

**Angela Vallot**

BusinessLINC

Greater Washington Board of Trade, Washington, D.C.

“The Spirit of Practical Idealism”

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As you can imagine, it’s been a hectic time at Texaco’s headquarters in White Plains. Peter Bijur asked me to tell you how sorry he is not to be here today, but he thought that – with a \$77 billion dollar deal in the works – you would understand!

But Peter had a serious message prepared for you today, and while I apologize that you have to here it from me, I’m going to do my best to convey it to you pretty nearly in his own language.

Peter has told me quite a bit about the origins of BusinessLINC only two years ago, arising from a meeting here in Washington, and about how pleased he is with the success it has achieved in such a short time.

He described it as a “stunningly original” concept – a new kind of organization that is local in outlook but national in resources.

An organization that offers a living network instead of static programs.

An organization that avoids ready-made, one-size-fits all approaches in favor of human contact and a relentless search for what works.

The effort you have put together is extraordinary and unprecedented, and a testament to so many people: Peter asked me to mention especially the hard work of Local Coalition Staff leaders like Pamela McKee, the National Coalition members, the Greater Washington Board of Trade, and of course the U.S. Treasury and the Small Business Administration.

BusinessLINC is truly a national effort. And such visionary national efforts do not materialize out of thin air.

I know that the Business Roundtable has been deeply committed to this program. They gave themselves the goal of launching twelve local coalitions by the end of this year. I am pleased to report that they will exceed that goal. By year end there will be 16 local coalitions in place across the country.

Notwithstanding this success, challenges lie ahead. Peter describes the challenge in simple terms: in his view, the mission is to liberate thwarted talent.

Probably the idea of thwarted talent has a strange sound these days. After all, everywhere we see signs of businesses flush with opportunity, a boom so pervasive and so deep that many people now take low inflation, low unemployment and high job growth for granted.

You can see this prosperity, says Congressman J.C. Watts, “in towering construction cranes, packed shopping malls and flourishing businesses in every region of the nation. As the 21<sup>st</sup>

Century opens, America's free market principles are triumphant, and the world is captivated by the American economic success story."

But there is a problem, what Congressman Watts calls a "social contradiction." He is talking, of course, about bright and ambitious people who have been bypassed by the national economic success story.

This social contradiction becomes glaring when one looks at the geography of prosperity. At most of the BusinessLINC coalition sites you can find great citadels of learning and wealth--almost side by side with some of the deepest pockets of poverty in America.

Consider Georgetown University (of which I am a proud graduate), a great university that has produced many leading diplomats, attorneys, business leaders and one President of the United States. From Georgetown, you can take a cab ride down Wisconsin and then K Street, passing exclusive restaurants and the fully leased prime office and retail space. If you keep on, you'll soon find yourself on Benning Road heading straight into Northeast.

Of course, to be fair, there are neighborhoods deep in Northeast and Southeast that are vibrant with new business. Yet there are many streets here in our nation's capital that are still lined with broken windows and broken dreams.

You can see much the same throughout the country. You could earn an MBA at Columbia without ever coming into contact with Harlem. You could earn an economics degree from the University of Chicago without really venturing into South Chicago.

All around America, the people with the greatest knowledge in business, law and the applied sciences live almost side-by-side with the very people who suffer from a lack of skills, knowledge and access.

In business it could be fairly said that it's not who you know but what you know. It is also fair to say that knowing the right people leads you to know the right things. It is in business incubators like the Dulles Corridor, Downtown Bethesda, and Silicon Valley that you are apt to make friends who will one day lead you to the good prospects. It is at these places that you are apt to meet mentors who will show you the ropes and tell you what you need to know.

This is the power of networking. This is the value of mentoring.

For many of us, it is second nature. For many others, however, the business of networking appears about as accessible as a private club with a brass sign that says, "Members Only."

This country is full of bright men and women, people with unique knowledge and singular access to niche markets, for whom opportunity is ALWAYS ARRIVING LATE.

We must offer them a real chance. We must do so because it is a moral imperative. It's also, as Treasury Secretary Summers tells us, a national imperative. A rising tide may lift all boats, he says, but "a rising tide needs the right kind of public action if all boats are to rise with it."

The broadening of opportunity is no less a corporate imperative. Secretary Summers says efforts to nurture business talent is good for “both sides, providing large firms with a new partner, an agile source of products and an entrée into new markets in an increasingly diverse and global consumer market.”

In the 21<sup>st</sup> Century, corporate America has come to recognize that diversity has value. I say this with particular conviction as the person who is responsible for all of Texaco’s diversity programs, a role in which I have had the close cooperation and unwavering support of Peter Bijur, who has been our greatest diversity champion. And our success over the last 31/2 years is directly tied to his strong leadership. Promoting inclusiveness by capitalizing on the collective talents, perspectives and experiences of everyone with the ultimate aim of improving productivity is a social and business “win-win” scenario. At Texaco we know that promoting diversity had made us a better, smarter, and stronger company, We believe that inclusiveness extends the reach of prosperity and expands the horizons of business and personal success for all Americans.

This new approach relies on investing in a special form of capital that has outperformed all other investments throughout history. I’m talking about a form of capital that is highly liquid, inexhaustible and invested freely.

I’m talking, of course, about intellectual capital.

Intellectual capital can take the form of matching entrepreneurs with corporate partners in a joint venture. It can take the form of matching entrepreneurs to business strategists. It can come from attorneys who can craft legal safeguards, or accountants who can counsel entrepreneurs about how to present their best business case. Or in getting entrepreneurs connected to sources of venture capital or giving them access to a corporate supplier program.

However it works, the process is about giving people the access and resources to develop their own businesses. It is about relationships and networking.

These business-to-business, people-to-people connections are the essential elements of the acronym LINC in BusinessLINC – Learning, Investment, Networking and Collaboration. We expect that BusinessLINC will continue to expand to more areas, soon to Indian reservations and the U.S.-Mexico border. BusinessLINC must continue growing partnerships—sharing technical assistance and business advice –making investments—until it has maximized the opportunity for men and women with talent and ambition to share in this prosperity.

One thing that makes BusinessLINC’s effort different from others in the past is the rejection of a cookie-cutter approach. The business resources that can be brought to bear in South San Francisco are utterly unlike those that are available here in Washington. What is needed are laboratories of democracy, coalitions from Chicago to the Mississippi Delta that will develop local solutions and best practices.

In Texas, it takes the form of Ken Lay and Enron working hand in hand with the Houston Minority Business Council. In the Bay Area, it takes the form of Morrison & Foerster providing

pro-bono legal guidance to help minority entrepreneurs create and develop sustainable businesses.

At Texaco, it's our billion-dollar commitment to develop minority- and women-owned businesses. We help them create operating capital with relationships through our Supplier Diversity Program. And we help them create intellectual capital at "The Texaco Management Institute". Here we bring together people like BusinessLINC's executive director, Don Graves, to provide leadership training under the auspices of the world-class Peter F. Drucker Foundation. Chevron (I am very pleased to report on today of all days) does much the same thing with its "Chevron University" in San Ramon, California. So do many other Fortune 500s.

And of course there are so many other kinds of relationships right here, among the coalition members of Washington, D.C.

The D.C. Coalition started with the most spectacular launch imaginable—a visit to Marshall Heights by President Clinton to celebrate the relationship between Powell Manufacturing and Giant Foods. This was a hands-on event in which the CEOs of large companies, including Peter Bijur, and their small business partners made testimonial after testimonial to the value of their relationship with one another.

Powell Manufacturing is just one example of the power of such partnerships. In its partnership with Giant Foods, it has grown from a business with several employees, to one that employs twenty people in the community.

Or consider what the Coalition's work has meant to the Chesapeake Bagel Bakery of Ward 7. Linked to efforts by the members of the Hotel Association of Washington, D.C.

These bakers now sell no fewer than 9,000 bagels to the Grand Hyatt. What does this mean for the community?

- Nine new employees working at an average of 35 hours a week.
- A \$300,000-dollar real estate investment in Marshall Heights.
- And business growth through access to the greater market.

Or consider the way in which the Board of Trade and Business Roundtable have created a relationship between ten of its members and Go West Courier Service—bringing jobs to a District of Columbia neighborhood with a poverty rate of 16.4 percent.

BusinessLINC is also building relationships on a national basis, particularly through the internet. BusinessLINC has established and maintained a world-class web site under the BusinessLINC banner, one that taps into the enormous resources of the SBA.

Not only will the web site offer direct links to local coalitions. It will connect small businesses with possible sponsors and minority outreach programs within the Business Roundtable membership. In time, as the broadband revolution enriches the content of Internet sites, it is hoped that BusinessLINC will become the link between the small business owner and the premium knowledge once found only in the nation's best business schools.

But no matter how central the Net becomes, no medium will ever replace the value of human contact, the need for respect, encouragement and inspiration.

Of course, these needs run both ways. We should never forget that the current flood of prosperity is based mostly on small business. It is in everyone's best interest to see to it that every small business can get a foot in the door into America's thriving markets.

It is in everyone's best interest that no talent go untapped, that no corner of the country goes untouched by the current prosperity.

It is a measure of our times that what was once the highest aspiration of a political dreamer has become the everyday mission of businesspeople like you.

Years ago, Robert F. Kennedy said: "Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope . . . and crossing each other from a million different centers of energy and daring those ripples build a current that can sweep down the mightiest walls of oppression and resistance."

Each and every one of you generates ripples, of hope that can only build into mighty currents of change. This is the spirit of BusinessLINC, the spirit of practical idealism.

Thank you.