



COMMUNIQUE

A Quarterly T A E L Newsletter

Chicago

Fourth Quarter 2006

Meeting Challenges, Delivering Value

Volume 3, Issue 4

Detroit

Philadelphia

The following is an informational piece on the subject of Minority Business Enterprise. We will resume our regular project updates and other Communiqué items in our First Quarter 2007 edition.

MBE

Balancing Benefits and Burdens

T A E L is uniquely committed to the inclusion and affirmation of all races and genders. As evidenced in the comment of a guest at a recent T A E L gathering, "This firm is a virtual United Nations. Everyone is represented here." T A E L strives to be viewed as a "prime" architectural firm, while embracing the concept and designation of *Minority Business Enterprise (MBE)*. Did you know that T A E L maintains no fewer than eleven MBE certifications, each with differing certifying periods, requirements, forms and fees? These certifications are in addition to the myriad corporate and professional certifications and registrations required of all corporate/business entities.

The intent of this article is to define MBE, to explore the overall objectives of MBE status, and to suggest ways of streamlining the MBE qualification process, so that the intended benefits reach the minority firms for which they were created, without creating an undue burden on those firms and their valuable resources.

The Architects Enterprise, Ltd. is a certified Minority Business Enterprise (MBE). Behind this simple statement lie the complexities of actually attaining and maintaining MBE status, from the debate behind finding a universal definition of the title to the upkeep and constant attention needed to sustain it. The concept of the Minority Business Enterprise certification began in the 1960's as a means of protecting smaller businesses and affording them opportunities where they might not otherwise exist. The Civil Rights movement was in full force when President Richard Nixon imparted these words: *"I have often made the point that to foster the economic status and the pride of members of our minority groups we must seek to involve them more fully in our private enterprise system...minorities must increasingly be encouraged to enter the field of business as managers and owners."* Subsequently, the Office of Minority Business Enterprise was initiated by Executive Order 11458 on March 5, 1969. This agency was later renamed the Minority Business Development Agency (MBDA), and has since provided the motivation behind the establishment of Minority Business Enterprise programs in private and governmental agencies across the country.

The Minority Business Development Agency was created on March 5, 1969, and has since provided the motivation behind the establishment of MBE programs across the country.

The mission statement of the MBDA, as set forth on its website, summarizes the purpose and mission of most Minority Business Enterprise Programs, which is to “actively promote the growth and competitiveness of minority-owned businesses by providing access to public/private debt and equity finance, market opportunities, and management and business information; coordinating and leveraging public and private resources; and, facilitating strategic alliances.”

The absence of a central source for information on Minority Business Enterprises is a testament to the broad scope and variety of definitions of what it means to be an MBE. The generally accepted definition is that a Minority Business Enterprise is a business which is at least 51% owned, operated, and controlled on a daily basis by one or more individuals of an ethnic minority group. These groups include African Americans, Asian Americans, Hispanic Americans not of the Iberian Peninsula, and Native Americans.

In order to become MBE-certified, the business entity must identify each organization with which it desires certification, and complete a review and approval process. This process involves filling out lengthy forms, paying fees, and proving that the owner is of a minority group. The business has to go through this process with each organization from which it seeks certification. Although no organization will guarantee a specific outcome, becoming a certified Minority Business Enterprise may open doors to new business, afford the opportunity to partner with larger firms, and initiate business opportunities which have been specifically designated for MBE firms.

“The purpose of these programs is to effectively communicate procurement and contracting opportunities to end disparity for minority-owned businesses.”

We believe that two relatively simple changes would improve the process of MBE certification, and allow it to function more efficiently in order to foster the intended results. A universal certification form and related interview process could be implemented, the results of which would apply to all national, state and local level opportunities. Certified firms would be included in a centralized national MBE database from which any firm seeking collaboration with an MBE certified firm could draw. Access to such a database would enable purchasing or marketing managers to familiarize themselves with an MBE firm in advance of RFQ/RFP responses.

In spite of the imperfections in the current system, minority firms have benefited from select opportunities. However, much can still be done to ensure that MBE programs across the country fulfill their true purpose, which is eloquently summed up in the mission statement of the MBE program in Maricopa County in Phoenix, Arizona: “The purpose of the Minority [and Women-Owned] Business Enterprise (M/[W]BE) Program is to effectively communicate procurement and contracting opportunities through enhanced business relationships to end disparity and to increase the opportunities for minority [and women-owned] business enterprise participation in a competitive environment.”

The T A E L staff wishes its clients, friends and associates a happy, healthy and prosperous 2007.

The Architects Enterprise, Ltd.



<http://www.taeld.com>