

Eyes Wide Open

By Kathy Coopman Voigt, Editor

Although they operate in different quadrants of the state and come from different backgrounds, Charles Vang and Kent Nelson have much in common. They both are focused on developing minority owned small businesses. While both have adopted optimistic attitudes toward this goal, they do business with eyes wide open, acknowledging the characteristics and tendencies of minority entrepreneurs and working to overcome the barriers to their success.

Vang is board president of the Wisconsin Hmong Chamber of Commerce, a volunteer leader of an organization led by a voluntary board, operating the organization from his Milwaukee insurance business through American Family Insurance.

Nelson is president of QuickStart, Inc., an Appleton-based firm which assists entrepreneurs start, purchase, expand and maintain successful businesses.

Vang describes the Hmong Chamber as a “reverse Chamber,” explaining that its goal is not to build membership to strengthen the organization, but rather to serve the needs of growing small businesses, to act, even more than a traditional Chamber, as a resource on business start-up planning, business plan writing, financing, and growth.

Nelson also counsels start-ups on planning and financing, as well as building relationships with lenders and growing a successful operation.

Both advisers deal with the cultural characteristics of ethnic business owners, which can be both positives and challenges to successful start-ups. Nelson’s services are open to any entrepreneur, regardless of ethnicity, location or industry cluster.

Breaking Out

The pair acknowledges that the old adage holds true: sometimes your strengths can prove to be your weaknesses. Ethnic groups launch their business ventures to serve the needs of their own communities, and often seek and receive financial support within those groups. This support system can work against the business owner, Nelson points out, because it impedes the establishment of credit and better understanding of financial management and relationships with

financial institutions. Vang adds that until minority owned businesses break past their cultural client base, their potential for growth is limited.

The Hmong Chamber works to find capital resources for minority entrepreneurs, building a network of lenders and investors to support start-ups.

“The access to capital and resources that will help a small business is a stumbling block for small business,” he says. “We are not looking for particular things we can offer (the business owner). We are here to help direct them because we don’t have staff to do the actual work for them. But we have established collaboration with organizations that partner with us. It depends on the need of the small business person.”

He connects the business owner with sources of grants and revolving loan programs, business plan assistance, and lenders. By establishing relationships with a variety of financial institutions, Vang says he helps those lenders become more comfortable dealing with minority business owners.

Strong Work Ethic

With the state and the Fox Cities region seeing slow, steady growth in minority businesses, Nelson bears witness to the hard work and tenacity of ethnic groups which stand them in good stead while establishing a new enterprise.

“Hmong and Hispanic cultures have a high tendency toward self-employment,” he says, “and are very hard working. Their families are highly involved in their family businesses. Once you do business with them and earn their trust, you have their business and they pass on your name.” The Hmong, he says, tend to do business mostly with their own ethnic group, but “they will get over that more as our cultures intersect and merge.”

Both Vang and Nelson claim that these ethnic groups tend to establish service businesses such as restaurants and groceries, although each can cite successful entrepreneurs in translation or interpreting businesses, and one local firm which has amazingly diversified into staffing, restaurant and entertainment, and home health care.

Language can be a huge barrier to ethnic business owners, although it is less an issue for those born and educated in the U.S., Vang notes.

Learning to Manage

Language is only one element of the cultural attributes that hold back minority businesses, Nelson adds. Networks of family and friends lend financial support, which can be a negative because these transactions are done in cash, which inhibits the business owner from establishing a good credit record. When entrepreneurs who receive “familial” funding grow to begin working with traditional financial institutions, they tend not to have an understanding of record keeping, cash flow and financial management.

“They just give a shoebox of receipts to an accountant and say here you go,” Nelson explains.

Both advisers agree that as minority businesses become better established and the bridges between cultural groups are strengthened, these entrepreneurs, especially young up and comers, will likely diversify and enter new industry clusters, developing broader and deeper customer relationships, and increase their chances for success and growth.

“I am looking forward to working more closely (with organizations like the Fox Cities Chamber) and being more proactive with professional support of business,” Vang says. “Part of this is the exchange of information and resources to support small business.”

Kent Nelson

