



Southern California  
Minority Business Development Council

**Capacity Building:  
An Initiative by Southern California  
Minority Business Development Council**

**July 2010**

**With participation by:**

**AEG**

**FCI Management Consultants**

**Genesis Professional Staffing**

**Metropolitan Water District**

**Morrow Cable Construction**

**NK David Constructors**

**San Diego Gas & Electric**

**Southern California Gas Company**

**Southeast C&I Electric**

**Southern California Edison**

**Quality General Engineering**

**The Walt Disney Company**

**Thor Construction**

***Capacity building: The process of developing and strengthening the skills, instincts, abilities, processes and resources that organizations and communities need to survive, adapt, and thrive in the fast-changing world (Ann Philbin, Capacity Building in Social Justice Organizations Ford Foundation).***

## **Introduction**

"Capacity building" is the new corporate buzzword and in today's competitive environment, it's easy to see why.

Capacity building is critical for any business but it's particularly challenging for small and minority-owned businesses. Oftentimes, they are qualified to take on more customers but they lack the capacity, or the skills, knowledge, processes, and/or financial backing to compete for larger contracts.

Without expanding capacity, minority business enterprises (MBEs) can't grow and prosper as corporations are not likely to give them bigger contracts. Thus, they're unable to take their businesses to a higher level.

Recognizing the growth challenges faced by minority suppliers and the desire by corporate members to help MBEs become more competitive, Southern California Minority Business Development Council (SCMBDC) launched its Capacity Building Initiative in 2008.

Conceived as a two-year pilot program, the initiative was designed to increase MBE capacity through resources and one-on-one coaching provided by corporate mentors. SCMBDC facilitated the initiative, which involved five corporations serving as mentors to seven minority-owned firms, or "mentees."

Under the initiative, mentees worked with corporate mentors and received strategic guidance, business advice, such as how to submit winning bids, and access to key decision makers -- just to name a few. The council also organized workshops and monitored mentees' progress.

At the end of the initiative, the overall sense, based on feedback from corporate mentors and MBEs, is that mentees gained needed skills and knowledge to increase their business acumen and competitive profile. During the initiative, several mentees were awarded contracts by other corporate mentors.

The council plans to continue the program later this year with a new class of MBEs and corporate mentors.



## **President's Message**

SCMBDC is the premiere organization strengthening economic ties between large, public-, private- and foreign-owned corporations and minority men- and women-owned business enterprises.

In addition to representing the interests of more than 600,000 minority businesses in our 13-county service area in Southern California, we also provide nearly 200 corporate members access to qualified minority suppliers representing highly diverse businesses, both in ethnicity and in products and services.

Given our mission and our constituents, it made sense for us to launch our Capacity Building Initiative in 2008. We saw the initiative as another opportunity to provide value to our MBEs and corporate members.

The idea for the initiative came in 2007 after two corporate members approached the council about developing a supplier mentoring program. They had contracts to award MBEs but couldn't find suppliers with the capacity to handle the jobs. These corporate members also recognized that many certified suppliers had the potential to grow but lacked the necessary skills and tools to make it happen.

In December 2007, we convened a group of corporate members at SCMBDC's headquarters to see if there was interest in creating a program. Representatives from AEG, Hilton Hotels, Los Angeles Department of Water and Power, Metropolitan Water District of Southern California, San Diego Gas & Electric and Southern California Gas Company, Southern California Edison, Sony Pictures and The Walt Disney Company attended the meeting.

They all agreed there was a need to develop a capacity building initiative and share knowledge and resources to help MBEs develop and grow. With the help of Capgemini's Accelerated Solutions Environment (ASE) program, which helps organizations facilitate planning and decision making, the initiative began to take shape as we identified program goals and desired outcomes.

A month later, we held another meeting, hosted by Capgemini, and agreed on needs and skills that were common among corporate mentors, defined the role of a corporate mentor, developed the criteria by which MBEs would be selected, identified strategies for increased spending with qualified MBEs and created a roadmap for the initiative.

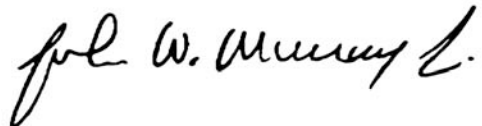
I should note that Capgemini provided their consulting services at no cost. Their early strategic planning sessions and counsel were critical to the initiative's creation and we are grateful for their support.

It has been almost two years since we embarked on this journey and I'm pleased to say we have made tremendous progress in helping participating MBEs expand their

capacity. We will build on this foundation as we begin work with our second group of MBEs and corporate mentors for our 2010-2012 program.

We've heard anecdotally from mentees and corporate mentors that the initiative achieved what it set out to do and in the coming weeks, we will evaluate specific benefits and areas for improvement.

As one corporate mentor asked two years ago, "Will these suppliers be better off than when we first launched the initiative?" Based on early results and feedback, I believe the answer is "yes."



John W. Murray, Jr.

President, Southern California Minority Business Development Council

### **Goals/Benefits**

The initiative's purpose is to increase MBE capacity through resources and one-on-one coaching provided by a corporate mentor.

Goals include:

- Allowing corporate members to share and utilize MBE participants
- Creating continuity of the program
- Increasing MBE capacity

Anticipated benefits include:

- Helping MBEs compete more effectively
- Increased spending with MBEs
- Enhancing corporate/supplier relationships
- Sharing best practices in supplier diversity
- Increased innovation among MBEs (learning new approaches, processes)
- Economic development (as mentees grow, they have the ability to hire employees/other MBEs, buy goods/services, mentor other MBEs, etc.)

### **Roles and Responsibilities**

Corporate mentors were committed to providing vision and leadership; MBE coaching, development and mentoring; strong internal and external support (staffs and experience), and had a strong desire to develop partnerships with MBEs.

Each corporate mentor selected one or two MBEs. Selections were based on the following: corporate mentors had worked with suppliers in the past; suppliers had a

proven track record and had the potential to grow. Once selected, mentors identified MBEs' capabilities, areas of improvement and potential growth; offered advice and made recommendations and created a developmental plan.



*At left, participants at the Capgemini-hosted meeting in January 2008 when the initiative began to take shape.*

Corporate mentors worked individually with MBEs in a variety of ways, including providing access to internal procurement decision makers and prime suppliers, scholarships to management training programs, quarterly evaluation of work performance, strategic guidance, networking opportunities, improved marketing processes, educational opportunities that would expand their technical expertise, and more.

The role of mentees was to attend meetings with corporate mentors, develop and implement goals and objectives, share information as requested by the mentor and provide information on the status of the initiative.

SCMBDC tracked the progress of meetings, monitored the initiative's progress, submitted reports as requested by corporate members and organized meetings and workshops.

## **Participants**

### ***Corporate mentors***

**AEG** -- AEG is one of the leading sports and entertainment presenters in the world. A wholly owned subsidiary of the Anschutz Company, AEG owns or controls a collection of companies including facilities such as Staples Center, Citizens Business Bank Arena (Ontario, CA), Target Center (Minneapolis, MN), The O2 (London), and sports franchises such as the Los Angeles Kings and Los Angeles Galaxy.

**Metropolitan Water District of Southern California** -- A cooperative of 26 cities and water agencies serving 19 million people in six counties, the district imports water from

the Colorado River and Northern California to supplement local supplies. The district helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

**Southern California Gas Company and San Diego Gas & Electric** -- Southern California Gas Co. is the nation's largest natural gas distribution utility, serving 20.5 million consumers through 5.7 million meters. San Diego Gas & Electric (SDG&E) serves 3.4 million consumers through 1.4 million electric meters and 840,000 natural gas meters in San Diego and southern Orange counties. Both companies are subsidiaries of Sempra Energy, a San Diego-based energy services holding company.

**Southern California Edison** - An Edison International company, Southern California Edison is one of the nation's largest electric utilities, serving a population of nearly 14 million via 4.9 million customer accounts in a 50,000-square-mile service area within Central, Coastal and Southern California.

**The Walt Disney Company** - Together with its subsidiaries and affiliates, The Walt Disney Company is a leading diversified international family entertainment and media enterprise with five business segments: media networks, parks and resorts, studio entertainment, consumer products and interactive media.

### ***Mentees***



#### **Quality General Engineering (mentor: San Diego Gas & Electric, SDG&E)**

The company specializes in the installation of underground utilities such as electric, gas, telephone, cable TV, buried cable and fiber optics. Quality General has been in business for more than 10 years and has served such clients as San Diego Gas & Electric, AT&T and Southwest Gas. Contact: Francisco Salazar, 619-585-3287, [francisco@qualityge.com](mailto:francisco@qualityge.com)

#### **FCI Management Consultants (mentor: Southern California Edison)**

FCI is a full-service, energy/utility consulting company with expertise in utility engineering and design, fiber optic engineering and design, energy efficiency programs, solar, water conservation programs and utility management. Founded in 1998, clients include Los Angeles Department of Water and Power, Southern California Edison, California Public Utilities Commission, City of Anaheim and City of Riverside. Contact: Patricia Watts, 323-726-9566, [patwatts@fcimgt.com](mailto:patwatts@fcimgt.com)



**NK David Constructors (mentor: The Walt Disney Company)**

A commercial general contracting firm, the company provides pre-construction, construction and post-construction services. Licensed in California, Arizona, Nevada and Florida, NK David Constructors, formerly known as BENCO Construction, was founded in 1988. Contact: David Colon, 818-837-3136, david@nkdaavid.com



**Southeast C&I Electric Co. (mentor: Southern California Gas Company/SoCalGas)**

Established in 1984, the company provides a full range of electrical services as well as signage and lighting services. Customers include Burger King, City of Inglewood, Compton Unified School District, Southern California Gas Co., Shell Oil Company, Texaco, Unocal, City of Los Angeles, Los Angeles Department of Water and Power, Los Angeles County Sanitation Department, Southern California Edison and State of California. Contact: Virginia Parker, 562-698-6911,

southeast.southeast@verizon.net

**Genesis Professional Staffing (mentor: The Walt Disney Company)**

Founded six years ago, Genesis Professional Staffing specializes in administrative, clerical, engineering, entertainment, information technology, light industrial, marketing, medical and payroll services staffing. Clients include Michelin North America, Johnson & Johnson, Firestone, American Honda Motor Co., The Walt Disney Company and Bausch and Lomb. Contact: Marcus Moore, 818-



333-5153, marcus.moore@gpstaffing.com



**THOR Construction (mentor: AEG)**

Founded in 1980, the company specializes in general contracting, construction management, design-build, consulting and concrete. Clients include Target Corp., MGM Mirage, General Services Administration, Department of U.S. Army, Veterans Administration, The Walt Disney Company, Harrah's Entertainment, AEG, University of Minnesota, Minneapolis Public Housing and Station Casinos. Contact:

Richard Copeland/Chris Rowe, 702-269-2007, rcopeland@thorcon.net and crowe@thorcon.net



**Morrow Cable Construction  
(mentor: Southern California Edison)**

A telecommunication contractor, the company was established in 1995 and has served such clients as AT&T, Verizon, Southern California Edison, San Diego Gas & Electric, Pacific Gas & Electric, Time Warner, VA, and teaming arrangements with Siemens, Shimmick and Black & Veatch, Metropolitan Water District, Metropolitan Transportation Authority and others. Contact: Robert Morrow

714-821-6594, [morrow@morrowcableconstruction.com](mailto:morrow@morrowcableconstruction.com)

**Activities**

Corporate mentors worked individually with their assigned MBEs, or "mentees," over the two-year initiative. Activities included:

- Providing access to procurement decision makers and prime suppliers
- Sharing insight into emerging business strategies, technologies and services
- Offering entrepreneurial management education to MBE management teams
- Sharing business advice, such as how to submit successful bids
- Aiding in business development
- Offering scholarships to management training programs
- One-on-one coaching and ongoing feedback
- Technical assistance
- Evaluating work performance and presentation skills
- Providing an overview of business culture, certification procedures and qualification requirements
- Offering assistance in raising capital
- Introductions to prime suppliers and vendors
- Strategic guidance

As facilitator, the council also organized several events to bring together mentors and mentees. These included:

***1st Joint Luncheon, hosted by MWD (7/17/08).*** SCMBDC President John Murray gave an overview of the Capacity Building Initiative and corporate mentors and mentees were introduced. Mentors discussed their supplier diversity initiatives and goals and mentees talked about their products and services and shared what they hoped to gain from the initiative.



**2nd Joint Luncheon, hosted by SDG&E and SoCalGas** (2/26/09). The event featured Debra Reed, formerly CEO of San Diego Gas & Electric and Southern California Gas Company (Reed is now Executive Vice President of Sempra Energy), who gave a keynote address. Corporate mentors invited upper level management to this luncheon to meet with other participating members of the initiative. Ms. Reed, who emphasized both utilities commitment and dedication to minority-owned businesses during her remarks, said the utilities are a proud supporter of the Capacity Building Initiative.

**Mentoring Best Practices Workshop, hosted by The Walt Disney Company** (5/7/09). Disney executives gave presentations on their supplier diversity best practices and mentees were provided another opportunity to pitch their products and services to mentors. Corporate mentors offered feedback on mentees' presentations.

**Roundtable Event, hosted by The Walt Disney Company** (9/28/09). Mentees gave presentations and were critiqued by mentors, followed by one-on-one meetings. All mentors were given an opportunity to critique presentations at Disney Studio.

**Communication Skills Workshop, hosted by SCMBDC** (11/19/09). Mentees gave presentations and were videotaped and critiqued by a speech evaluator/USC professor. As a result of the Roundtable Event, mentors requested that mentees participate in SCMBDC's Communication Skills Workshop.



### **Preliminary Results**

With one-on-one coaching and resources provided by corporate mentors, early indications are that mentees have increased their capacity, which will enable them to compete more effectively in the future.

Mentees are better prepared to submit winning bids, make a sales pitch, run a cost-effective organization, manage cash flow, pursue opportunities with other corporate members, and more.

While the initiative's intent was not to necessarily give mentees additional business from corporate mentors, there were several examples of contracts awarded to mentees. For example, FCI Management Consultants, Southern California Edison's mentee, was awarded a contract by AEG and Southern California Gas Company. AEG's mentee, Thor Construction, was awarded a contract by Disney.

In another example, Disney provided counseling and guidance to its mentee, Genesis Professional Staffing, while Genesis was putting together a bid for a contract with BMW. Genesis teamed up with another MBE and was awarded the multimillion dollar contract. Time will tell if mentees' sales and revenues significantly increase as a result of the initiative or relationships developed with corporate members, but the council believes the skills and knowledge gained will contribute greatly to mentees' future growth.

### **What Participants Said About the Initiative**

#### ***Aura McCracken, AEG***

*On the experience:* "One of the great things about the initiative was the one-on-one exposure to multiple competitive MBEs able to compete for and win procurement opportunities within AEG. Thor Construction and FCI Management won contracts with AEG during the program. Genesis Professional Staffing is also preparing to bid in the coming months. Other corporate participants, such as Disney, saw potential for Thor as well. Thor bid on and was awarded a contract from Disney during the program."

*On what she learned:* "We learned to model the structure of the initiative by providing group mentoring and involving multiple internal teams in the program. Group mentoring ensures that access to multiple perspectives, expertise, and resources can be contributed to the program...getting multiple people involved internally helped achieve the buy-in we were looking for. We also learned from other corporate participants by sharing best practices."

#### ***Randy Sall, Thor Construction***

*On newly acquired skills and knowledge:* "We acquired management skills to take on large amounts of work in a short time frame and learned how to deal with cash flow, which was a big concern on these projects."

*On how the company has been strengthened:* "We think it has put us in the limelight for other projects. We were introduced to other large companies, which we hope will lead to future growth opportunities."

*On whether he feels confident in securing future business:* "Yes, we now feel more comfortable going into a large project knowing we have the experience."

#### ***John Arena, Metropolitan Water District***

*On his role:* "My role was to provide guidance and resources to all the protégés involved in the program."

*On working with mentees:* "During the first year, I spent a lot of time getting to know the companies, introducing them to key people within the organization and providing them with bid opportunities."

*On what he learned:* "Researching the firms' background and creating a baseline prior to the kickoff of the initiative would have been helpful."

***Carmen Herrera, San Diego Gas & Electric and Southern California Gas Company***

*On meeting the initiative's expectations:* "Yes, mentees have shown growth and gained additional business from our company." One mentee grew their business with us three-fold since the inception of the program. The second mentee successfully bid on several projects and has since won a multi-million dollar contract.

*On what she learned:* "That small businesses can grow when appropriate mentoring is available to them."

***Don Goldsberry, Southern California Gas Company***

*On the experience:* "The overall experience has been self-rewarding. We have seen the growth and confidence in our mentee. Their presentation skills have improved; they've developed new marketing strategies and updated their website among other things that will help them grow their business. Our philosophy for providing them advice was asking the question, 'What do we want to see in a winning bid?,' and providing them examples and strategies of other successful companies."

***Francisco Salazar, Quality General Engineering***

*On the initiative's benefits:* "It has educated us on how large businesses work and how to get in the door. We also acquired communication and presentation skills."

*On working with his mentor:* "We stayed in touch through weekly phone calls and e-mails every week. San Diego Gas & Electric helped us get our name out and we've gotten contracts through the initiative."

*On the company's future:* "We feel like we have the ability to grow the business."

***Virginia Parker, Southeast C&I Electric***

*On what she learned:* "Going out and marketing my business to other companies. I learned how to make it a professionally run business."

*On working with her mentor:* "I talked to them every day about various strategies, mission and goals, where the opportunities were - it was very hands-on."

***Dennis Thurston, Southern California Edison***

*On his role:* "I came to fully understand the capabilities of the mentees, helping them further navigate the system and learn how to expand their business with utilities. We worked together throughout the year to foster confidence and work on capacity building opportunities."

*On meeting the initiative's expectations:* "Ensuring the mentees know about and go through a series of training courses offered by the council. Mentees were given opportunities to expand their business through possible new contracts not previously available."

***Patricia Watts, FCI Management Consultants***

*On the initiative's benefits:* "The greatest benefit is visibility to other corporate mentors. The exposure has generated additional interest in our services from corporate participants, which has resulted in two new contracts for FCI."

*On newly acquired tools and skills:* "I have my one-minute pitch down to a science. Also, I believe that I have a more strategic approach to marketing our products and services."

*On the opportunity:* "This is a terrific program and I am so happy we were chosen to participate. Each activity allowed us to sharpen our skills and develop new relationships. We are confident our growth will continue."

***Arnice Lamb, The Walt Disney Company***

*On what she hoped to gain:* "Facilitate the interaction between the minority supplier and sourcing and procurement specialist to establish and foster a long-term relationship, identify minority suppliers who can best benefit from the initiative by partnering with sourcing and procurement specialists, educate minority suppliers on our sourcing process, prepare minority suppliers to successfully compete for increased business opportunities, and increase supplier diversity spend....I believe all three of our mentees have successfully met our expectations."

*On what she learned:* "Between monthly meetings, a mentor needs to be available to help mentees address any significant business issues. Mentors should help mentees set targets for improvements, set deadlines for hitting those targets and meet those deadlines. They should also regularly review mentees' business and action plans and keep close tabs on their mentees' key business indicators, including cash flow and recent bids. Mentors should also teach mentees how to effectively market in their industry, help them identify weaknesses in their general or financial management and recommend professional services that could help address those areas."

***Marcus Moore, Genesis Professional Staffing***

*On newly acquired tools and skills:* "Utilizing a Statement of Qualification."

*On how he worked with his mentor:* "We met weekly and talked several times a week so they could guide me in bidding on other work or help me obtain new relationships to garner new business opportunities."

*On whether he feels confident in securing future business:* "I do, indeed, and I shall continue to grow the connections made through this initiative."

***David Colon, NK David Constructors***

*On the initiative's benefits:* "We got exposure to other major corporations and implemented strategies that helped us double our revenues. We also expanded into other states, Florida and Texas, and met other mentors and protégés."

*On how the business has been strengthened:* "We are better off for having participated in the initiative, which allowed us to be more consistent in our efforts to make improvements that were significant in our business."

*On working with his mentor:* "Our mentor, Arnice Lamb with The Walt Disney Company, was outstanding. She knew we could grow our business; she has seen first-hand how other companies have grown. Her input and insight into our business and more importantly her belief in us, has given us the confidence to expand and to grow. She demands the best and expects results, which helped us reach our goals."