint to create mentor-protégé partnerships. The initiative, the Community Business Partnership, was modeled after the Washington, DC Coalition, and partners large corporations with neighborhood businesses to help them grow by 1) Developing new markets; 2) Strengthening business operations; 3) Identifying investments and financing prospects; and 3) Expanding employment.
- ▶ **HOUSTON** The Houston Minority Business Council and the Houston Women's Business Council have come together to establish the Houston BusinessLINC Coalition. The coalition focuses on establishing mentoring relationships between large corporations and minority- and women-owned businesses. Relying upon the mentor's core competencies, the protégé gains invaluable

experience and technical expertise, increasing the protégé firm's operation capability, industrial competitiveness, financial stability and client base.

- ▶ **INDIAN COUNTRY** The Minneapolis Federal Reserve Bank is working with Wells Fargo Bank, a number of other Minneapolis-based companies, the Minnesota American Indian Chamber of Commerce and the American Indian Business Leaders to develop a pilot-program for a BusinessLINC coalition in Indian Country that will focus on matchmaking between Native American businesses and larger corporations. BusinessLINC will eventually extended to a variety of other regions.
- ▶ **MISSISSIPPI RIVER DELTA** The Enterprise Corporation of the Delta (ECD) and Entergy Corporation are leading the Mississippi River Delta Coalition. The mission of the Enterprise Corporation of the Delta is to improve the quality of life for low- and moderate-income residents of the Delta regions of Arkansas, Louisiana and Mississippi. ECD accomplishes this mission by providing market-driven financial and technical assistance to firms in the region, and forging strategic partnerships with the private, public and not-for-profit sectors.
- ▶ **NEW YORK CITY** The New York City Partnership is leading the local BusinessLINC coalition in coordination with Chase Manhattan Bank. Through the New York City Partnership, industry leaders, civic groups, community organizations and the public sector converge to secure the future of business in New York. Formed in 1979 by David Rockefeller in response to the fiscal crisis of the time, the New York City Partnership has since merged with the New York Chamber of Commerce to form the city's preeminent business and civic organization.

- ▶ **RICHMOND** The Richmond Business Collaborative is led by Richmond Renaissance with the Virginia Regional Minority Supplier Development Council, the Metropolitan Business League, the Greater Richmond Chamber of Commerce, and the Greater Richmond Partnership, and supported by the Federal Reserve Bank of Richmond. The Collaborative modeled after Boston's Business Collaborative, was created to increase African-American participation in the Richmond economy by promoting corporate supplier diversity programs, building business relationships between majority and minority firms, and by sharing best practices among area companies.
- ▶ **SAN FRANCISCO** Silicon Valley Community Ventures, a San Francisco-based community-focused venture capital firm and a coalition of major regionally-based businesses and community leaders have come together to create a San Francisco BusinessLINC coalition. This coalition will combine mentoring and technical assistance with an investment component that will provide access to capital for the expanding small businesses.
- ▶ **WASHINGTON, DC** The Greater Washington Board of Trade hosts the local Washington, D.C. BusinessLINC Coalition, the Community Business Partnership, and is co-led by Southeastern and Giant Foods, Inc. The Washington, DC Coalition works directly with Community Development Corporations to develop new markets, expand employment opportunities, and create business development, retention, and investments along neighborhood commercial corridors.
- ▶ **SOUTHWEST BORDER** The United States-Mexico Chamber of Commerce (USMCOC) is leading the BusinessLINC coalition effort along the 2,000-mile Southwest border. Small- and medium-sized enterprises coalition members are selected from 200 participants in the Wiring the Border initiative. Key USMCOC board members such as IBM, Telmex, and MEP/MSI, are coalition members. Coalition mentors include US-owned maquiladoras, such as Delphi Automotive Systems, Boeing Aircraft Company, General Motors Company, and Mattel, Inc. Using e-commerce technology and capacity building techniques, the coalition assists companies into supply chains, creating business expansion and new jobs along the US-Mexico borders.

# II.

## Benefits

### What are the potential benefits for your company?

Larger companies involved with the BusinessLINC program may see benefits such as:

- ▶ Reaching new markets and increasing market share.
- ▶ Creating greater opportunities (especially in mature markets).
- ▶ Partnering with smaller, more agile, innovative companies.
- ▶ Cultivating a more diversified world-class supplier base.
- ▶ Success in industries that call for inter-firm collaboration.
- ▶ Creating a stronger business environment and stronger communities.

#### *Reaching new markets and increasing market share.*

Firms seeking to reach untapped markets are aware of three important considerations: first, the demographic projections showing the increase in minority populations throughout the U.S.; second, the rapid growth of firms owned by women and minorities; and third, the unserved buying power of many inner city markets.

#### *Partnering with agile, innovative companies.*

Small businesses can also be useful to larger firms in finding and exploiting new strategic market niches. Smaller businesses may possess a more cost-efficient structure to handle smaller orders, unusual customer requests, or emerging technologies. These agile partners can be more efficient subcontractors; many companies said that smaller suppliers had ultimately brought additional business to them, occasionally subcontracting back to the larger firm.

#### *Cultivating a world-class supplier base.*

Long-term strategic alliances between large and small companies can be a marketplace advantage. As Richard Stouffer, a Vice President at Texas Instruments has said, “Often the value to or the impetus for the mentor’s participation is to attain a cadre of competent, first-class suppliers.” For most companies, developing a reliable supplier base is central to quality control, cost containment, and on-time deliveries. Small businesses can provide larger companies faster response to rapidly changing shifts in supply and demand, and more targeted service to specialty markets.

#### *Success in industries that call for inter-firm collaboration.*

Some industries’ structures inherently require expertise in managing firm-to-firm collaboration. For example, in the construction industry, general contractors rely on and work closely with their subcontractors. The general contractor supervises the project and performs some of the work, while subcontracting with more specialized firms for certain tasks.

### *Creating a stronger business environment and stronger communities.*

Business-to-business linkages can be a key ingredient in creating a local growth environment with broad benefits. Expansion of neighborhood business activity can result in increased tax revenues, improved property values as well as more job opportunities for disadvantaged individuals. Equally important, such business expansion can increase the civic capacity and the quality of life for residents of distressed communities.

- **Strategic location.** Inner cities are often near high-rent business centers, entertainment complexes, and transportation and communications nodes. According to Michael Porter, the head of Initiative for a Competitive Inner City (ICIC) and Professor at the Harvard Business School, believes that inner city locations can offer a competitive edge to logistically sensitive businesses that benefit from proximity to downtown, transportation infrastructure, and concentrations of companies.<sup>1</sup>
- **Unmet local demand.** Inner cities represent a significant retail market with few large businesses serving it. Despite low average incomes, high population density in many inner cities translates into a local market with substantial buying power per square mile. Therefore, Porter points out that these markets may present opportunities both for chain and independent retailers.
- **Human resources.** Although inner-city populations may present workforce readiness challenges, Porter contends they can be an attractive labor pool for businesses that rely on a loyal, modestly skilled workforce.
- **Integration with regional industries and clusters.** Porter argues that many business opportunities for large and small businesses could be tapped into by linking with inner-city businesses across the spectrum of industries.

**“This program is the right thing to do from a corporate responsibility standpoint. And frankly, it is the smart thing to do from a competitive standpoint. Shareholders clearly benefit from our ability to partner with the brightest, most creative talent available, which we might just miss without this type of outreach program.”**

*Ramani Ayer  
Chairman, President & CEO  
The Hartford Financial Services Group*

### **What are the benefits for smaller businesses?**

The BusinessLINC program offers many potential benefits to small businesses such as:

- Obtaining technical advice
- Enhancing management development
- Leveraging core strengths
- Accessing sources of financing
- Increasing marketplace credibility
- Entering subcontracts and joint ventures

#### *Obtaining technical advice.*

Many small business owners, at one time or another, seek basic technical advice on the operational aspects of managing a small business. Business-to-business linkages offer a way for small business owners to acquire the specific technical advice they need in order to strengthen their businesses. Technical advice can include most aspects of running a small business, such as marketing, merchandising, pricing, production, inventory control, accounting, long-range financial planning, or basic legal advice.

<sup>1</sup>Porter, Michael: “The Competitive Advantage of the Inner City,” *Harvard Business Review*, May/June 1995

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### *Enhancing management development.*

Business-to-business relationships provide a means for small business owners to develop relationships with business executives who can become both teachers and role models. Often, these executives can share similar personal experiences in leading a small firm and can provide some perspective on the day-to-day pressures an owner faces. Interaction with larger companies may inspire an owner to believe that he or she can attain greater success than previously thought possible. By developing a vision of what their companies can become, small business owners may begin to see increased opportunities for their own companies.

### *Leveraging core strengths.*

In addition to technical advice, small businesses also benefit from access to new sales channels and a better understanding of their own core strengths. Mentors are able to assist small businesses by giving advice on trade shows and advertising, by providing assistance in selecting sales representatives, by making introductions to buyers at larger companies, and by sharing knowledge of market trends.

### *Accessing sources of financing.*

For many small businesses managing short-term cash flow can present obstacles to business expansion, larger companies have the resources to help overcome these barriers. But, increasing financial access does not always mean providing direct funding or taking an equity position in the protégé company. It can mean assisting the protégé company to gain access to existing sources of financial capital. Often, a large company's support or endorsement of a smaller company may help persuade lenders to provide financing. In some cases, mentors may even co-sign loans.

### *Increasing marketplace credibility.*

Another benefit of business-to-business linkages is the value to small business of the endorsement from a large, established business. This added credibility may help the small business gain new customers who are uncertain of the smaller company's ability to deliver products or services.

### *Entering subcontracts and joint ventures.*

Most small businesses look to large companies as a potential source of business. Small businesses, especially in distressed communities, want the opportunity to bid on contracts but must often prove themselves more extensively than larger companies. Commercial relationships can be a powerful motivator to assure that both large and small businesses are focused on strengthening their companies' capacity to grow.

# III.

## How to Get Started

While specific BusinessLINC programs will differ to suit your needs, most successful BusinessLINC programs have followed the same basic core process:



T A S K S	S T E P S
Articulate Goals, Objectives and Metrics	<ul style="list-style-type: none"> <li>➤ Review and articulate corporate business goals</li> <li>➤ State the objectives and outcomes of the BusinessLINC program, including timeline</li> <li>➤ Propose measures of success</li> </ul>
Form the Team	<ul style="list-style-type: none"> <li>➤ Identify key corporate sponsors and implementers, and other internal resources</li> <li>➤ Assign responsibilities</li> <li>➤ Learn about external organizations and resources</li> <li>➤ Identify strengths and weaknesses of potential BusinessLINC partners</li> </ul>
Design a Strategy	<ul style="list-style-type: none"> <li>➤ Adapt proven BusinessLINC strategies to local conditions</li> <li>➤ Formalize plan and secure corporate endorsement</li> <li>➤ Confirm proposed measures of success</li> </ul>
Launch Program	<ul style="list-style-type: none"> <li>➤ Set program parameters</li> <li>➤ Outreach to and selection of BusinessLINC partners</li> <li>➤ Run program and assure appropriate top management involvement</li> <li>➤ Monitoring and consultation with BusinessLINC partners</li> </ul>
Refine and Expand	<ul style="list-style-type: none"> <li>➤ Assess ongoing partnerships</li> <li>➤ Set goals, objectives and metrics for future growth</li> <li>➤ Assure corporate recognition for progress</li> </ul>

In the following pages, we will provide detail on the steps necessary to have a successful BusinessLINC experience.



## Articulate Goals, Objectives and Metrics

### *Review and Articulate Corporate Business Goals*

The first step in creating a successful BusinessLINC program is the identification of key corporate business goals currently in existence for your organization. What is the overriding mission and vision of your organization? Will this be changing in the near-term future? How? Reviewing your corporate business goals will assist you in determining if your business could benefit from joining the BusinessLINC program.

### *State the Objectives and Outcomes of the BusinessLINC Program*

After you have revisited your overall corporate business goals, you should determine if your goals match the goals of the BusinessLINC program. If so, you must then determine what your specific objectives are in creating a BusinessLINC program.

By determining what you are working toward or striving to achieve through the BusinessLINC program your organization is guaranteed to have a clear vision of its purpose. Objectives will vary based upon your unique corporate culture and business goals. Outcomes will be natural results that occur based upon the objectives you set for your organization.

There are several methods for determining the appropriate objectives for your BusinessLINC program. Many organizations survey managers and employees to determine what unmet needs exist within the business, and how a BusinessLINC effort will fill those needs.

### *Propose Measures of Success*

You will need to develop objective measures of success, which will be unique for your organization to ensure that activities in BusinessLINC are always focused on improving the business. These measures will match the overall objectives and outcomes that you have created for your unique BusinessLINC effort.

There are two primary types of measures of success: 1) quantitative and 2) qualitative. Quantitative measures will focus on measuring numbers, such as number of small businesses signed up by your business, amount of financing provided to small businesses, number of contracts awarded to small businesses, etc. Qualitative measures are more difficult to define and measure, but focus on measures such as feedback from the small businesses your company has helped in terms of the value of the effort, or feedback from the greater community in which you operate as to the impact of your company's program on the local community.



## Form the Team

### *Identify key corporate sponsors, implementers and other internal resources*

After you have determined that joining the BusinessLINC program is appropriate for your business, and have created some broad measures of success for your potential program, the next critical step is obtaining support within your organization for a BusinessLINC program.

Senior management support for any effort is a critical success factor. There are several potential areas of senior leadership support including:

- **CHIEF EXECUTIVE OFFICER** obtaining the support of your CEO is the optimal level of “buy-in” from your company’s senior leadership. Due to the multiple benefits to your organization realized in establishing a BusinessLINC partnership, including the active participation of The Business Roundtable in the BusinessLINC program, CEOs should be motivated to sponsor the program.
- **SENIOR VICE PRESIDENT** while CEO-level support for a BusinessLINC program is ideal, another source of senior leadership support is the leader, typically at the Senior Vice President level, in the specific area of the company dealing with business partnerships, supply chains, and strategic relationships.
- **VICE PRESIDENT/CHIEF PROCUREMENT OFFICER** the BusinessLINC program has obtained tremendous feedback suggesting small businesses that act as suppliers to large businesses provide tremendous advantage on a mutual level. A potential route of internal senior support for an initial BusinessLINC effort could be obtained from your company’s senior executive in charge of procurement.

### ➤ **DIRECTOR OF COMMUNITY RELATIONS**

beyond the senior executives in your company at the CEO or Senior Vice President level, most large companies have a Community Relations department that champion programs such as BusinessLINC internally. This is another potential source of support for a BusinessLINC program. Ideally, this responsibility should be linked with a key senior executive to ensure that there is sufficient “clout” behind the program.

### *Assign responsibilities*

After obtaining a sufficient level of initial support for a pilot BusinessLINC effort in your company it is essential to assign responsibilities for moving forward with a BusinessLINC effort. The senior executive will need to identify staff to support the effort, and assign responsibilities to involved staff. These responsibilities should include specific timelines for completing tasks, and some ongoing level of organization to track the progress of the program across organizational boundaries (e.g., weekly status meetings, milestone charts, metrics).

### *Learn about external organizations and resources*

There are a number of organizations and companies in several cities (see Appendix X) that have already successfully started and supported ongoing robust BusinessLINC programs. Lessons learned from these prior efforts have been captured by both the local and national coalitions. This information is available by contacting these organizations and companies by telephone, or utilizing relevant internet websites. Starting a BusinessLINC effort requires a commitment of company resources, which can be augmented by the organization, as well as lessons learned from other successful experiences.

### *Identify strengths and weaknesses of potential BusinessLINC partners*

After gathering data from external organizations, and beginning the first steps of communicating the potential BusinessLINC program, you will be able to identify a rich pool of potential BusinessLINC partners. The chal-

lenge will be to determine how many partners to initially sign-up to the program, what the criteria are for selecting partners, and how to identify the strengths and weaknesses of these potential partners. Securing buy-in from corporate, non-profit, civic and small-business community organizations and entities will ensure a broad base of support and encourage diverse points of view.



## Design a Strategy

### *Adapt Proven BusinessLINC strategies to Local Conditions*

Through the experiences to date of organizations and companies in the BusinessLINC program, the following five strategies have proven highly effective when creating and supporting a new BusinessLINC program.

- **ADOPT-A-SUPPLIER** Large firms offer intensive technical assistance or consulting teams to selected suppliers to boost their capacity.
- **JOINT MARKETING AGREEMENTS** Large and small firms pursue customers jointly, with specific sales responsibilities agreed to by each party.
- **EXECUTIVE GROOMING** Firms choose promising individuals to cultivate and train as owners, suppliers, distributors or franchisees and help them launch new firms.
- **JOINT VENTURES** Large and small firms jointly invest in creating a third company that offers a new capacity or competitive edge over alternative suppliers.
- **MENTORING** Large firms work directly with a smaller firm to assist in building its capacity, experience and market savvy.

- **CLASSROOM TRAINING AND SMALL BUSINESS COLLEGES** Firms organize a business curriculum tailored to potential suppliers or to firms in particular industries, tapping other firms or experts to teach specialized subjects.

While these strategies have proven highly effective, there are other strategies that are effective in creating a BusinessLINC program, and should be utilized to fit your unique company and business environment.

### *Formalize Plan and Secure Corporate Endorsement*

After preparing your initial objectives for a BusinessLINC program, and obtaining some level of committed senior management support, it is critical to the success of your effort to create a rigorous plan detailing the steps your organization will take to accomplish the successful implementation of your BusinessLINC program.

The plan should then be approved by senior leadership, after incorporating any changes to the plan, if any, by leadership.

### *Confirm Proposed Measures of Success*

A key factor to consider is the reasonableness of the initial measures associated with BusinessLINC. Setting standards unrealistically high can discourage the early momentum of a BusinessLINC program. Not setting standards high enough will hurt the overall credibility of the program.



## Launch the Program

### *Set program parameters*

With a rigorous plan for the proposed BusinessLINC program, including objectives and performance measures in place, the next step in establishing a BusinessLINC program is the development and execution of an implementation plan.

Implementation of a BusinessLINC program involves setting parameters, or basic operating procedures, for the program, including reaffirming the responsibilities previously assigned while the program was in the development stages. The parameters should define how the program will operate in practice:

- Who is responsible for the program?
- When will ongoing meetings and actions occur?
- Where will the program reside in the company?
- How will interaction with small business partners occur?
- What will be the basic operating procedures for the program?

### *Outreach to and selection of BusinessLINC partners*

After you have defined the framework and operating model for a BusinessLINC program, and targeted select partners for inclusion in the program, outreach to small businesses needs to be expanded.

To date, a number of companies in the BusinessLINC program have created mentoring agreements with their small business partners that define the length of the mentoring relationship, the specific expectation of duties of the company and the small business partner and/or the results of the agreement, and the ultimate expected outcomes both parties expect to achieve. This type of agreement helps to manage expectations regarding the level of support you will be providing to a small business partner.

### *Run program and assure appropriate top management involvement*

After defining the basic framework for the program, and signing up your initial small business partners, the next critical step is launching your program. This is where the small business begins to receive specific support from your company.

Throughout the initial phases of your program implementation, it is a critical success factor to keep senior management involved. The primary tool of continued senior-level support is ongoing communications of the initial success of the program. This can occur through ongoing face-to-face meetings, e-mail updates, or verbal summaries.

### *Monitoring and consultation with BusinessLINC partners*

The initial mentoring agreement you sign with your small business partners will define basic roles and responsibilities for both you and your partner, but this relationship will continue to evolve through your initial interactions. It will be important that the staff assigned initially to monitor the BusinessLINC program are proactive in interacting with your BusinessLINC partners to gain initial feedback on the value of the initial interactions. This will allow your company the ability to receive feedback and adapt your program to better serve the needs of your partners.



## Refine and Expand

### *Assess ongoing partnerships*

On an annual or semi-annual basis, you will want to assess the initial small business relationships you supported to determine if these small businesses remain viable partners. Some small businesses may leave your BusinessLINC program due to financial distress, or a reassessment of the markets they are serving. Some will likely outgrow the program as they reach a size that they no longer need such direct mentoring, and some small businesses may leave your program since they no longer meet the initial standards you developed when selecting initial partners.

***It is important to create a mechanism in your program to allow for this type of assessment.***

### *Set goals, objectives and metrics for future growth*

When developing your initial BusinessLINC program, you created an initial set of objectives and measures of success for the program. On an annual (or more frequent) basis you will want to reassess these initial objectives and measures of success based upon your actual experience operating a BusinessLINC program. Your hands-on experience with your partners will allow you to reshape the initial program to better meet the goals of your business or program.

### *Assure corporate recognition for progress*

Lastly, you should celebrate the ongoing success of your BusinessLINC program. Recognize the efforts of your employees who developed and run your program. Press events and releases, internal newsletters, e-mail, company celebrations, and websites are all mechanisms to extol the virtues of your BusinessLINC program.

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# IV.

## Keys to Success

- ▶ The business-to-business relationship must be mutually beneficial — a “win-win” for both firms.
- ▶ The greatest benefits of BusinessLINC relationships come over a long term and often in unanticipated ways.
- ▶ The best BusinessLINC relationships blend several approaches and sequence them to provide the company multiple opportunities to learn.
- ▶ From the beginning, both companies should have a clear definition of their goals and expectations, with honest and frequent communication.
- ▶ The business or host entity and its strategic partners must be committed to the relationship at both the top management and staff levels, with appropriate incentives.
- ▶ A business needs assessment at the outset of the relationship can improve the match of skills and resources between the companies.
- ▶ Effective business advisory strategies adapt to the company’s size, industry and stage of growth.
- ▶ Firms should be selective in assuring that their BusinessLINC partner is “ready, willing, and able” to make the relationship work.
- ▶ Intermediary organizations can be helpful in matching and supporting companies engaged in BusinessLINC relationships
- ▶ Successful business-to-business relationships ultimately rely on successful personal relationships.

## V.

## Local Coalitions

**National Coalition**

BusinessLINC National Coalition  
1615 L Street, NW  
Suite 1100  
Washington, DC 20036  
(202) 872-1260

Business Roundtable  
1615 L Street, NW  
Suite 1100  
Washington, DC 20036  
(202) 872-1260

The Hartford Financial  
Services Group  
Hartford Plaza  
690 Asylum Avenue  
Hartford, CT 06115-1900  
(860) 547-5000

**Boston Coalition**

The Business Collaborative  
UNC Partners Inc  
54 Burroughs Street  
Boston, MA 02130  
(617) 522-2160

The Institute for Civil Society  
1 Bridge Street  
Suite 101  
Newton, MA 02158  
(617) 928-3408

State Street Bank  
25 Franklin Street  
12th Floor  
Boston, MA 02110  
(617) 664-6308

**Chicago Coalition**

Chicago Commercial Club  
21 South Clark  
Suite 3120  
Chicago, IL 60603  
(312) 853-1200

R. R. Donnelley & Sons  
Company  
77 West Wacker Drive  
Chicago, IL 60601-1696  
(312) 326-7724

**Cleveland Coalition**

The Cleveland Commission  
on Economic Partnerships  
and Inclusion  
The Greater Cleveland  
Business Roundtable  
1422 Euclid Avenue  
Suite 940  
Cleveland, OH 44115  
(216) 579-9980

Eaton Corporation  
Eaton Center  
1111 Superior Avenue  
Cleveland, OH 44114-2584  
(216) 523-5000

**Dallas Coalition**

D-FW Minority Business  
Development Council  
2720 Stemmons Freeway  
1000 Stemmons Towers, South  
Dallas, TX 75207  
(214) 630-0747

North Texas Commission  
Post Office Box 610246  
Dallas, TX 75261  
(972) 621-0400

TXU Corporation  
1601 Bryan Street, 41st Floor  
Dallas, TX 75210-3411  
(214) 812-4600

**Flint, MI Coalition**

Metropolitan Chamber of  
Commerce  
400 N. Saginaw  
Suite 101A  
Flint, MI 48502  
(810) 235-5514

## Houston Coalition

Houston Minority Business Council  
7322 Southwest Freeway  
Suite 1510  
Houston, TX 77074

Houston Women's Business Council  
Chase Bank Building  
9130 North Freeway  
Suite 206  
Houston, TX 77037

## Indian Country Coalition

Minnesota American Indian Chamber of Commerce  
1113 E. Franklin Avenue  
Minneapolis, MN 55404  
(612) 870-4533

National American Indian Business Leaders  
Gallagher Business Building  
Suite 366  
Missoula, MT 59812  
(406) 243-4879

## Mississippi River Delta Coalition

Enterprise Corporation of the Delta  
308 East Pearl Street, 4th Floor  
Jacksonville, MS 39201  
(601) 944-1100

Entergy Corporation  
639 Loyola Avenue  
New Orleans, LA 70161  
(504) 576-4301

## New York Coalition

New York City Partnership & Chamber of Commerce Housing Partnership Development Corporation  
One Battery Park Plaza  
New York, NY 10004  
(212) 344-7434

The Chase Manhattan Corporation  
270 Park Avenue  
New York, NY 10017  
(212) 270-2313

## Richmond Coalition

Richmond Renaissance  
600 East Broad Street  
Suite 960  
Richmond, VA 23219  
(804) 644-0404

Federal Reserve Bank of Richmond  
701 East Bird Street  
Richmond, VA 23219  
(804) 697-8000

## Washington, DC Coalition

Community Business Partnership Program  
Greater Washington DC Board of Trade  
1129 20th Street N.W.  
Suite 200  
Washington, DC 20036  
(202) 857-5971

Southeastern University  
A501 I Street, SW  
Washington, DC 20024  
(202) 488-8162

## San Francisco Coalition

Silicon Valley Community Ventures  
1136 Howard Street  
San Francisco, CA 94103  
(415) 863-4241

Chevron Corporation  
575 Market Street  
San Francisco, CA 94105  
(415) 894-3232

## Southwest Border Coalition

US-Mexico Chamber of Commerce  
National Office  
1300 Pennsylvania Avenue, N.W.  
Suite 270  
Washington, DC 20004  
(202) 371-8680

# VI.

## National Coalition Partners

### National Congress for Community Economic Development

The National Congress for Community Economic Development (NCCED) has been the nation's trade association for non-profit community development corporations (CDCs) since 1970. Both inner city and rural, the nation's 3,600 CDCs represent on average about 20,000 residents and usually hundreds of small business concerns. These grass roots non-profits also work closely with their local city, county and state government units involved in economic development and with federal government departments such as HUD, Commerce, Community Services, and SBA.

**Both inner city and rural, the nation's 3,600 community development corporations represent on average about 20,000 residents and usually hundreds of small business concerns.**

CDCs are involved in low and moderate income housing, both development and management; in commercial revitalization, with many owning and managing shopping centers or industrial parks or small business incubators; some operate social programs; others have loan funds or even equity programs for small business start-ups. They often own raw land or developed property that can be part of a

business expansion. CDCs are also frequently involved in workforce development programs including tailoring training specifically for an employer's human resource needs. There are many competitive advantages to partnering with CDCs for a real "win-win" partnership with companies in BusinessLINC.

NCCED's Corporate Partnership Program, funded by the Ford Foundation's Corporate Involvement Initiative, connects CDCs and the small businesses in their communities with corporations in business-case, market-driven joint ventures. CDCs are valuable local intermediaries that can assist BusinessLINC members outreach to individual entrepreneurs and minority/women owned small businesses in the disadvantaged communities we are all trying to serve. To contact CDCs in your community, contact John Nelson or Mike Savage with the Corporate Partnership Program toll free at 1-877-44-NCCED or on line at [www.ncced.org](http://www.ncced.org). Local and state associations of CDCs are also available allies in networking among specific CDCs.

### Minority Business Roundtable

MBRT is a national membership organization for CEOs of the nation's largest minority-owned businesses representing a variety of trades and industries. Members hold positions equivalent to chief executive officer (CEO) or chairperson in their respective businesses where annual sales exceed \$50 million. Patterned after the Business Roundtable, the MBRT allows minority-owned firms to collectively address issues of common concern to them as employers, profitable organizations, and active corporate citizens. Their issues and concerns directly impact the economy and the general public interest — and therefore are vital to all U.S. businesses and the nation as a whole.

By partnering with MBRT, BusinessLINC receives access to CEOs of the leading minority-owned businesses in the nation. This partnership fosters dialogue between BusinessLINC coalition members and MBRT members and offers future business opportunities. With 36 founding

firms ranging from \$53 million to over \$1 billion in sales and with up to 4000 employees per company, MBRT members offer BusinessLINC and The Business Roundtable a pre-selected pool of qualified minority suppliers from various industries and geographic locations with which to partner. In addition, MBRT began accepting associate memberships from the pool of emerging minority-owned businesses with annual sales below \$50 million in Fall 2001.

The number of MBRT members is expected to grow significantly over the next three years as our organization expands its outreach and influence. MBRT will work with corporations to design criteria by which companies that start out as “minority suppliers” can graduate to compete openly for major contracts. One of the major goals of MBRT is to develop new and innovative ways to promote minority businesses, to facilitate their collaboration with major corporations and to demonstrate that a better bottom line for minority-owned businesses can positively impact the economy and minority communities by creating new jobs in underserved communities.

## US Hispanic Chamber of Commerce

The United States Hispanic Chamber of Commerce (USHCC) represents the interests of more than 1.2 million Hispanic-owned businesses in the U.S. and Puerto Rico, which earn more than \$200 billion annually. The USHCC serves as the umbrella organization for more than 200 local Hispanic chambers nationwide and actively promotes the economic growth and development of Hispanic entrepreneurs. Each year the USHCC holds a National Convention and Business Expo featuring hundreds of exhibitors from across the country. The Convention is an ideal forum for participants to engage in and learn more about current economic trends and business industries. For more information call 1-800-874-2286 or visit [www.ushcc.com](http://www.ushcc.com)

## National Minority Supplier Development Council (NMSDC)

NMSDC is the preeminent national organization of corporations and MBEs, which provides increased procurement and business opportunities for minority businesses of all sizes. It addresses the needs of both the MBEs and the public and private sectors they service; and through its vast network, develops mutually beneficial economic and business relationships that have a positive and lasting impact on the global community.

The NMSDC Network includes a National Office in New York and 39 regional Councils across the country. There are 3,500 corporate members throughout the network, including most of America’s largest publicly owned, privately owned and foreign-owned companies, as well as universities, hospitals and other buying institutions. The regional Councils certify and match more than 15,000 minority owned businesses (Asian, Black, Hispanic and Native American) with member corporations, which want to purchase goods and services.

The objective of NMSDC has been of parity for minority-owned business firms within the free enterprise system. The growth and expansion of that original philosophy has continued. However, the need for the NMSDC to conscientiously pursue its role as an aggressive advocate for the continuance of the minority business development effort has become even more critical.

The economic climate in America today has led the private sector to assume a more active role within the communities in which they do business. A strong partnership among government, major corporations, and small businesses will allow for a more equitable distribution of wealth, the creation of employment opportunities, and the creation of an expanded customer base.

**The economic climate in America today has led the private sector to assume a more active role within the communities in which they do business.**

By partnering with NMSDC, BusinessLINC members may reach out to individual entrepreneurs and minority owned businesses of all sizes and industries. To contact NMSDC or one of its Regional Councils in your community, contact Steven Sims or Thanh-Thuy Nguyen with the Field Operations and Government relations at (202) 872-3056 or on line at [www.nmsdcus.org](http://www.nmsdcus.org).

## The United States-Mexico Chamber of Commerce

A group of distinguished Mexican and U.S. businesspeople established the United States-Mexico Chamber of Commerce (USMCOC) in 1973 as a 501 (c) (6) non-profit business association chartered in Washington D.C. The coalition of businessmen created a bilateral organization to promote trade, investment and joint ventures

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on both sides of the border. Now in its third decade of operation, the Chamber has grown into a unique non-profit corporation operating 22 offices in Mexico and the United States. All chapters and offices, with strong local membership and international contacts, help businesses bridge differences in legal, regulatory and economic systems, as well as language and culture.

To further promote stronger bilateral relations, the Chamber established the U.S.-Mexico Cultural and Educational Foundation in 1996. The foundation, a 501 (c) (3) non-profit organization, will oversee educational and cultural exchanges designed to develop business leaders of the future, infuse practical business knowledge into the academic realm and foment understanding between the neighboring countries.

The Southwest Border BusinessLINC coalition, led by the USMCOC, has access to personnel within the USMCOC network including but not limited to their national office staff, chapter personnel, membership base (which includes universities, associations, corporations and individuals) and other coalition members.

Our university partners such as Arizona State University, San Diego State University (San Diego and Imperial Valley campuses), University of Texas (El Paso, Brownsville and Pan American campuses), and Tohono O’Odham Community College, to name a few, have the capacity to provide business related training both in class room and through distance learning methods.

## US Pan Asian American Chamber of Commerce

In 1997, Asian Americans’ purchasing power reached \$230 billion, with 913,000 Asian American-owned firms generating \$306.9 billion in sales in the U.S. They experienced a growth rate of 30% from 1992 to 1997, and their revenue increased by 46% during the same time. Asian American businesses are an important force in the U.S. economy.

The US Pan Asian American Chamber of Commerce (USPAACC) is a 17-year-old, national, non-profit organization representing all Asian American groups in business and the professions. We have a network of over 8,000 Asian American-owned businesses in the U.S. It is our mission to promote and nurture economic growth through educational and network programs that open the doors of contract and other business opportunities to Asian Americans and their business partners in corporate America and government agencies.

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# VII.

## Acknowledgements

It is clear, in the development of these guidebooks there are a great many “parents”, without whose invaluable support and guidance they would not have come about. The BusinessLINC National Coalition and The Business Roundtable would like to take the opportunity to acknowledge all of those who have provided such assistance, including:

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- ▶ Al Zapanta & Kay Bulow, The U.S.-Mexico Chamber of Commerce
- ▶ Harry Alford, National Black Chamber of Commerce
- ▶ Deborah Hamilton
- ▶ Kermit Thomas

INVESTMENT

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COLLABORATION