Barriers to Growth: How High Performing African American Owned Businesses Overcome Them

ABSTRACT

Even high-performing African-American businesses are confronted with barriers to business growth. It is important to our communities, labor force and the economy that African-American owned businesses grow, scale, and stay sustainable. This research project reveals the barriers that are faced by high-performing African-American versus non-minority owned businesses and how they overcome those barriers to achieve growth and stay sustainable. Racial discrimination, gender bias, and accessing capital are barriers that still exist. However, our findings indicate that high performing African American and women-owned businesses overcome these barriers by relying on diversity initiatives, relationships, and faith/prayer. The implications for practitioners are that diversity initiatives are critical to leveling the playing ground for African-American businesses. Also, African-American businesses must also continue to focus on building relationships as well as utilizing faith and prayer during the struggle. As for the academic community, diversity frameworks and theory needs to be better understood in the framework of entrepreneurship theory and faith/prayer theory needs to be considered in building better entrepreneurial frameworks.

Keywords:

African American; Black entrepreneurship; diversity; high-performing firms; minority business enterprise; minority entrepreneurship; prayer; small business growth

INTRODUCTION

Despite the legislation and laws governing equality in the United States, African-American entrepreneurs still struggle to grow and sustain their businesses. The most current U.S. census data revealed that there are approximately 5.8 million minority-owned businesses in the United States, of which approximately 1.9 million are African-American businesses (U.S. Census Bureau, 2010). Only 1% of these African-American businesses are considered high performing firms, defined by the United States Census Bureau as those that have annual receipts over $1 million. These high-performing firms are responsible for 61% of all jobs created by African-American firms (U.S. Census Bureau, 2010).

Due to the high rate of unemployment among minorities, specifically African Americans, it is important to our communities, labor force, and the economy that minority-owned businesses grow and learn how to scale their businesses to achieve sustainability. African-American entrepreneurs are critically important for addressing this problem. Absent these jobs provided by African-American owned businesses, African American unemployment may have registered almost two-thirds (62.8%) higher, to as many as 2.3 million in the survey year of 2007 (Reuben, Wilson, Wijewardena, Davis, & Clark 2011; Reuben & Queen, 2015: 2). The findings in this research help reveal what high-performing African-American owned businesses versus non-minority owned businesses perceive as barriers to growth and how they overcome those barriers in order to stay sustainable and flourish.

Minority entrepreneurship has been studied in detail by a number of researchers (Bates, 2011; Bradford, 2014; Fairlie & Robb, 2007) and they collectively report that the key challenges for most African-American businesses that fail are due to a lack of education, start-up capital, access to capital, lack of experience in similar businesses, and a lack of human capital. However,

the literature is virtually silent regarding the barriers confronted by high-performing minority-owned businesses and how they overcome obstacles to growth, scalability, sustainability, and flourishing. Towards this end, our research is focused on this particular gap by comparing and contrasting high performing African-American-owned businesses against high-performing non-minority-owned businesses. This study interviewed thirty-one business owners with high-performing companies from the Midwest to the East Coast to better understand how they grew their businesses and how they sustain them. Therefore, this paper seeks to address what explains how high-performing African-American-owned businesses versus non-minority businesses overcome obstacles to business growth. How and to what extent does access to capital, diversity initiatives, and relationships contribute to growth, scalability, sustainability, and flourishing in the high performers? This paper will explore the research focus, key literature, research design, and findings, and then discuss how the findings contrast and compare to pertinent literature. Finally, we will suggest academic and practitioner implications, research limitations, and future research topics.

LITERATURE REVIEW

Much of the literature on African-American entrepreneurship has placed a strong emphasis on success and failure. This section will certainly elaborate on this literature but will also identify other relevant literature regarding African-American businesses. This section will primarily explore the key literature regarding African-American entrepreneurship and high-performing African-American firms.

African American Entrepreneurship

"Entrepreneurship has been defined as the identification and exploitation of previously unexploited opportunities (Hitt, Ireland, Camp, et al., 2001). Thus, as a context-dependent

social process (Ireland, et al., 2001; Ireland, Hitt & Sirmon, 2003: 965). African-American entrepreneurs tend to have lower annual sales and employ fewer resources than other minority groups (Fairlie & Robb, 2007). For example, Fairlie and Robb (2007) contrast and compare African-American businesses to white businesses. They found that African-American businesses are less successful due to the lack of education, capital, resources, and overall experience in running a business (Fairlie & Robb, 2007).

Reuben and Queen (2015) note that African-American businesses are more likely to be opened but less likely to succeed. One reason they suggest is unequal access to capital. They also report that African-American businesses tend to focus on industries that have less financial start-up and expansion requirements. When African-American businesses operate in high revenue industry sectors their average annual revenue and average annual payroll per employee is significantly lower than non-minorities (Reuben & Queen, 2015). Fairlie and Robb (2010) report disparities in the capital between minority and non-minority businesses in a report written for the U.S. Department of Commerce, Minority Business Development Agency in 2010. They state "At the very time that broad economic productivity is critical to strengthening the economic foundation of the nation, the growth potential of minority-owned businesses is being severely hampered. Across the nation, minority-owned businesses face the obstacles of access to capital, access to markets and access to social networks, all of which are essential for any business to increase in size and scale. (Fairlie & Robb, 2010: 3) Minority businesses are also found to pay higher interest rates on loans and are more likely to be denied credit. Also, minority-owned firms are found to have fewer amounts of equity investments (Fairlie & Robb, 2010).

The work of Bates, Jackson, and Johnson (2007) report issues related to success and failures in minority business. This literature reveals discriminatory practices that other authors

like Robb and Fairlie have described, which include the lack of access to financial capital, less education, and business-related experience. They note, the "whole process is more difficult for minorities than it is for whites" (Bates et al., 2007: 10). On a more positive note, the authors point out that minority business enterprises (MBE) have grown in recent decades although from a small base. The minority firms that are considered large-scale or high-revenue firms have grown at a rate three times faster than the overall minority business community. The firms that have employees have also surpassed minority businesses that do not have employees (Bates et al., 2007).

High Performing African American Firms

Boston and Boston (2007) reported that "large differences in rates of growth among African American-Owned firms cannot be explained simply by evaluating owner attributes, firm attributes, characteristics of markets and environmental constraints" (Boston and Boston, 2007: 128). They found that the small number of variables in the study were identified to be statistically insignificant, and therefore the authors concluded that the explanation for growth among high growth African-American firms and low-performing African-American firms remains a "black box." In other words, they could not understand why high-growth firms could grow and low-growth firms could not.

A longitudinal study by the Black Enterprise (BE) from 1974 to 2004 reported on African-American business trends, the decline of industry categories, and comparable survival rates of small businesses (Sonfield, 2007). The study reported that, "Only 21 of the 1974 BE 100 companies survived in the 1984 listing, only five continued to the 1994 listing and only two are still on the 2004 listing" (Sonfield, 2007: 327). This suggests an overall downward trend in such firms. Some of the trends included the growth of Black-owned auto dealerships during that time

period. A second significant trend was the decline in the construction contracting and energy segments. Another downward trend was in the Food/Beverage and Wholesale/Retail segment. The BE 100 listings only showed an upward trend in the Technology sector. This publication also discussed the efforts of corporate minority procurement programs which had mixed reviews. The author notes that a number of writers evaluated those programs and some "concluded that many minority suppliers have grown and prospered from these programs, and have been able to grow beyond their corporate customer bases (Carter et al., 1999)" (Sonfield, 2007: 330). Other researchers have concluded that few minority suppliers in these programs have truly benefited in the long-run and many have been unable to successfully "graduate" from such programs or develop sufficient sales volumes beyond the programs (Bates, 1985; Person et al., 1993; Sonfield, 2007). The article also highlights the argument against set-asides and the argument for set-asides which is a "specific percentage of overall government contracts allotted directly to MBE vendors" (Bates, 2015; Rice, 1991). The author indicates that the "most significant factors in the success and failure of the BE 100 firms are the private sector and governmental programs targeted towards minority businesses. The majority of the BE 100 companies throughout the 30 plus years of the listings have been recipients of procurement and other contracts from either large corporations or from federal, state or local government which were specifically aimed toward or set aside for minority companies" (Spruell, 2005; Sonfield, 2007: 333).

Growth performance of African-American businesses versus non-minority businesses was also studied within the BE study. The Sonfield's sample originated from the BE List of top grossing African American firms. The sample size was 20 firms that were consistently listed on the BE List of top grossing African American firms from 1998 to 2008 and represented 17 industries. The authors sought to "avoid reinventing the "theoretical wheel" by proposing that

any long run performance differences could be best understood through existing strategic theories that have seldom been applied to this particular sample. Previous studies indicated that African-American firms have a much lower sales growth rate than comparable white firms. The author's goal was to examine if this performance disparity also exists for top African-American businesses. They found that the average performance of African-American businesses, as measured by sales growth, was lower than white firms but not statistically significant. The authors also noted that established African-American businesses may not be experiencing the same performance disparity. Their findings suggest that existing knowledge about African-American entrepreneurial firm performance may not transfer to larger, more established African-American Businesses (Smith & Tang, 2013).

RESEARCH DESIGN

This study employed grounded theory through a semi-structured interview methodology. Grounded theory is the discovery of theory from data systematically obtained from social research (Glaser & Strauss, 2009). The sample consisted of 31 interviewees who were CEOs and business owners.

Insert Table 1 about here

The subjects included in this study were working business owners with firms that were at least four years old, employed at least one full-time resource, and generated at least $1 million in sales in 2014.

Insert Table 2 about here

The majority of companies selected for this study came from the professional/scientific and technical industry. For contrast and comparison purposes, we interviewed African-American and non-minority business owners.

Insert Tables 3 & 4 about here

Data Collection

Data was collected between April and August 2015. The semi-structured interviews averaged sixty minutes. They were conducted and guided by an interview protocol approved by the Internal Review Board at Case Western Reserve University (see the Appendix).

Data Analysis

The data analysis commenced with the first interview and continued throughout the data collection period and utilized an extensive, multiple process coding procedure. We began with initial coding by reviewing transcripts line by line using memos and notes to compare experiences (Charmaz, 2006). After completing the open coding process using NVivo v. 10 software, the author noted that 805 codes emerged.

The next step was focused coding to organize and consolidate initial codes. This allowed us to discover underlying concepts to expose the most frequent and significant initial codes. The researcher consolidated the initial codes to 25. After focused coding had been completed, we began the process of axial coding. "The purposes of axial coding is to sort, synthesize, and organize large amounts of data and reassemble them in new ways after open coding" (Creswell, 1998). The researcher then consolidated the axial codes to four mega-themes/final codes.

FINDINGS

Insert Table 5 about here

Our data revealed three types of barriers that high-performing African-American and women-owned businesses were confronted with in growing their businesses. These high-performing businesses overcame obstacles by leveraging various types of diversity initiatives, relationships and utilizing faith and prayer.

Finding 1: Barriers to Business Growth

Our study found that high-performing firms were confronted with a variety of barriers to business growth such as race, gender, and access to capital. Racial barriers were identified by African-American business owners only. While many non-minorities might think that racial discrimination is a thing of the past, racial discrimination was found in various forms throughout this study. Many African-American business owners were not awarded business opportunities due to the color of their skin or were limited by majority firms that used tactics that split a piece of work that one company could provide into very small pieces and then the work was distributed to a number of minority vendors so that no one company had any meaningful work or compensation. An example of prime contractors using diversity programs to ensure that no African-American firms will provide valuable work:

> AAF5: "They were doing a lot of teaming for the airport expansion, each of these projects. These primes, most of them were doing things like, for instance, if the goal was 30%, they may have 15 African-American firms on them. You get two percent, you get one. No one has any kind of meaningful work." — Quote from an African-American Female Owned Engineering firm.

> Other African-American business owners were included on bidding teams then once the team won the contract, they were excluded from the team and the project. While one would think

that all the African-American company needed to do was sue or notify the authorities, many are

monetarily limited and are concerned that they will be viewed as trouble makers by the client.

African-American females cited more instances of racial discrimination than African-American

males. An example of where African-American culture was an important criteria to winning a

project but was still awarded to a white male company:

> AAF4: "Yeah, ….. We were up against an ad agency that is male and white owned and this was a public….. project and a big piece of the work was understanding women and understanding diverse markets. This is where we ... It's a joke. Really, it's like a big, huge joke. Of course …… That company got the business and they don't know crap about women or people of color, at all." — Quote from an African-American Female Owned Marketing Company.

Non-minorities did not cite race as a barrier to growth.

Insert Figure 1 about here

Gender bias among all women was found to be a barrier to business growth while none of

the males cited gender barrier issues. Women business owners still tend to find themselves as

being viewed by males as unequal and incapable. Many of the participants experienced situations

where they were excluded from opportunities because of their gender. An example of gender

bias in business:

> NMF1: "She said, you were passed by everybody on the board until the owner because it was such a small bank, had his hands on it and made one phone call to me and said "Just tell me why (company name) wants to take you nationwide with them?" I said, "They've got a big diversity. They are just starting a big diversity program on woman owned ..." "That's exactly what I thought, no deal." — Quote from a non-minority female professional services business owner.

In many instances, women business owners allude to the "good old boy" network as being still

prevalent in today's society, so women are excluded from opportunities that are reserved for

males only. An example of gender bias in business from a non-minority female professional

services business owner:

NMF5: "I went in there and shared what (company name) did and how extensive the business is. I looked around the room, there were probably 100 men, all different business owners in (city name). I looked around the room and said there is no fucking way these people are going to give me any business and they didn't. They support each other's businesses…..so they didn't give me any business. They weren't going to. I knew it. I looked in their faces and I thought whatever." —

Insert Figure 2 about here

Our data suggests that another barrier to business growth is accessing capital. Please refer to Table 4. A number of participants had negative experiences and were unable to get access to capital. In many instances, African-American owned companies used personal capital or got money from friends and family.

AAM1: "We started going to banks and say, "Okay. Here's our past. Here's our revenue and cash flow for all these years. Here's our back log. Can we get a loan? Anybody, can you give us a loan?" I've got working capital and couldn't get it. I don't think we got a loan from anybody."

Much of the literature speaks to accessing capital as a barrier and it is for some; however, surprisingly, many of the interviewees had positive experiences. Our study revealed that more interviewees had positive experiences than negative experiences with accessing capital. Over half of the African Americans have had a good experience. It is noted that two of these same African-American females were able to change the negative experienced to a positive one. However, it must be noted that some of the positive experiences are due to the fact that relationships were leveraged to attain access to capital.

AAF5: "I talked to my cousin who was on the board of … .. She said, "Here's who you talk to. His name is (name)." So then he ended up leaving his last bank and he and some other started a bank, and that's (name) Bank. When (bank name) poo-pooed us, then we called (name) and (name) said, "I'll take care of you," and he has. We have a million dollar line of credit with him now. We have all of the drill rig loans. I think we have two that are still out there in terms of loans. We have mortgage on this building, but he's been a wonderful partner."

Insert Figure 3 about here

Finding 2: Faith and Prayer

Over half of the respondents leveraged faith and prayer in their work life. Please refer to Figure 4. Many spoke of faith as sustainment while other spoke of God as leading them in their business lives. Faith and prayer was used in African-American and women-owned businesses as a tool in their tool box.

> AAF8: "I think we were always propelled by we can make this happen if we put God first, if we hold on to our faith, and if we be as smart about doing business for ourselves as to have been for leading organizations for someone else. We just put our nose to the grind and just did that.
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> "When we laid our business out, our mission and our objectives, in one of the unwritten visions that we had was our scripture. It said, "Write the vision and make it plain." When that started to manifest itself in our life at the firm, and it was very early on we started, we were showered with contracts."

Many participants viewed faith and prayer as helping them to make good decisions and guiding them and the company in the right direction.

> NMF5: "I think prayer is a big part of where the company goes and how we think about ourselves. I think serving the Lord doesn't just happen on Sunday morning. It happens all day, every day. Since those people spend all their time at work. Then the best way to do it is to be servants to the Lord in the workplace. There's lots of opportunities for that."

Insert Figure 4 about here

Finding 3: Diversity Initiatives

Much of the literature about diversity initiatives have proponents for them or critics that are against them. The major argument against government set-aside programs is that they promote "reverse discrimination" against the non-minority businesses and are illegal; they are only fronts for non-minority firms, finding qualified minority businesses in certain industries is

difficult or impossible, and only a small number of firms benefit from set-asides (Edmundson, Suh, & Munchus, 2008). Proponents for diversity initiatives insist that they provide opportunities for minorities to participate in the economy and level the playing field. Ong (2001) studied a sample of 2,075 Small Business Administration's 8(a) graduates and his findings "support the assertion that set-aside programs increase the ability of minority firms to compete in the private sector." His study also concluded that participation in the 8(a) program lowered the number of firms that went out of existence (Ong, 2001). Bates documented the role of preferential procurement programs from inception to current day. He contends that government entities that are operating successful programs are now capable of weeding out front firms, easing bonding requirements, unbundling contracts and paying MBE vendors promptly, which in turn has lowered the barriers to limiting MBE participation in procurement markets. "On balance, the record of preferential procurement programs in the United States is one of success"(Bates, 2015: 20). Bates also concludes that "Success in preferential procurement is a reflection of declining barriers unleashing the creativity of new generations of Black entrepreneurs" (Bates, 2015: 21). Unfortunately, our data does not support that barriers are declining; however, our data does support the need for diversity programs. In this regard, our data suggests that diversity initiatives are crucial for the growth of high-performing African-American and non-minority female-owned businesses. The majority of African-American business owners and non-minority business owners view diversity initiatives as leveling the playing field, opening doors and key to accessing decision makers.

> NMF5: "Oh my God! It totally changed our business totally, like a red carpet we rolled out in front of the state building in (name), said, "Come on in". Right as I was realizing that my company was going to die if would just get (Government) business."

Diversity initiatives also encourage the development of relationships between large majority firms and African-American firms as well as women-owned firms. Many of the interviewees felt that without the diversity initiatives these relationships would not ordinarily occur.

> AAM1: "I'm a proponent of all those programs. I've been on a program that they have to justify the DBE program every year. Once a year, they set out a project, with no goals on it. It comes back with no participation. That's how they justify keeping that program. My thought is, firms only use you if they have to meet those goals. If those goals didn't exist, even though you worked with them on previous projects, they would not use you."

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Finding 4: Relationships

All respondents cited the importance and impact of relationships. Relationships were categorized into four sub-findings that include the following: client, employee, relationship building, and teaming partner relationships. All respondents emphasized the importance of the client relationship and how that relationship translated to repeat business. One hundred percent of non-minorities both male and female spoke of employee relationships. Some took pay cuts to avoid laying off employees. Many companies indicate that they have deep loyalty for their employees, and many employees are loyal to their employers. Many businesses owners view their employees as part of the family.

> AAF9: "One employee who was with us for fifteen years, went out on her own last year. She wants to do more life coaching, but we're working on five projects with her on strategic planning. I'm the godmother of her two children. That's how close we are. (Business partner) and I are the godmother of her two children. Another young lady who left here who now works at (company name), she's getting married in St. Lucia next month. My husband's walking her down the aisle."

The act of relationship building was referenced 100 times, and 30 out of 31 respondents cited this topic. All of the individuals in the study understand the importance of building relationships.

AAF9: "She and I just really hit it off. She had asked me, of course, "What do you do?" This and that. I said, "I just started this business recently." Where's your bank?" I said, "Well, we've had trouble getting a revolving line of credit." We had this little running joke between us that the food was great at this, it was a stand-up dinner, but they didn't have forks, so it was literally and figuratively finger food. We were just joking about that, and we just, again, just really hit it off. The next day, I had someone call me from that bank. Two days later, I had the revolving line of credit."

Insert Figure 6 about here

Team partner relationship was referenced by 21 out of 31 respondents. The majority of non-minority males cited teaming relationships. Many of the respondents understand that teaming relationships are a necessity and being on a team can open the door for future opportunities and recommendations.

NMM7: "We got on that team and we were on that team with two of our competitors. We were tasked with walking and assessing hundreds of sites. We did I think over 300 sites. We were tasked with that and doing reports and doing cost estimates. We did a great job for (company name) on that. Far better than our two competitors. …. in the end, didn't win that job but they looked at us and said, "Wow, these guys really stepped up to the plate. They did a good job. They didn't charge us for it." We just did it as a business development type expense and it really impressed them. That's how we got our next opportunity. Our growth on that side of the business, on the public safety side, has been the result of old fashioned hard work and doing a good job."

Insert Figure 7 about here

The majority of females cited family relationships as supporting business growth while less than half of the males cited family relationships. Only 1 out of 7 non-minority males cited family relationships as important. Many participants a family member that could trust in their business.

AAF2: "As we were growing, I went to her and went to her husband and asked, "Would you guys be willing to move to (City)?" I needed a trusted person who understood HR, because it's not your finding an accountant or IRS, yes, you could

always make compromise, but the Department of Labor is worse than IRS by far, so when you're dealing with employees, you have to make sure you have someone who understands all the HR component."

Insert Figure 8 about here

DISCUSSION

The focus of this research was to better understand how high performing African-American-owned businesses have overcome obstacles to growth, become sustainable and flourished. Boston and Boston (2007) concluded that they could not figure out why high performing companies with the same characteristics and attributes stayed high performing while low performing African American companies with the same characteristics and attributes did not grow. They concluded that there was no answer, it was a "black box" (Boston & Boston, 2007). However, our findings revealed that racial and gender barriers continue to exist and the lack of access to capital may be a result of racial and gender barriers. Our data also suggests that high-performing African-American and women-owned businesses participate in various diversity initiatives (government and corporate diversity programs), build strong relationships, leverage those relationships, and many rely on faith and prayer to overcome such obstacles.

Racial Barriers

Current literature reports that the lack of education, access to capital, and business experience are key barriers to success. Today's publications do not adequately address the experiences of African-American-owned businesses as they relate to racial and gender biases. "In addition to the neglect or downplaying of racial discrimination in the entrepreneurship literature, there has been much argument in other scholarly writing that racial discrimination is no longer a serious problem for African Americans, especially for those in, or moving into the middle class" (Feagin & Imani, 1994: 563). However, our data suggests that race is still a

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barrier—even in high-performing African-American firms. Over half of the African-American respondents identified race as a barrier to business growth and almost all of the African-American women participants indicated that race was a barrier to growth. In contrast, none of the non-minority men or women indicated that race was a barrier to growth. Many African American business owners shared experiences of being excluded from business opportunities, non-minorities refused to work with them after contract award and business opportunities were awarded to non-minority firms that did not have the qualifications.

Gender Barriers

Over the past 30 years, there has been an increase in the amount of literature regarding women entrepreneurship. Much of the literature suggests that "in terms of both entrepreneurial options (e.g., occupational choices) and entrepreneurial resources (e.g., sources of capital), women are more disadvantaged than men, and minority women are more disadvantaged than non-minority (white) women" (Smith-Hunter & Boyd, 2004: 25). Our data is in agreement in that women identify their gender as a barrier to growth. Interestingly, all of the non-minority female business owners indicated that their gender was a barrier while only close to half African-American female business owners expressed that their gender was a barrier to growth (Note: Due to the theory of intersectionality, African-American female business owners may notice the racial barriers over gender). The literature also suggests that looking at the uniqueness of African-American female businesses owners from the lens of social stratification may speak to the entrepreneurial process which is influenced by societal norms, values, rules regulations and public policies (Robinson et al., 2007). Many of the experiences of women business owners revealed that the "good old boy" network was still a barrier and men tended to support each other's businesses while being less supportive to women. Our data also reported that women

business owners also experienced sexist comments and unwarranted advances while trying to conduct business. None of the males cited gender barrier issues.

Access to Capital

Many studies have been conducted and confirm that "Black-owned businesses are less likely to have their bank loan applications approved than similarly situated White businesses" (Blachflower, Levine & Zimmerman, 2003; Bates, 2006: 232). Our data confirms that African Americans still have negative experiences with accessing capital while only a very small number of non-minorities had negative experiences. But, surprising, only half of the African Americans had negative experiences. Of the African-American owned businesses that did have negative experiences, they were shared equally among those African American males and females.

Our data suggests that a little under half of the African-American-owned businesses had positive experiences. Our data also reveals that almost equal amounts of both African-American males and females shared in positive experiences with access to capital. This change may be due to the plethora of literature regarding this issue and news exposure documenting these negative experiences. This also may be due to African Americans having more significant roles in the banking system. Many interview participants spoke of developing relationships with bankers, being referred to bankers personally and having past military experience which enabled them to leverage programs like SBA's express loan program which is just one type of program that was designed for veteran-s to get loans to pursue business ventures (SBA.gov, 2014). Our data revealed that a very small number of non-minority males experienced access to capital issues. Social structural theories may come into play as it relates to why white males have an easier time with accessing capital. Social structural theories "include realistic group conflict theory (Key, 1949; Levin & Campbell, 1972) and sense of group position (Blumer, 1958; Bobo, 1999) which

generally maintains that individuals identify with their own racial or ethnic group, and that group conflict emerges from competing interests, and that dominant groups develop and propagate ideologies that maintain and even legitimize their higher social status (Bobo & Fox, 2003; Jackman & Muha 1984; Sears, Sidanius, & Bobo 2000)

Diversity Initiatives

Most of the literature reflects a debate between the validity of diversity initiatives much like the affirmative action. "The programs help to level the playing field and set-asides provide opportunities for ethnic business enterprises to fully participate in the economy" (Edmuson et al., 2008). Critics argue that the programs are illegal, minority businesses only serve as fronts for white businesses, and that identifying qualified minority businesses is too difficult (Edmuson et al., 2008). None of our data supports the critic's point of view. The majority of our data is in support of diversity initiatives. The majority of African-American business owners and non-minority female business owners support diversity initiatives. Most felt that these programs opened the door for opportunities and even leveled the playing field. Bates reports that "successful preferential procurement programs succeeded because of the lowered traditional barriers limiting size and scope of the minority business community. They succeeded because they created a less discriminatory environment that allowed talented entrepreneurs to create large firms capable of handling major procurement opportunities" (Bates, 2015: 20).

Relationships

Relationships had a very strong impact on our research project. The importance of relationships were agreed upon among all 31 participants. Our data has been categorized into five different sub themes regarding relationships. They include the following: relationship building, client, employee, teaming partner and family relationships. All of the male participants

agreed about the importance of relationship building and almost all females did also. The National Minority Development Council (NMDC) has been instrumental in relationship building from the corporate member perspective. These corporate members "seek to establish and build relationships with ethnic business enterprises in order to compete fairly and equitably" (Edmondson et al., 2008). Much of the literature that has been found relates to nascent minority entrepreneurs and not established firms. The participants in our study were at least 4 years old.

Insert Figure 9 about here

We did find some literature which indicated that women, compared to men, "prefer to organize in networks that include a broad range of people and to create collaborative and cooperative relationships within those networks" (Sorenson et al., 2008: 615). Much of our data confirms these types of relationships.

Client relationships were very important in overcoming obstacles to business growth. Much of the literature defined client relationships in terms of supplier relationships. All non-minority participants spoke of the importance of client or the buyer/supplier relationships. Not all, but a large majority of African-American firm owners spoke specifically about the importance of client or buyer/supplier relationships. The majority of women and men spoke of the importance of these types of relationships in overcoming obstacles to growth. "The web of external relationships that surrounds any small business, whether referred to as a "strategic alliance" (Miles, Preece, & Baetz, 1999) or a "network" (Curran et al., 1993), is capable of providing a wide variety of tangible and intangible benefits" (Street & Cameron, 2007: 240). It is noted that there is limited empirical research on the relationships between African-American suppliers and large buying organizations. One article studied the characteristics of the

relationship between large purchasing organizations and ethnic minority suppliers in the U.K. The author notes that supplier diversity initiatives "appear to be a potent vehicle for ethnic minority businesses breaking out to mainstream procurement systems" (Ram & Smallbone, 2003). The latter is regarded important for the viability and success of such firms, which play a significant socio-economic role in almost all modern industrial societies (CRE, 2006; Theodorakopoulos, 2013; Worthington, 2009). The author categorizes four different types of inter-organizational relationships: Traditional/adversarial, opportunistic behavior, tactical and strategic collaboration. He notes that if supplier diversity efforts are going to be successful, commitment by both purchasers and suppliers is necessary. "Effective bilateral communication is a crucial aspect of purchaser-supplier relationships and performance" (Carter & Miller, 1989; Heide & Miner, 1992; Humpreys et al., 2004; Krause, 1999; Li et al., 2003) that has been described as "the glue that hold together a channel distribution" (Mohr & Nevin, 1990 as cited in Prahinski & Benton, 2004: 41; Theodorakopoulos, 2013: 116).

Much has been written about the quantity of jobs that are created by small businesses and the fact that black businesses hire more Black employees than non-minority businesses; however, we have yet to find information regarding the relationships between minority or African-American small business employers and employees. Our data suggests that both males and females value employee relationships and many of our high performing companies build long lasting relationships with their employees. All of the non-minority business owners spoke of the importance and value of employee relationships and a little over half of the African-American business owners spoke of the importance of employee relationships. Females spoke of the importance of employee relationships more than males. Many of the participants viewed their

employees as part of their family or felt a responsibility for them; however, we found no literature supporting this view point.

Our data confirms this notion of teaming relationships and the importance of leveraging teaming relationships in order to overcome obstacles to business growth. "Few would disagree that forming and managing relationships is an important strategy for small business development" (Street & Cameron, 2007: 1). Our data suggests that teaming relationships are critical to overcoming obstacles to business growth. More males than females spoke of the importance of teaming relationships. Almost all of non-minority males identified the importance of teaming relationships while over half of the African-American males referred to the importance of teaming relationships. Almost all non-minority females were in agreement that teaming relationships were important while less than half of African-American females referenced them. The lack of teaming relationships by African-American females may explain why they lack in sales as compared to non-minority females. In a number of instances, "targeted government program and policies increase alliance formation" (Ahwireng-Obeng 2001; Rosenfeld 1996), and government institutions can act as intermediaries to encourage the development of trust between alliance members (Davenport, Davies, & Grimes 1999; Street & Cameron, 2007). Our data confirms that many of our interview participants benefited from diversity initiatives like government programs that required the use of subcontractors, however some participants cited negative situations in which they were given teaming agreements to win contracts and then were discarded award.

Family relationships were important to high performing African-American males and females as well as non-minority women business owners. Our data suggests that family relationships were supportive and helpful in overcoming obstacles to business growth. The

literature reveals that "female SME owners did not make significantly more use of informal networks, although they did make significantly more use of family and friends" (Watson, 2012). Our data supports this information because almost all African-American females relied on family relationships and all non-minority females agreed. Many of the high performing business owners had family members participate in their firms because they could trust them above all other employees. Almost all females cited the importance of family relationships in overcoming obstacles to growth while less than half of the males agreed. Over half of African-American business owners indicated that family relationships helped with overcoming obstacles and close to half non-minorities agreed. Males had a different view point. Less than half of African-American males expressed the importance of family relationships in overcoming obstacles to growth while hardly any non-minority males agreed. Some of the literature indicates that there is a controversy in women's roles as entrepreneurship. "When evaluating men and women without controlling for what type of business they own, women tend to come out on the losing side" (Ahl, 2006: 603). This is also called the "female underperformance hypothesis" (Ahl, 2006; DuRietz & Henrekson, 2000). In contrast, our data shows that high-performing women business owners tend to leverage family member relationships to their advantage.

Faith and Prayer

"Religion has a place of importance for American Entrepreneurs" (Dougherty, Griebel, Neubert, & Park, 2013: 407). Over half of our interview participants noted that faith and prayer were utilized to overcome obstacles. American entrepreneurs are "more likely to believe in a personal God who is interested in their problems and affairs. They also pray more than non-entrepreneurs" (Dougherty et al., 2013: 407). Our data suggests that more African-American businesses owners utilized faith and prayer than non-minority business owners. In addition, over

half of the female participants referenced faith and prayer while less than half of males did so. Our data suggest that the majority of African-American females used faith and prayer in their entrepreneurial tool box. Over half of the African-American females rely on faith and prayer while only half of the non-minority females. A study on African-American women leaders regarding faith suggests that "many have turned to faith in God to gain the strength to endure adverse experiences that stem from race, gender and social class" (Walker, 2009: 647). The literature shares that African American women leaders experience the world through a different lens that the dominant group. The literature emphasizes the historical and cultural background of faith and spirituality of African American women in leadership positions (Walker, 2009). "According to a black American Scholar, black spirituality affirms, negates, and transcends aspects of Anglo-American culture, creates and sustains African American culture, and establishes psychological and spiritual relocation in response to oppression and various systems of devaluation in American Society" (Stewart, 1999; Garcia-Zamor, 2003: 356).

Almost half of the African-American males referenced faith and prayer while only a small number of non-minority males spoke of faith and prayer regarding business growth. This may be explained by a set of social structure theories in that non-minority males don't need to rely on faith and prayer to overcome obstacles because they are not confronted with the same barriers that African Americans and non-minority female business owners encounter. Also, a small number of respondents declared that their organizations were faith-based. A more recent piece of literature reviewed the influences of spirituality and religiosity within the field of entrepreneurship. The authors reviewed almost 30 articles in the emergent research area. The authors set out to review the existing research on the intersection of entrepreneurship, religion, and spirituality. The authors found that there was a "rich connection between the personal value

of religion and spirituality in the life of the entrepreneur and the success of their venture. They indicate that the field is young and with the work the remains to be done, provides an open door for unique research that can contribute both to the fields of entrepreneurship and workplace religion and spirituality" (Balog, Baker, & Walker, 2014).

IMPLICATIONS

Implications for Practitioners

African-American and women-owned firms need to leverage diversity initiatives (government and corporate programs) to gain access to decision makers and to level the playing ground. Federal government programs such as the Small Business Administration provide certification for the 8(a) program and the Women-Owned Small Business Programs. State diversity programs that have government spending goals certify small minority and women-owned businesses and include them in state databases so that prime vendors can locate them for partnership opportunities. These certifications are critical to minority and women-owned business growth. Minority firms also need to build and leverage their person and business network to identify opportunities and partnerships. Organizations like the National Minority Supplier Council can help companies to build networks with other minority-owned companies as well as promoting large corporate diversity among its membership. African-American firms also need to understand how to navigate existing racial and societal barriers to markets and success.

Implications for Academia

Diversity frameworks and theory need to be better understood in the framework of entrepreneurship theory. Faith and prayer theory needs to be considered in building better entrepreneurial frameworks. In addition, a strengthened commitment between Procurement Technical Assistance Centers (PTACs) and academia need to be considered in order to bridge the

gap between minority business owners and various Federal and State government diversity programs.

LIMITATIONS

The following are limitations recognized by the author. Data included an unequal number of African-Americans than non-minorities. Data collected was from the mid-west and east coast only. No data was collected from other locations within the United States. No data was collected internationally. Data was collected only from successful African-American firms.

FUTURE RESEARCH

As a result of this study, the following are areas that could be considered for future research with a continued focus on what explains high-performing African-American entrepreneurs: collect data on high-performing African-American firms from a broader geographic area of the United States that includes, the West, Southwest, Northwest, and the Northeast; research a broad set of industries and compare contrast what makes for success within a set of successful set of minority firms; and research and compare/contrast other minority groups such as Hispanic and Asian minorities.

APPENDIX
Interview Protocol

Interview Questions

Introduction (interviewer): *"Hello (name_____). Thank you so much for taking the time to meet with me today. I really appreciate it. Before getting started, there are a couple of things I would like to cover."*

Purpose and Format for the Interview (Interviewer): *"As you may know, in addition to my work at (firm name redacted), I am a current student in the Case Western Reserve University Doctorate of Management (DM) program. I am interested in developing a greater understanding of minority business growth. I will ask you a series of open-ended questions on this topic, and I will also ask one or more follow-up questions as you respond. The interview will last approximately 60 minutes."*

Confidentiality (Interviewer): *"Everything you share in this interview will be kept in strictest confidence, and your comments will be transcribed anonymously – omitting your name, anyone else you refer to in this interview, as well as the name of your current organization and/or past organizations. Your interview responses will be included with all the other interviews I conduct."*

Audio Taping (Interviewer): *"To help me capture your responses accurately and without being overly distracting by taking notes, I would like to record our conversation with your permission. Again, your responses will be kept confidential. If, at any time, you are uncomfortable with this interview, please let me know and I will turn the recorder off."*

"Any questions before we begin?"

Ice-breaker:
1. *"Please tell me about yourself, i.e. (family/education/spare/time/hobbies/work life)."*
   Probes:
   Can you elaborate on this?

2. *"Tell me about your role in your company and what a normal day consists of."*
   Probes:
   Can you tell me more?

Core Questions:
1. Why did you start your business?
   Probes:
   a. Vision?
   b. Feelings about it?
   c. Examples

2. Please describe a time when you were faced with a major obstacle to growing your business?
   Probes:
   a. Explain the obstacle?
   b. How did you feel?
   c. What did you do?
   d. Describe how you overcame the obstacle
   e. How did you keep growing?
   f. Who helped you?
   g. Where did you get advice?
   h. Did you seek additional capital?

3. Please describe a major opportunity that allowed you to grow your business.
   Probes:
   a. Explain the opportunity.
   b. How did you feel?
   c. What did you do?
   d. Describe how it grew your business.
   e. Who helped you get the project?
   f. Where did you get advice?
   g. Did you seek additional capital?
   h. Did this experience align with your vision?
   i. Describe that relationship.
   j. Describe your financial situation.
   k. Describe work location and facilities.
   l. Did this experience align with your vision?

Closing
1. Are there any other experiences you would like to share about growing your business?
   Probes:
   a. Tell me about the importance of growth to you in your business.
   b. Has your vision changed since start-up? (Give me some examples.)

2. "Thank you again for taking the time to speak with me today. Just in case I need to clarify any of your responses, would it be okay for me to call you again?"

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TABLE 1
Classification

	African American	Non-Minority	Total
Male	9	7	16
Female	9	6	15
Total	18	13	31

TABLE 2
Company Age Table

Company Age		
4 out of 31 participants	6 - 11 years old	13%
11 out of 31 participants	12 - 16 years old	35%
6 out of 31 participants	17 to 21 years old	19%
3 out of 31 participants	22 to 26 years old	10%
4 out of 31 participants	27 to 31 years old	13%
2 out of 31 participants	32 to 36 years old	6%
1 out of 31 participants	37 to 70 years old	3%

TABLE 3
Company Size

2014 Annual Revenue	# of Responses	Response Rate
$1,000,000 - $4,999,999	18	58.06%
$5,000,000 - $10,000,000	6	19.35%
>$10,000,000	7	22.58%

TABLE 4
Industry Sector

Healthcare & Social Assistance	4	13%
Administrative Support, Waste Management & Remediation	6	19%
Transportation & Warehousing	3	10%
Professional, Scientific &Technical Services	17	55%
Retail	1	3%

TABLE 5
Findings Chart

Findings	Sample Size	Gender Comparison		Ethnicity Comparison		African-American Comparison		Non-Minority Comparison	
		Female	Male	African-American	Non-Minority	Female	Male	Female	Male
	31	**15**	**16**	**18**	**13**	**9**	**9**	**7**	**6**
Finding 1 - Barriers To Business Growth	26	13	13	16	10	7	9	4	6
Finding 1a - Barrier - Racial	12	7	5	12	0	7	5	0	0
Finding 1b - Barrier - Gender	11	11	0	5	6	5	0	6	0
Finding 1c - Barrier - Access to Capital	26								
negative experience	11	6	5	8	3	4	4	1	2
positive experience	15	8	7	10	5	6	4	3	2
Finding 2 - Faith and Prayer	16	10	6	11	5	7	4	2	3
Finding 3 - Diversity Initiatives	21	13	8	15	6	8	7	5	1
Finding 4 - Importance and impact of relationships	31	15	16	18	13	9	9	7	6
Finding 4a - Client Relationships	27	13	14	14	13	7	7	7	6
Finding 4b - Employee Relationships	23	13	10	11	12	7	4	6	6
Finding 4c - Relationship Building	29	13	16	17	12	8	9	5	7
Finding 4d - Teaming Partner Relationships	20	8	12	10	10	4	6	4	6
Finding 4e - Family Relationships	18	14	4	11	7	8	3	6	1

FIGURE 1
Racial Barrier Quotes

Racial discrimination is still a barrier to business growth	
AAF9: "We, both (Business Partner) and I knew that being black and female, we don't get second chances. We had to go above and beyond, we feel, on every project. That is very stressful. We have lost a Caucasian woman who worked here. Said it was too much. She said she never had to work this hard before, and she was director of communications for municipality…" *An example of the stressful atmosphere of having to over-perform and over-achieve when being an African-American Female business owner.* Quote from African-American Female Owner of a Professional Services firm.	AAF6: "In home care, there are all types of home care. If you're what they call a private duty home care, private duty is for people who can afford to pay out of pocket. It's an obstacle when you're an African American owned company or you're out presenting, one of the things that will happen is people will call in and they'll chat with you or what not over the phone. (The owner name which sounds white) is the tall blonde on the phone. Towards the end of the conversation, they will say, "One more thing. It's not us. It's mom. Mom is going to be more comfortable if the workers aren't African American. Is that something you'll be able to do?" My response is always, "No, that's not something we would be able to do. Here's how we operate. We're going to send you the best qualified caregivers out to interview with you. You're going to select them. We're never going to ask you why you selected them or why you didn't select them. That's how we'll handle it." If (African-American Owner) was in front of them, they'd never say that. We just wouldn't get the work." *An example of racial discrimination by customer.* Quote from African-American Female Owner of Professional Service Firm.
AAF5: "Even when we were starting out and they had to use us, some firms would say, "Well, we'll use you but we want you to hire (company name)," which is a white firm, "and let them do all the engineering." *An example of a white firm still wanting another white firm to do the work.* Quote from an African-American Female Owned Engineering firm.	AAM4: "You talk to them and they say well we can't use you or … they would just give you a check and say go away our people will do it or they would just say go away." *An example of being denied business due to race.* Quote from African American Male Professional Services Firm.

FIGURE 2
Gender Barrier Quotes

Gender bias is still a barrier to growth	
NMF1: "A man that was coming from one of my competitors and he said, "They're all making fun of you out there, they are all taking bets on your demise and with your husband's money." Which it was not my husband's money." *An example of gender bias in business.* Quote from a non-minority female professional services business owner.	NMF6: "That was an obstacle because people look at you and when you work with your husband they just assume that you're there because you're bored at home. In my case, I had figured out how to handle that and having a technical degree, I can always seem to figure out a way to work it into the conversation that yeah when (husband's name) and I met at electrical engineering school at the university so many years ago. Oh, you're an engineer? Yeah, I'm an electrical engineering. Oh, it's like night and day difference. They suddenly go, oh well maybe you're just not here because you're bored at home." *An example of gender bias in business.* Quote from a non-minority female professional services business owner.
AAF1: "I remember going in to get my loan, and I showed up at the bank, and I was a little early, and my husband was coming to because since I had to put a guarantee on the house, he had to be there too. I'm sitting there, and I remember the loan officer asking me "Did your husband, has your husband reviewed your plan, and does he agree with it?" I said, "No, what does that got to do with anything?" I said later it was almost like because he's your husband, he's the head of the household, and if he says you can't do this, you can't do it. I said, "My husband's got to read my plan? Just sign the thing." *An example of gender bias in business.* Quote from a non-minority female professional services business owner.	AAF2: "They had wanted to do some business and the guy kept shuffling. I said, "Well, what are you interested in?" He was dancing around the subject. And I'm matter-of-fact. What do you want to know? Do you want to, are you looking to do, for me to prime it? Kind of thing…. After the meeting, he calls (name), which is my advisor and says, (Female business owner's name) is just too aggressive." *An example of gender bias in business.* Quote from an African-American female professional services business owner.

FIGURE 3
Accessing Capital Quotes

Accessing Capital is a negative experience for some firms	
	AAM5: "Going to the bank is a catch-22. You go to the bank, they go through everything, and they find one little thing that's off, even though you've deposited money into that bank account for six or seven years, they'll point to that one little thing to say, "Oh, no, we can't give you this. We can't do that for you."
AAF5: "When we were with (name) Bank and they're not used to this kind of a business. They're used to I think more of retail or you sell something, you get paid. Not this 90 day waiting on getting your money. We needed to increase our line of credit and they were not having it. After we showed them our backlog and we were trying to convince them there's some contracts out there that we've already signed. They said, "I think I'll pass."	NMF4: "They turned me down. I didn't have any assets."
Accessing Capital is a positive experience for some firms	
AAF1: "I was able to get a small business loan. I was twenty-nine at the time, a twenty-nine year old African American woman. I told people now, I can't sit here and tell you that banks won't loan money to women or minorities because they loaned it to me. They loaned it on my idea, but they also loaned it on the credibility that they knew I would pay it back.	AAF3: "Once they understood the diversity spend, my credit line with them is unlimited. I mean, really, unlimited. I forecast to them. We have millions of dollars and if (vendor name) or somebody else doesn't pay within their 30-day terms, and I negotiated 60 days with them, if something goes wrong, I'm just upfront with them."
NMM3: "So it was the fact a new business in the early 80's going to a bank and saying you're starting a new business with big organizations when you are a nobody. You don't really have any kind of backing so that wasn't easy for them to swallow but the proof was in the pudding. And (company name) people themselves the managers we worked for actually met with our banker. We got them together they literally were across the street from one another so it was kind of easy. We did that and we invited them over to the facility and let them meet all the people and the senior vice president of the organization at the time nothing was in writing but they said we would go along with it and they did."	

FIGURE 4
Faith and Prayer Quotes

Faith and Prayer as a part of the tool box	
NMF5: "When I do prayers in a big group, my HR … used to drive my HR director mad. She's like, "You're going to pray in the middle of …" I'd start my prayer by saying, "I think right now I'd like to start this meeting with prayers. If you're not the praying type then you can think about your grocery list or whatever you want in your head. As for me I'm going to pray."	AAF2: "He just kept me strong, kept me stable. I'm a female, so there's many times I cry and say, "Why did I do this?" Like I said, "I should've kept my job at 27 at (Government Agency). I'd have been retired, and xxxx," because I was a high achiever. You go through mentally a lot of changes, so He just kept me grounded. I just stayed in my faith. I'd get back up and say, "Okay, God, I know You're there."

"My brothers, my parents supported me emotionally, and they prayed, so there's no divine intervention for me, it's my God's grace, and because I knew I was a good person and a person of integrity. God would not steer me wrong. I had to just not try to guide in my way, and I didn't get that not try to guide in my way until 2014. |
| | NMM6: "It's exactly where God placed me, and He said, "This is where you're supposed to be, and you'll be okay." It's not euphoric, but it's close to that." |
| AAM9: "There's always been a good, what I would say a good religious foundation. Even I had a partner for a few years before he left, he was very religious as well. We did a lot in that mentality and tried to have people around us that we felt fit into that mentality." | AAM2: "Make a long story short, I made a prayer to God, I tell him, I said, "God, I've done everything that I've been taught to do, trained to do, grew up to do, I'm exhausted. I don't have any more answers. I need your leadership." In 30 seconds the phone rang, it was (company name). 30 seconds." |

FIGURE 5
Diversity Initiative Quotes

Diversity Initiatives	
NMF6: "There's some contracts with the state, pretty much just the (name). That's the only place it's been a benefit. We've really not cashed in on anywhere else. My philosophy with it is you use it to get your foot in the door, and then you delight them to the point where even if they don't have WBE requirement on the next bid they still want to do business with you. It certainly helps me on a daily basis. We were strategizing about how to use it on a contract so yeah. Yeah, I like it a lot. Don't make it go away.	AAF7: "By working with supplier diversity managers and going in and introducing our companies and telling them what we have and what we do, that has definitely been beneficial. I don't really have to say we're minority-owned at all. I introduce myself and that's all, but I do have to have the certifications because they'll turn around and ask, "Are you minority-certified or woman-owned?" We'll say yes, and that has led to opportunities."
AAF3: "Oh, yes. Yes. Having the certification, yeah I can be minority-owned, but I got to be certified. I have the woman owned, minority owned, certified by both states, (name) and (name). It does open up doors, especially with corporations that have government contracts. They'll call me, (name), are you certified by dah, dah, dah, dah? Yes, I am. Good. I want to use your name out there. Yes, it does help."	AAM3: "You can't meet with the government organizations not unless once you achieved 8a. However using the leveraging the small business development center we were able to actually link up with commercial large companies. That's like trying to drop a pin in a hay stack. It is that a very very hard or trying to find a pin in a hay stack. Then we saw an opportunity that we can team with them on. We contacted them and said that this opportunity is for small business would they be available to discuss and see if we can team together. Then we started talking but the opportunity came out as polite large business. They contacted us back and said that "We're willing to have you on as a team member who applied." That's how we gained the subcontract and then put in with another directorate within the Army."

FIGURE 6
Client Relationship Quotes

Client Relationships	
We service them so well they loved us. Everybody in the storeroom. We were friends with the storeroom people, the head of procurement and everybody in safety and out in the field. We'd been out at the refineries and everything.	Your relationships are so important starting a business, and I had a $50,000 line of credit, and I bought it from this one vendor, and (name) and (name) paid me off and then I paid the vendor off, and then they turned back around and did it again.
We did well the first two years. He was so impressed with the fact that developing documentation, the business process, work flow, how to handle calls, when to triage calls, we built all that. That wasn't in our SOW. As a result, he also was responsible for (name) and (name) visitor center access. When he got the approval to privatize the visitor center access at (name), he gave it to me.	When our OEMs, the original equipment manufacturer, hear about the jobs that we do, and they give us leads, that first lead, you've got to do it right or else they won't give you any more. It was a hospital in (city name). I think it was a million and something, and they gave us that lead. We got it, provided the product, and they were very happy.

FIGURE 7
Employee Relationship Quotes

Employee Relationships	
NMM5: "People move around a lot in the consulting business. I don't treat them like employees, as much as we ... I am very concerned of what company comes in with a CFO that is looking strictly at the bottom line, would do for those employees.	NMM5: "They have a lot of loyalty to me, and I have a lot of loyalty to them. I think, I am very much concerned. In fact, the main reason I couldn't talk to the real owner of the company that was wanting to buy me, until I signed my life away, on some document. I'm like, "No I need to talk to them. I need to know what they're all about. I want to know what would happen." I could see, them come in, and start going with the h1 ranked coming in, some of the h1's and replacing some of these people, and putting them on the street. I don't want to see that happen."
AAF6: "I took her over to (company name), introduced her to every nurse on that contract. Said here are the people that are coming on. It just makes it real easy for her to transition and work with my staff. One of my staff I remember (name). He said, "Why are you making it so easy for them?" I said, "Really I'm making it easy for you all." I said, "Because why should you all lose your jobs when you've been here for 6 years and she can just hire you guys on. We can't make her hire you, but make it easy. That transition." Didn't need all that headache."	AAM1: "Again, that's around maybe 2009ish too, when everything was tanking. We want ... We're people, we're compassionate and said, "We can't lay xxx off. (name)'s got a family." We'd keep (name) on and keep (name) on. Hopefully, things would turn around. Fortunately for us, we have never had to lay off anybody. We were able to pay the bills, pay the salaries, even though we had to decrease our salaries to pay them, pay our employees. We were able, again, not lay off anybody.

FIGURE 8
Relationship Building Quotes

Relationship Building	
AAF2: "I was frustrated. If I did everything right, why didn't I get the contract? And I really rely on a book called "Relationship Economics" to really begin to build my relationships. Because I don't care how smart you are, how much you know, how much money, it's about who you know."	AAF3: "If you know people, they're there to assist you. We got some people in from (name) House, which is a non-profit organization to help men turn around who have alcohol or drug addiction, and we hire them to open up boxes, and all of that. Then, people that we knew, they let us store the equipment in their warehouse. Of course, I had to have insurance, which you have to have those things when running a business, so it's just the relationships and so forth. It keeps you going and you may have a hurdle, but there's somebody out into the (city) area that can help you figure it out. Everybody knows everybody."
AAM1: "…we were doing construction management services. (Company name) was the team lead. It was three other small businesses, minority businesses, on their team. Only thing we were doing at that time, I think we were doing documentation, project documentation. We were doing project documentation. They said, "Hey, one of the companies, one of the three, they went out of business. Can you guys do this for us?" Then, we started doing estimating for them. Estimating change orders from general contractors. "Hey, you guys are doing a great job. What about scheduling? Can you do scheduling?" "Yeah. That's one of our competencies. We can do that." We started doing that. We moved from a one function on, it was four projects, one function to three functions."	

FIGURE 9
Teaming Partner Relationship Quotes

Teaming Partner relationships	
AAM1: "Like I said, we're in a relationship business. People do business with people that they know and people that they like, especially. Once you establish a relationship, you have to work at sustaining those relationships, building those relationships. Not only that, when you get work, you have to not only meet those expectations. You have to exceed the expectations. "Hey, we know you guys do good work. Hey, we got another project. You want to come in with us on that one?"	
AAM3: "Initially, our first contract actually came with a company named xxxx. They are more liked at the (Government agency) and (Government name) Center They did see that our company could be of service, and they teamed with me. We teamed. It was the government asking them to add a subcontractor their team and then when the contract was announced they started to throw us to the side. I went to them but basically I was powerless, and there wasn't anything I could do. I didn't have money to sue them. So that taught us a lesson.	AAM3: "Then we saw an opportunity that we can team with them on. We contacted them and said that this opportunity of small business would they be available to discuss and see if we can team together. Then we started talking, but the opportunity came out as a large business. They contacted us back and said that "We're willing to have you on as a team member who applied." That's how we gained the subcontract and then put in with another directorate within the (Government)."
NMM5: "You got to be looking, always looking for opportunities. We've opened up a lot of partnerships with other companies, that I think are ... The only difference between these partnerships, and the one in the past, I'm prime. I know, if I'm not prime, I may not get anything."	AAM6: "We were talking with a partner and the partner needed a company to come in and help service a client, and they introduced us; and we went in and pretty much just got the call. I mean, it was outsourced; they just set it up for us, and that's how we won it."

FIGURE 10
Family Relationship Quotes

family relationships	
AAF4: "Really the most, I would say the thing that helped overcome those obstacles most was the advent of my husband, my now husband xxx, was really able to help save the day for our company as well as really deliver. He helped deliver service to our clients. He hadn't really signed up for that but that turned out to be what he did. He left an executive position in HR, and again the goal was not really to come and work with xxxxx, to kind of fill in while I was getting my PhD."	NMF6: "It's a little complicated when you work with your husband because you have to still be a wife and you still have to treat them with respect and so there are times when I want to contradict my husband in a meeting. I might bite my tongue and wait until the meeting's over and then take him aside and talk to him so it's not too ... but he usually affords me the same respect and doesn't contradict me in front of other people either. My biggest challenge was probably getting that. For the most part, it works out pretty well, once I get to talk to people they see."
AAF1: "I'm always like "Just do it." We laugh a lot of times I used to say (brother's name) would quit me and he'd just get mad "I quit." I'd say "Fine. Just do it." It's easy with your brother and sister. Even my son-in-law, we're still close, but when I moved them to this (city name) arena where I hired some other consultants that were not related to me all of a sudden it was like "Where's your policy on contracting relationships?" It's like "What policy? What are you talking about?" "What happens if this project doesn't work?" "I don't know I guess you quit?" I had to say "Oh my God. This is different. These people don't owe me anything."	AAM9: "I've been a lot more intentional about the people I bring around. I don't know if you got to meet my brother, (name)? "He came on about three years ago. Even though he didn't have the background for what I had him doing, I feel comfortable leaving the office, knowing he wouldn't let anything go on in here that I didn't want to happen. The trust factor, you know what I mean?"