



### **MBE Spotlight**

## **CR&A Custom had foresight to shift gears**

For eight years, Carmen Rad successfully operated her custom apparel and embroidery business, serving such customers as JC Penney and Universal Studios. But in 2001, it became clear to Rad that the garment industry was changing with growing competition from China and Nicaragua.

So Rad did what few business owners have the foresight and wherewithal to do -- she switched gears and transitioned to a different industry -- large format digital printing.

Today, her firm, CR&A Custom, Inc., is a large digital print production and visual display company that produces and installs billboards, banners, vehicle and building wraps, sports and stadium signage, exhibit booths, window graphics, and more.

"I wanted to shift the business to something that could only be manufactured in the U.S. -- no one's going to send a banner overseas," says the Puerto Rican-born Rad, whose background is in fashion marketing and design. The transition, which took nearly two years, went smoothly since "we understood deadlines, colors, and integrity of brands," she adds.

The company and its nearly 30 employees operate out of a 24,000-square-foot building in Los Angeles and have served many well-known customers, including the NBA, Nike, Union Bank, Coors, X-Box and Coke. CR&A works with clients in a number of ways, from coming up with design concepts, redesigning clients' artwork to directly printing from clients' files.

Everything CR&A prints is on a large scale, with billboards running 14'x48' and some signage as large as 500'x20.' Among its more

## **IN THIS ISSUE**

### **MBE spotlight**

**Online certification made easier**

**Healthcare reform's impact on small business**

**Smart tips for MBEs**

**News briefs**

## **Mark Your Calendars**

**SCMBDC Toastmasters International**  
**May 19, June 2 and 16,**  
**9 - 11 a.m.**  
**SCMBDC Headquarters**

Exclusively for certified MBEs, this learn-by-doing workshop helps participants (both seasoned and novices) hone speaking and leadership skills in a friendly and non-threatening atmosphere.

**How To: Financial Fundamentals for Service Businesses**  
**May 24, 1 - 3 p.m.**  
**SCMBDC Headquarters**

Learn about the concept of yield management -- the discipline of learning to maximize the value of your time and your customer relationships. In this workshop, you'll learn from experts how to build a basic P&L statement for your business, understand yield management factors that influence your business, and use numbers from your P&L to make more informed decisions. No charge. Contact Fernando Velasquez, [fvelasquez@scmbdc.org](mailto:fvelasquez@scmbdc.org) or 213-689-6968.

unique projects: turning Disneyland's monorail ride into a "Finding Nemo" submarine and using large-scale pillars and banners to create a traveling soccer pit for Nike.

The company has received numerous honors for its innovative work, including the "Rising Star" award by the National Association of Women Business Owners and SBA and Minority Business Enterprise's "Green Firm of the Year" award for the use of environmentally friendly UV inks.

---

*"I wouldn't have had the opportunities to meet with prospective clients without certification."*

---

Rad says minority business certification through the council has been a key part of CR&A's success. "I wouldn't have had the opportunities to meet with prospective clients without certification," she explains, adding the company won contracts with Major League Baseball and National Basketball Association following referrals by the council.

She notes, however, that certification can take her company so far. "I have to perform and exceed expectations. I can't be good -- I have to be great and prove my value."

#### **Carmen Rad on....**

**Success.** "Many of our successes are due to the team we have here...I'm just the person who happens to be the founder. Without my husband, who's my business partner, and others, we wouldn't have grown to this level."

**Minority business certification.** "Certification alone won't work for you -- you need to be an active member of the council, participate in networking events, and get involved."

**Building a business.** "If you don't have a good foundation or put in the time, you'll plateau and meet capacity early. You need to reevaluate your business every three years and figure out the bottlenecks. Sometimes you need to step back and look at what you've done...you may find you're in the wrong field."

## **Online certification made easier**

SCMBDC's online certification application process has been made easier, thanks to new IT enhancements on the council's website. New online certification features are expected to roll out on [www.scmbdc.org](http://www.scmbdc.org) in late May to early June. Improvements include:

- Enhanced usability and improved feedback functions to immediately alert applicants of any problems or issues with the application.
- Ability to save certification application information and return at a later time.
- Minority businesses seeking reciprocal certification with SCMBDC will now be able to use an online form to submit an application.
- Improved accessibility and cross-browser compatibility.

## **How To: Do Business with the Federal Government** **June 22, 1 - 3 p.m.** **SCMBDC Headquarters**

Get tips on how to win government contracts from experts at Federal and Commercial Contracts, Inc. (FCCI), which provides government consulting and support for firms seeking to conduct business with the federal government. FCCI has expertise in developing procurement vehicles based on government Small Business Programs. No charge. Contact Fernando Velasquez, [fvelasquez@scmbdc.org](mailto:fvelasquez@scmbdc.org) or 213-689-6968.


## **Supplier of the Year Awards Luncheon** **July 7, 11 a.m. - 1:30 p.m.** **Omni Hotel, Los Angeles**

This event celebrates the outstanding performance of minority business enterprises in their contracts with SCMBDC corporate members. Under the program, suppliers are judged on their demonstrated growth, development and ability to create jobs; utilization of other minority suppliers; business performance in their contracts, including providing quality products and services, cost savings and innovative solutions; overcoming major obstacles and adversities, and community involvement.

**For more information about events, visit [www.scmbdc.org](http://www.scmbdc.org)**

**Certification: Business Information I**

Navigate: Business Information I (Incomplete)

Next 

Current Progress: 0%

**Business Information**

Business Name   
FBI (fictitious business name) or  
DBA (doing business as)

Parent Company

Zip Code

City

State

Street Address

Phone Number

Fax Number

Website Address

"Internally, we've also upgraded our back-end systems to enhance our customer service abilities, decrease call volume, improve staff responsiveness, and gain operational efficiencies," according to Christian Ramos, director of IT and project manager. "Overall, our goal with this project was to provide a higher level of customer service to our constituents."

## Healthcare reform's impact on small business



**David Chase,**  
California outreach  
manager, Small  
Business Majority

Skyrocketing healthcare costs, unpredictable premiums, lack of access to affordable coverage -- these are among the serious challenges that healthcare reform legislation is designed to fix.

Passed in March 2010 by Congress, the new law will be implemented over a five-year period (2010-2014) and will build on the existing employer-based health system. Insurance will still be purchased from private insurance companies as well as not-for-profit plans, and the private sector healthcare system of doctors, hospitals and other providers will be maintained. Retirees will

still be covered under Medicare and Medicaid will continue to cover uninsured children and low-income adults, with new flexibility to cover more people.

What's the impact of the new law on small business? David Chase, California outreach manager at Small Business Majority, a small business advocacy group whose major area of concentration has been healthcare reform, addressed the legislation's effects on small businesses with about 20 minority business enterprises at SCMBDC's office on April 28.

His discussion covered tax credits, the creation of a health insurance exchange through which small employers and self-employed individuals will be able to purchase affordable coverage, cost containment, and insurance reforms.

"For years, small business owners have been struggling with the skyrocketing costs of healthcare," says Chase. "The Affordable Care Act is an important step in the right direction. Thousands of small

businesses in California are now eligible for tax credits to help with those costs."



"The new healthcare law creates many opportunities for small businesses to boost their bottom lines," David Chase told attendees at SCMBDC's recent workshop.

"Starting in 2014, the California Health Benefit Exchange will provide employers with the option to pool together to purchase private healthcare coverage in a competitive marketplace. Combined with other cost-saving measures, this new law creates many opportunities for small businesses to boost their bottom lines," he adds.

The new law includes:

- An insurance pool in each state that will provide small business tax credits, promoting administrative and delivery system efficiencies and reducing long-term healthcare inflation.
- A health insurance exchange that will create a pool of small businesses with up to 100 employees and the self-employed to leverage purchasing power.
- A small business tax credit for those who qualify beginning in 2010.
- Increased choice of health plans-including health co-ops and new multi-state health plans -- through an insurance pool (exchange) offered to employees of small businesses, the self-employed and other individuals.

For more information about healthcare reform, visit <http://smallbusinessmajority.org/>.

*Editor's note: The council's MBE Health Insurance Program offers affordable health insurance benefits and covers medical (HMO & PPO), dental (DHMO & PPO), vision, short- and long-term disability, long-term care, and employee assistance programs. Coverage for dependents, living at home, can be provided, up to the age of 26 whether or not they are currently enrolled as full-time students. All major California insurance carriers are considered.*

*According to Michael Murray, SCMBDC's manager of marketing and sales, "The team of health insurance professionals at the council understand that finding the right employee benefits program can be confusing and expensive. As a nonprofit organization, we make the process of finding affordable coverage simple and straight forward for any small business owner. We will even look at your current health coverage to ensure you are not overpaying."*

For more information, go to [www.scmdbdc.org](http://www.scmdbdc.org), or call 213-689-6960.

## Smart tips for MBEs

### *Effective ways to manage your cash flow*



"Cash is king" is a well-known expression and refers to the importance of cash flow in the overall fiscal health of a business. Yet, many business owners don't effectively manage cash flow, leading to even profitable companies to go broke.

Here are a few tips to ensure your company is positioned for strong cash flow and long-term success:

- Forecast cash and expenses. Review how much cash your business needs throughout the year as well expenses. At the end of each month, compare the forecast with actual financial results, and make necessary adjustments.
- Keep an eye on spending. Don't spend a lot on non-essentials, including expensive office space and furniture. Negotiate leases, prices on equipment and supplies, etc. Reuse file folders, computer disks and packing boxes to reduce expenses and save cash.
- Have customers pay their bills more quickly. You might offer a discount if they pay sooner, charge a fee if they're late, or require payment on delivery.
- Skip a high salary. To maintain a positive cash flow, you may have to take a reduced salary or forgo one altogether.
- Keep your inventory as low as possible.
- Delay hiring employees. Look for ways to maximize your own productivity and that of any existing employees or consider outsourcing work to independent contractors.
- Lease, don't buy. Lease equipment, such as computers, rather than buy to save cash. Lease payments are tax-deductible.
- Sell unnecessary assets. If you buy rather than lease assets, consider selling unnecessary equipment to raise cash, including company cars, inventory or equipment.

## News Briefs

### *Small business optimism fades*

Optimism about the economy continues to wane among small business owners in the U.S., according to a new report.

The National Federation of Independent Business, which surveyed 911 firms, found that its optimism index slid to 91.9 in March after reaching a post-recession high of 94.5 in February. The survey was one of the most disappointing economic indicators since the recession officially ended in mid-2009.

The organization said optimism was clipped by weaker expectations for increases in sales and by a "marked deterioration in profit trends."

Customer demand "remains weak and remains a primary concern for many in the small-business community. Small businesses did not appear to have benefited much from the modest recent gains in consumer spending," the organization said.

After working down inventories, more companies say they're expecting to increase prices. A net 24% of companies said they planned to raise prices to customers, the highest level in 30 months.

**Southern California Minority Business  
Development Council Inc.**

800 W. 6th St. Los Angeles, California 90017-2711  
(213) 689-6960 • [www.scmbdc.org](http://www.scmbdc.org)