

# DIVERSITY NEWS

A BUSINESS PUBLICATION SERVING A DIVERSE MARKETPLACE



**Ronald N. Langston, National Director of the U.S. Minority Business Development Agency.**

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### MBDA Promotes Minority Business Development

Formed as part of the U.S. Department of Commerce by an Executive Order signed by President Nixon in 1969, the Minority Business Development Agency is the only federal agency focusing exclusively on the development of minority-owned businesses.

#### **MBDA's mission statement reads as follows:**

MBDA's mission is to achieve entrepreneurial parity for MBEs by actively promoting their ability to grow and compete in the global economy. MBDA is addressing challenges faced by MBEs by developing programs

that provide the "keys to entrepreneurial success":

1. Access to Financing
2. Access to the Marketplace
3. Access to Education
4. Access to Technology

Unlike many agencies and government programs, which focus on small businesses and traditional business development techniques such as outreach and certification, MBDA views its function as to promote the creation and growth of medium and large MBEs. This goal is pursued through the agency's Strategic Growth Policy and Strategic Growth Initiative, which are designed "to promote medium to large businesses enterprises that can have a significant impact on employment and the tax base in their communities."

There are two basic means used by MBDA to pursue its programs. MBDA provides funding for a network of Minority Business Development Centers (MBDCs), Native American Business Development Centers (NABDCs), and Business Resource Centers (BRCs) throughout the United States.

Of increasing importance is the MBDA Portal, which provides MBEs with referral, management tools and other information online.

**Recently, Diversity News interviewed Ronald N. Langston, National Director of the MBDA:**

**DN:** What have been the most prominent successes of your agency?

Over the last four years, MBDA has undergone a transformation from behaving as an administrative agency to acting like an entrepreneurial organization. This change has allowed us to be more creative, flexible, relevant and dynamic in providing services to

our clients. As part of this transformation, MBDA has established a strong verification and program evaluation program that holds us accountable. For example, in 2004, MBDA delivered \$1.6 billion in award transactions for clients which translates into a Return on Investment of \$146 for each federal dollar invested.

Another prominent development at MBDA has been the introduction of a strong business training initiative and relationship with the Amos Tuck School of Business at Dartmouth College.

**DN:** What remain as your primary challenges?

In addition to sustaining an entrepreneurial culture at MBDA, two primary challenges we face are fostering the strategic growth of minority owned business enterprises nationally and establishing minority business enterprise (MBEs) as the national priority. By the year 2050, it is projected that the U.S. minority population will grow to more than 50 percent and it is our view this offers us a historic opportunity that cannot be overlooked. As reported by the Tuck School of Business, “the success or failure of minority owned businesses will increasingly drive the success or failure of the overall U.S. Economy.”

**DN:** What is the importance of MED Week?

Since 1983, the White House has issued a proclamation to commemorate the growing contributions that minority business enterprises make to the U.S. economy. MED Week is the amalgamation of the national minority business enterprise community coming together for networking, training and business opportunities. MED Week also represents an opportunity for the White House to participate in MBE activities and to provide current updates on Administration policy affecting MBEs nationally.

**DN:** What new program(s) are you implementing or planning to meet ongoing changes in economic conditions and demographics?

Following a thorough analysis of business services available to minority businesses and changing economic dynamics, MBDA is tailoring its programs and services to achieve maximum impact through the Strategic Growth Initiative (SGI). By focusing our services on growing MBE's, those in the \$500,000 to \$1 million+ range of gross receipts, we can have a significant impact on helping these firms create more jobs and generate more revenues. SGI program components include the introduction of matchmaking services, venture capital forums, and business management training program in partnership with Tuck School of Business.

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