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**State of U.S.
Hispanic business
enterprises
robust**



FEATURING HBE ALL-STARS



State of Hispanic business enterprises robust

BY PABLO SCHNEIDER AND KRISTIN SCHNEIDER

U.S. Hispanic business enterprises are vibrant, growing, thriving and — oh yes, a key driver of the nation's economic expansion. At a record 4.2 million, HBEs generate more than \$668 billion in revenues annually, according to a United States Hispanic Chamber of Commerce/ Geoscape International Inc. study.

And, if startups are any indication, U.S. HBEs are well-positioned to remain strong for years to come. According to the Kauffman Index of Startup Activity, the Hispanic share of all U.S. startups has reached an all-time high. For every 1,000 new enterprises in America, 241 are Hispanic business enterprises, according to the index. In addition, the Hispanic share of all U.S. startups has more than doubled in the past two decades, from a little over 100 HBEs per 1,000 startups to well over 200 HBEs per 1,000 startups today.

MORE THAN \$2 TRILLION GROSS DOMESTIC PRODUCT

The State of Latino Entrepreneurship 2016 report published by the Stanford Latino Entrepreneurship Initiative further illuminates the HBE landscape. There are a large number of small firms and a small number of large firms. For instance, 97 percent

of HBEs have less than \$1 million in revenues and 3 percent have more than \$1 million in revenues. Even with this distribution, over 125,000 HBEs have more than \$1 million in revenues. The geographic distribution of HBEs tracks the Hispanic market, with nearly six in 10 HBEs located in California, Texas, Florida and New York. HBEs continue to grow — despite persistent challenges with access to capital, capabilities and contracting opportunities.

Still, HBEs continue to play an integral role in the economy's growth. The Latino Donor Collaborative recently published a study showing that the U.S. Hispanic gross domestic product reached \$2.13 trillion in 2015.

“There are many myths about the U.S. Latino demographic that are debunked in the recent Latino Gross Domestic Product Report. What is not a myth, however, is the tremendous and catapulting impact of Latino buying power and the sustainable, repeatable and growing revenues that Latino-owned businesses are generating,” said Mark Madrid, executive director, Latino Business Action Network. “The scaling of HBEs is an American economic imperative. From coast to coast, HBEs are driving the U.S. Hispanic GDP, which is the seventh largest GDP in the world.”

The Latino Business Action Network focuses on strengthening the American economy by empowering Latino and Latina entrepreneurs to grow substantial firms that create jobs, develop leaders

and spawn a new generation of companies. It has a goal of doubling the number of HBEs with revenues of \$10 million, \$100 million and \$1 billion, respectively. The network projects that by 2020 Hispanic GDP growth will account for nearly 25 percent of all U.S. GDP growth.

GUIDING FORCE

Helping to lead the charge toward attaining that goal is the United States Hispanic Chamber of Commerce. Since its founding in 1979, USHCC has played a pivotal role in promoting the economic growth, development and interests of HBEs nationwide. Led by President and CEO Javier Palomarez, USHCC serves as the umbrella organization for over 200 local Hispanic chambers and business associations. It also advocates on behalf of 260 major U.S. corporations.

Reflecting on the state of Hispanic business and USHCC's leadership role, Palomarez said, “Hispanic entrepreneurs are America's business future. The USHCC works tirelessly on behalf of our nation's Hispanic business men and women who together play a critical role in the broadening of prosperity for our country. While USHCC advocates on behalf of business owners who happen to be of Hispanic descent, we are first and foremost American businesses. Our business community's strength comes from the diverse talents and unrivaled entrepreneurial spirit of our men and women.” ■

USHCC ANNUAL CONFERENCE

What: 2017 United States Hispanic Chamber of Commerce National Convention

When: Oct. 1-3, 2017

Where: Omni Hotel, Dallas, Texas

Event details: The annual convention is the country's largest networking venue for Hispanic-owned businesses, 200 local Hispanic chambers of commerce and Fortune 1000 corporations interested in the Hispanic market. Over two days, the national convention affords Hispanic vendors, local chambers and corporate buyers the opportunity to establish strategic, long-lasting business partnerships through dialogue, matchmaking and learning.

Corporate chair: Toyota

Hispanic business enterprise chairs: Avanzar Interior Products, Forma Automotive, Hero, Peinado Construction, Reyes Automotive Group and Vutex



TOYOTA



TURN THE PAGE FOR SOME HBE ALL-STAR SUCCESS STORIES



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HBE ALL-STARS SHARE SECRETS OF SUCCESS

BY PABLO SCHNEIDER AND KRISTIN SCHNEIDER

By all accounts, the state of U.S. Hispanic business enterprises is robust. Behind all the statistics and trends of the HBE landscape, there are literally more than 4 million individual stories of Hispanic business owners not only surviving, but also thriving in America.

Here are brief snapshots of seven HBE All-Stars, highlighted for their inspiring success stories.

ARGENT ASSOCIATES INC. AND ASOCIAR LLC

FOUNDER, PRESIDENT AND CEO BEATRIZ “BETTY” MANETTA

What makes Argent & Asociar great companies?

“Our people, our culture and our mission,” she said. “We are a family of companies focused on pushing the envelope of innovation to deliver products and services in new ways. We are constantly learning, evolving and growing.”

In 1998, Manetta founded Argent Associates after recognizing the need for the industry to integrate technology into the expansion of supply-chain management boundaries. Since then, the company has grown to become an award-winning technology and supply-chain systems integrator, delivering services from multiple divisions — Argent Logistics, Argent Business Solutions, G-Argent and ProArgent. Its experienced technology experts and their willingness to ask why keeps Argent at the forefront of next-generation technology solutions.

Each division focuses on specific offerings, ranging from forward and reverse logistics to optimized supply-chain distribution, from cloud application development to wireless IP-based technology solutions. The company has expanded its reach into mobility, connectivity, smart buildings, Internet of Things and network deployment service offerings. Among America’s most awarded Hispanic- and woman-owned companies, Argent’s success has been recognized by numerous organizations and corporations across the nation. It was recognized as AT&T Supplier of the Year twice and was ranked first in the Dallas Business Journal 100 in 2015. In addition, Manetta was named CEO of the Year by the TechTitans.

She also has been recognized for her success and leadership, with awards ranging from the United States Hispanic Chamber of Commerce Businesswoman of the Year to the Dallas Business Journal Minority Business Leader Award. Argent Associates is certified as a Hispanic- and woman-owned business through the National Minority Supplier Development Council, Women’s Business Enterprise National Council and state public utilities commissions. Manetta serves on the board of directors for the Dallas/Fort Worth Minority Supplier Development Council, Women’s Business Council - Southwest, USHCC, TechTitans, Telecommunications Industry Association, QuEST Forum, Greater Dallas Hispanic Cham-



ber of Commerce and Seton Hall University Board of Regents.

Asociar was founded in 2012 by Manetta. The global company was created to empower connectivity around the world. It delivers optical technologies and services for core, edge and broadband network deployments. In addition, the company offers data center deployment and efficiencies, pre-integration of multivendor platforms and power audits and refresh programs to support clients. Its worldwide reach includes branches in South America, Europe and Asia. Recognized in 2014 as the fourth fastest-growing-midmarket company in North Texas, Asociar continues to expand its technological reach into new areas, including smart/resilient cities, mobility/autonomous vehicles and chain-of-custody security and tracking.

Argent Associates and Asociar are both headquartered in Plano, Texas, with manufacturing locations in New Jersey and Texas.

FORMA AUTOMOTIVE LLC

FOUNDER AND CEO ROSA SANTANA

What makes Forma Automotive a great company?

“As the first Hispanic woman-owned, direct Tier I supplier to Toyota, Forma Automotive is a proven outsourced assembly company that operates on Toyota principles,” she said. “We are solutions-focused and results-driven. With core values of respect, accountability, trust, safety and open communication, we offer great career opportunities for our team members and quality results for our clients.”

Santana’s relationship with Toyota began when her staffing company, Integrated Human Capital, gained a reputation for providing outstanding service to many of the auto giant’s suppliers for over a decade. Her service, paired with her initiative in developing a relationship with Toyota and its suppliers, led to the automaker approaching her about an opportunity to expand her Santana Group offerings. It was looking for a Tier I supplier to provide fully assembled truck beds and wanted to partner with her.

In 2014, Toyota offered Santana the opportunity to become its first Hispanic woman-owned, direct Tier I supplier. Thus, Forma Automotive was born. Over the last three years, it has met Toyota’s expectations through manual and semi-automatic assembly and synchronized manufacturing in a just-in-time assembly environment.

A firm believer in the power of diversity, Santana also actively seeks opportunities for Forma Automotive to purchase goods and services from diverse suppliers. This focus has led to it being awarded the Connecting the Dots Award for Outstanding WBE Spend by the Women’s Business Enterprise Alliance, an affiliate of Women’s Business Enterprise National Council. Headquartered in San Antonio, Texas, Forma Automotive is certified as a minority business enterprise through the National Minority Supplier Development Council and as a woman-owned business enterprise through WBENC. The Santana Group also includes DIVERSA, Workforce Management Mexico and Oveana Global Business Services.



INGENESIS INC.

PRESIDENT AND CEO, DR. VERONICA MUZQUIZ EDWARDS

What makes InGenesis a great company?

“At InGenesis, we have a strong commitment to continuous innovation and seek improved solutions every day,” she said. “We find the best people to achieve the best results and foster an inclusive work environment that seeks out top talent, while recognizing an individual’s potential. We have an extraordinary team of diverse employees comprised of approximately 80 percent women and minorities. As a responsible corporate citizen, InGenesis supports our employees and clients by promoting healthy living, education and economic advancement. Our goal is to uplift the communities in which we live and work.”

As one of the largest Hispanic and woman-owned companies in America, InGenesis’ President and CEO Edwards is a force with which to be reckoned. In 1998, after being downsized from a Fortune 50 company, she founded InGenesis and began her journey as sole owner, president and CEO.

Edwards built her company on the values of corporate social responsibility, innovation, continuous improvement and superior customer service; her approach has paid off. Since its founding, InGenesis manages thousands of professionals and has holistically grown to be an industry leader. It was



named one of the largest staffing firms in North America, offering comprehensive workforce solutions which serve customers across multiple industry sectors. The company's unique specialization earned it a spot as the largest, diverse-owned health care staffing firm in America, according to Staffing Industry Analysts Inc.

InGenesis leads an International Organization for Standardization technical advisory group comprised of 32 participating/observing countries. Its educational involvement, scholarships, internships and contributions have positively impacted thousands of students. The company's supplier development program supports the growth of small and diverse suppliers. Its impressive wellness initiatives align with numerous philanthropic organizations, including the American Diabetes Association. InGenesis is based in San Antonio, Texas, and is a certified HBE, WBE and MBE.



LIBERTY POWER CORP.

CO-FOUNDER AND CEO DAVID HERNANDEZ

CO-FOUNDER AND PRESIDENT ALBERTO DAIRE

What makes Liberty Power a great company?

"A great team of people like ours who are humble, hungry and smart," Hernandez said.

In 2001, Hernandez and Daire founded Liberty Power, an independent retail electricity provider. Instead of targeting larger companies, they focused on providing small and medium-sized businesses with exceptional customer service and reasonable energy rates often unavailable to them. Utilizing this strategy, the company has achieved exceptional success.

It has expanded quickly into nearly every active, deregulated or "restructured" electricity market in the United States, making it both the largest owner-operated retail electricity provider and the first and only minority-owned retail electric provider to achieve a national presence.

Liberty Power serves a wide range of customers, from residential customers to small-business owners to Fortune 500 companies, with service in 13 states and over 50 utility territories.

The utility's success has been recognized with numerous awards, including being named the largest Hispanic-owned energy company in the United States in 2012 by Hispanic Business Inc.

Built on the core values of accountability, creating value for customers, diversity, integrity, respect, teamwork and trust, Liberty Power is heavily involved in giving back and supporting both local communities and other diverse business owners.

The electricity provider partners with organizations like Kids in Distress Foundation Inc., American Red Cross, Make-A-Wish Foundation of America and American Cancer Society Inc. to invest in the communities it serves. Liberty Power also supports the next generation of science, technology, engineering and math (STEM) talent with the Bright Horizons Scholarship, through which it — in partnership with the United States Hispanic Chamber of Commerce Foundation — has committed \$100,000 to STEM students. It also invests in other diverse suppliers, with a supplier diversity initiative which reached nearly \$5 million in diversity spend. As a certified minority-owned business, the utility is active with both the USHCC and the National Minority Supplier Development Council.



LOGISTICORP GROUP LLC

PRESIDENT AND CEO GARRY CASTRO

What makes LogistiCorp Group a great company?

"Three things: the strong commitment of our people, solutions our customers can trust and great execution," Castro said.

For companies that struggle with supply-chain challenges, LogistiCorp Group is a terrific partner. Castro has an intense focus on flawless execution and has coined the tagline "Execution. It's what matters." Based in Grapevine, Texas, the company has been providing supply-chain visibility and assistance to clients since its founding in 1998. Its mission is to exceed customer expectations by delivering operational excellence. LogistiCorp accomplishes this mission by providing customized cloud-based solutions which enable clients to receive real-time updates on their supply-chain processes, in addition to supply-chain management and logistical support. The supply-chain solutions provider is certified as a minority business enterprise by the National Minority Supplier Development Council.





PINNACLE GROUP

FOUNDER AND CEO NINA VACA

What makes Pinnacle Group a great company?

“Pinnacle Group’s people are what make us great — plain and simple,” she said. “We empower all the people we work with to embrace their own entrepreneurial spirit and find ways to contribute that and bring the best of who they are to the company, our clients and the community. Pinnacle’s success exemplifies the power of people to build a culture committed to making a difference in everything we do.”

In 1996, at the age of 25, Nina Vaca recognized the extreme demand companies had for information technology talent. She took advantage of this opportunity and founded Pinnacle Technical Resources Inc. from her living room floor with nothing more than \$300 in a business checking account, a phone and computer, and an entrepreneur’s determination to succeed.

Now, 20 years later, Pinnacle Technical Resources has grown into Pinnacle Group, an industry-leading provider of IT services and workforce solutions serving many of the world’s most iconic brands. With thousands of consultants providing services across the United States and Canada, Pinnacle Group is consistently ranked among the fastest-growing services companies in the country, spending over a decade on the Inc. 5000 List, and has been ranked fastest- or second-fastest-growing woman-owned/led company in the country for the past three years.

Its continued success is due, in large part, to Vaca’s entrepreneurial spirit and her willingness to shift the company’s focus and offerings when needed to take advantage of new opportunities or to respond to changing market conditions.

Giving back is a core value at Pinnacle Group. A focus is growing the pipeline of minority and women students in science, technology, engineering and math (STEM) fields. The company is also proud of its diverse workforce and supply chain, which it actively grows and nurtures. As a woman-owned and minority-owned business, it is certified through the Women’s Business Enterprise National Council and the National Minority Supplier Development Council.



SDI INTERNATIONAL CORP.

FOUNDER AND CEO CARMEN CASTILLO

What makes SDI International a great company?

“From its founding in 1992, SDI has focused intensely on technology,” she said. “We realized that the world was going to become flat very quickly because of technology. Also from day one, it was designed to be a global company. We have locations all over the Americas, Europe, Asia and Africa; Australia is next. The reason why Fortune 500 clients do business with us is that we provide scalable global procurement solutions that no other minority- or woman-owned company can provide.”

Castillo founded SDI International in 1992 with a mission in mind — to leverage emerging technologies to rationalize business processes and deliver cost savings. Since then, she has grown the company to be one of America’s leading procurement and business-process outsourcing solutions providers.

Headquartered in Fort Lauderdale, Florida, it specializes in procurement, sourcing and contract solutions, along with fully automated managed services platforms that support labor, services and goods spend across industries on a global scale. More importantly, its integrator programs have been delivering sustainable value and hard-cost savings to its customers for 25 years.

Based on Castillo’s philosophy of “Build globally, but think locally,” SDI is consistently and strategically expanding its domestic and international footprint and offerings. This strategy has paid off, as over the years, it has grown to manage about \$3 billion in annual spend.

Its success has been recognized through numerous awards, including being named one of the fastest-growing Hispanic-owned businesses in the United States.

SDI’s stated vision is “to continually embrace greater responsibility for behavioral changes in our supply chain,” including changing the complexity of customer supply chains by enhancing diversity business engagement in their sourcing activities. To make this goal actionable, the company created the Inclusive Procurement Platform to increase the engagement of small, diverse suppliers by their corporate clients, and encourages and ensures that its suppliers uphold the highest standards of ethical, environmental and community-related policies.

Castillo serves as a board member and chairs both the audit committee and the international committee of the United States Hispanic Chamber of Commerce. She is also vice chair of the board of directors of the International Women’s Entrepreneurial Challenge Foundation, a global women’s organization. SDI’s status as a minority-owned company has been certified by the National Minority Supplier Development Council, and it is certified as woman-owned by the Women’s Business Enterprise National Council. ■



TURN THE
PAGE FOR
SOME FAST
FACTS
ABOUT THE
HISPANIC
MARKET

125,000

Number of U.S. Hispanic business enterprises that have \$1 million or more in revenues

(Source: Stanford Latino Entrepreneurship)

4.2 MILLION

Number of Hispanic business enterprises in the United States

(Source: United States Hispanic Chamber of Commerce)

61.4 MILLION

Number of Hispanics in the U.S., representing 19 percent of the population; nearly 1 in 5 Americans are Hispanic

(Source: Geoscape International Inc.)

\$2.13 TRILLION

U.S. Hispanic gross domestic product in 2015 – making it the seventh largest GDP in the world and the third fastest-growing

(Source: Latino Donor Collaborative)

BY THE NUMBERS

U.S. HISPANIC BUSINESS ENTERPRISES AND THE HISPANIC MARKET

\$668 BILLION

Revenues generated by U.S. Hispanic business enterprises

(Source: United States Hispanic Chamber of Commerce)

27.5

Percent Hispanic business enterprises have grown since 2012 versus 12.3 percent for all U.S. enterprises – more than twice the growth rate of all enterprises

(Source: Geoscape International Inc.)

6

Number of Hispanic business enterprises out of every 10 that are located in California, Texas, Florida and New York

(Source: Kauffman Index of Startup Activity)

24.1

Percent of Hispanic business enterprise startups out of all such U.S. enterprises

(Source: Kauffman Index of Startup Activity)