Diversity paints our world.

We value diversity in the workplace and in the marketplace. In building an increasingly diverse supplier pool, we are able to work toward our goal of offering priority suppliers real procurement opportunities as they arise.

BNY Mellon is pleased to announce on-line registration. To register, visit www.bnymellon.com/suppliers, select the Supplier Profile Form and follow the directions.

Entrepreneur
Randy Joy Epstein

2009 Regional Corporation of the Year
NY-NJ Minority Supplier Development Council

NMBC Entrepreneurial Global Business Center
Attributes of a top MWBE supplier
The National Minority Business Council’s primary purpose is to enhance the success and profitability of the small business community through the provision of high-quality services, education, mentoring programs, advocacy and networking support.

The NMBC is a membership organization that includes hundreds of small, minority, women owned and veteran owned businesses located nationally and internationally. Given the various levels of business expertise among the members, the NMBC strives to develop programs that are suited to the needs of the new start-up as well as seasoned entrepreneur.

About NMBC

The New York Power Authority has conducted more than half-a-billion dollars in transactions with minority- and women-owned business enterprises. We recognize that diversity is the key to our strength, which is why we value our connection to hundreds of MWBEs throughout the state. We’re seeking new ideas and innovations that will help move New York toward a clean energy future. If your company specializes in sustainability, energy efficiency or renewable technologies, we may have a relationship worth exploring.

To connect with us visit www.nypa.gov/sdp/default.htm

The Right Connections

Debra J. White
Director, Supplier Diversity
debra.white@nypa.gov
Enrollment Application: NMBC Executive Management Program for Minority & Women Business Owners
(Enrollment is limited to 15 participants)

Tuesday, April 22, 2014: Wealth Building: Leadership Skills; MBDC Issues; Strategic Planning
Thursday, April 24, 2014: Business Plans; Accounting & Finance; Debt Financing; Venture Capital
Tuesday, April 29, 2014: Customer Sales Strategy; Sales Negotiating; Marketing & Advertising; Social Media
Thursday, May 1, 2014: Supply Contracts; Strategic Partnerships; Preparing an RFP; Business Law
Tuesday, May 6, 2014: Talent Acquisition; Managing Technology; Risk Management; Information Systems
Thursday, May 8, 2014: Elective Workshops; Graduation Ceremony; Presentation of Certificates of Completion

Classes start at 9:30 AM and will end by 5:30 PM and will be held at BNY Mellon, Conference Center, 101 Barclay Street, Lower Manhattan, New York City

NMBC Member-in-good-standing application & $1,150 fee—postmarked by 4/4/2014

Name
Employer
E-mail

Non-NMBC Member application & $1,250 fee—postmarked by 4/4/2014

Join NMBC and save $100 off the regular Annual Membership fee of $385.00!

Your total cost for one-year membership and to attend the NMBC EMP: $1,500!

Name
Employer
E-mail

Make check payable to NMBC, Inc.
To NMBC Members, Friends and Supporters:

It is our pleasure to share with you our Winter 2014 issue of NMBC Better Business magazine. We feel this issue contains some very exciting and informative articles that will help your business grow and expand in your respective market place.

Some of the articles that we would like to bring to your attention are: a history of the Samsung Corporation, an in-depth look at NMBC’s new entrepreneurial center initiative; successes of the Women President’s Organization over the past 17 years in empowering women business owners; and discussion of the attributes that make a strong M/WBE supplier by Fred Canady, former vice president of supplier diversity at PepsiCo Corporation. We believe these and other articles will be enlightening and helpful.

It is our pleasure to announce that Stephanie Rosario will now be the associate editor for the NMBC Better Business magazine, working under Carol Daugherty Foster who serves as the executive editor of our publication. Ms. Rosario has written several articles for the NMBC Better Business magazine over the last year and has edited many of the articles that have appeared in other issues.

We encourage you to reach out to us regarding this issue of NMBC Better Business and send us any articles/materials you would like us to consider in future publication.

Happy New Year to all and please note that this year, 2014, marks the 42nd anniversary of the founding of the NMBC Inc. in 1972.

Respectfully,

John F. Robinson
President & CEO
NMBC, Inc.
Publisher

How Samsung became a Global Giant

Researched by Jihyeon Park, NMBC Intern

Last year, Oprah Winfrey stated that the Samsung Galaxy Gear was one of her favorite products. Galaxy Gear, the first smart watch in the world, was released in September 2013, at the IFA (Internationale Funkausstellung) in Berlin. Oprah’s mention was unexpected and delighted Samsung Electronics. At the end of 2013, 1.5 billion people, or 21 percent of the world’s population preferred smart phones. More than 3 billion people are using feature phones still but are likely to switch to a smart phone in the near future. Samsung accounts for a large market in the world of smart phones, a result of their continuous innovations.

Samsung Group is the largest South Korean business conglomerate, composed of numerous subsidiaries and affiliated businesses under the Samsung brand. In 75 years, Samsung has grown from a small company of only 40 employees to the 9th biggest brand in the world, with 230,000 employees.

Korean entrepreneur Lee Byung Chul (1910-1987), founded Samsung in 1938 as a trading company. The group diversified into food processing, textiles, insurance, securities and retail during the following three decades. Samsung entered the electronics industry in the late 1960s, and the construction and shipbuilding industries in the mid-1970s.

Lee Kun-hee took over the chairmanship in 1987 after the death of his father, Lee Byung Chul. Through his endeavors and innovations, Samsung increased its global activities in the 1990s, primarily in the areas of mobile phones and semiconductors.

Samsung Electronics launched its first mobile phone in the South Korean market in 1988. Sales were initially poor and by the early 1990s Motorola held of over 60 percent market share in the country’s mobile phone market compared to Samsung’s 10 percent for Samsung. The lag was blamed on the mobile phone division’s poor quality.

Changing strategy, Lee Hun Kee shelved the production of many under-selling product lines and pursued new designing and manufacturing components and investing in new technologies for other companies. His philosophy is best expressed in his statement: “Change everything except your wife and kids.” Foreign employees were brought in and local employees were shipped out as Lee tried to foster a more international attitude of doing business.

This patient vertical integration strategy of manufacturing components has borne fruit for Samsung, resulting in a number of technological breakthroughs particularly in the field of memory. In 2004, Samsung developed the world’s first 8Gb NAND Memory chip and a manufacturing deal was struck with Apple in 2005 to supply Apple with memory chips. Samsung remains a key supplier of Apple components, manufacturing the A7 processors used in the iPhone 5s model.

Samsung Electronics became the world’s second-largest mobile-phone maker, overtaking Motorola for the first time in 2007. In 2009, Samsung achieved total revenues of $117.4 billion, overtaking Hewlett-Packard to become the world’s largest technology company measured by sales. At last, they are undoubtedly the largest company in the global electronics industry.

Samsung is a major sponsor of sporting events, such as the 1998 Winter Olympics in Nagano, Japan, the Chelsea FC in the England Premier League, and the Brazilian Soccer Confederation (Confederação Brasileira de Futebol).

Currently, Samsung Electronics is focusing on their new products, Galaxy Note 3 and Galaxy Gear, keeping Samsung in a top position in the electronic industry.

Samsung’s success rests in its unprecedented management by a young CEO with a brilliant insight and continuous innovations in technology. We can only wait for what comes next.
BOOK REVIEW

DO IT! Marketing: 77 Instant-Action Ideas to Boost Sales, Maximize Profit, and Crush Your Competition

By David Newman
Reviewed by German Hernandez

As a marketing expert, consultant and popular speaker, David Newman has much experience in working with small and large businesses. In fact, aside from his work with solo and small businesses, his many clients include: 4 of the Fortune 500. As a business consultant, David Newman has worked with hundreds of companies, entrepreneurs, and groups.

Newman noticed that most small businesses end up failing, even when they believe that they are doing all that they can. He saw the opportunity to educate small business owners on popular misconceptions about marketing and on methods of improving sales and performance with marketing solutions. DO IT! Marketing offers 77 marketing ideas divided into 12 chapters for small businesses to use to improve their business standings and to avoid the traps to which many small businesses fall prey. This book also includes a 21-day marketing plan for small businesses to start implementing improvements immediately.

Newman’s 77 ideas include advice on how to most efficiently use social media and ways to look at your business and opportunities in a different light to better market to customers. David Newman’s writing is sharp, witty, and very smooth. The book flows and feels like a conversation rather than a set of instructions or analysis. With questions for self-reflection, activities for quick implementation, and articles from other experts, DO IT! Marketing is much more than just a book of tips from Newman.

Some of the larger themes in the book include learning how and why to switch your focus, understanding how to seek or take advantage of opportunities for your company, and changing how you and your business operate and market. Newman uses real-life examples from both his own experiences and from those of small businesses he assisted to illustrate some of his how-tos and how-nots, giving them better authenticity. Newman provides free templates to readers for them to use with specific marketing ideas. DO IT! Marketing’s help does not end with the book either. Along with the book, readers gain access to various worksheets and other useful documents from the book’s website. Newman is not afraid to recommend resources from other websites and services in his book, either.

With ideas, articles, probing questions, plans, activities, quotes, templates, stories, resources, and answers, DO IT! Marketing does a very thorough job of giving it’s readers all the tools they need to change and improve both their companies and themselves and to take their businesses to the next level.

Newman noticed that most small businesses end up failing, even when they believe that they are doing all that they can. He saw the opportunity to educate small business owners on popular misconceptions about marketing and on methods of improving sales and performance with marketing solutions.

BUSINESS BRIEFS

Women business owners capture National Minority Business Council’s 34th Annual Awards

Women will rule when the National Minority Business Council hosts its 34th Annual Awards Luncheon on Feb. 27, 2014, at the Marriott Marquis Hotel in midtown New York. Seven of this year’s award recipients are women.

This year’s theme, “Financial Strategies for Business Growth,” celebrates the great strides women and people of color have made in private and public sector industries. A morning business expo and reception will be followed by an awards luncheon with keynote speaker and luncheon chair Kenneth Adams, president and CEO of Empire State Development, and commissioner of New York State Department of Economic Development.

“Today’s 34th Annual Awards Luncheon and Expo also celebrates the 42nd Anniversary of the NMBC that has been assisting minority, women and veteran owned businesses with direct services and programs to help their business grow in a diverse and expanding global economy for over four decades” according to Mr. John F. Robinson, president & CEO of the NMBC, Inc.

The seven women award recipients are company founders, CEOs and/or members of their organization’s executive management team. They represent the buildings trade, office furniture industry, staffing, advertising, sustainable industry, professional associations, and higher education. They are joined by an equally impressive group of men representing Wall Street, entertainment, engineering, and real estate.

434th Annual Awards Luncheon award recipients

- Penda Aiken, Client Services Manager, Perida Aiken, Inc.
- Sherman Carrington, VP & Director Environmental Engineering, Halder Engineering PC
- Emily Doublet, CEO, Susty Party
- Rosalie Edison, President, Meadows Office Furniture
- LaVerna J. Fountain, VP, Construction Business Services, Columbia University MWBE Mentorship Program
- Jessica Holsey, President, Susty Party
- Victor Lewis, President & Managing Director, VicRae, Inc.
- Anthony Lailli, Founder & CEO, Rapid Realty, LLC
- Crystal McKenzie, President & CEO, Crystal McKenzie, Inc.
- Merokean William Mingione, Vice President Executive William Mingione, Drexel Hamilton
- Nayan Parikh, President & CEO, Ashnu International, Inc.
- Elliot Sander, Chairman & Co-Founder, HAKS Inc.
- Małgorzata Sikarzynski, Owner, Adam’s European Contracting, Inc.
- Bonnie Wong, President, Asian Women In Business

Kenneth Adams
President & CEO, Empire State Development
Commissioner of New York State Department of Economic Development.
If you have established your business as a solid MWBE supplier with a good client list, make sure to create a broad base of knowledge and experience to drive efficiency. For example, MWBE products produced in one location could use the distribution system of another to reach the largest number of customers, if possible, to gain training and experience.

Leadership Sustainability

J. Fred Canady is a former vice president and director of supplier diversity at PepsiCo. During his 18-year tenure he provided leadership to the company in developing strategies covering all four major divisions of the company: Pepsi, Frito-Lay, Quaker, and Tropicana. Under his leadership the company reached annual spending levels with minority- and woman-owned businesses of nearly one billion dollars annually. Canady earned a master’s degree in business administration and bachelor’s degree in social sciences, both from Harvard University. Mr. Canady is now the President and CEO of CanadySource, offering business advice and providing minority- and woman-owned businesses and consulting services to companies seeking to create or improve a supplier diversity program. He is available on a limited basis for speaking engagements. For more information visit CanadySource.com or email jfjrjf@optonline.net.

One African Love.

Fritz-Earle Mc Lymont is co-founder of the National Minority Business Council, Inc. and currently Managing Director of NMBC Global. He is also Managing Partner of Mc Lymont, Kunda & Co. a consulting firm providing international trade and business development services.

A New Direction For The 21st Century: The NMBC Entrepreneurial Global Business Center

By Fritz-Earle Mc Lymont

When we established the National Minority Business Council, Inc. in 1972, the world was an unknown entity as far as networking and marketing were concerned. Today our company is one of the largest and most respected business organizations in the world. We have become an integral part of the global economy and continue to thrive.

The NMBC Global Business Center is a community of professionals who have come together to share resources and relationships to create jobs, wealth and economic stability in the communities where they operate.

Business models and attitudes toward key elements of the business enterprise such as money, profit, and human resource, are now undergoing serious scrutiny and change. Some of the richest men in the world are giving away their profits as the value of information and data take center stage in the new business dialogue. New movements such as the “sharing economy” are redefining the way we relate to each other and conduct our business affairs. Wikipedia describes the sharing economy as “a sustainable economic system built around the sharing of human and physical assets. It includes the shared creation, production, distribution, trade and consumption of goods and services by different people and organizations. These systems take a variety of forms, but all leverage information technology to empower individuals, corporations, non-profits and government with information that enables distribution, sharing and reuse of excess capacity in goods and services. A common premise is that when information about goods is shared, the value of those goods increases, for the business, for individuals, and for the community.”

Mindful of the relative value of financial capital vs. relationship capital in this information age, the NMBC Entrepreneurial Global Business Center will stress the importance of building and maintaining relationships around the core value of sharing. It is important to note that share-based offerings are grounded in a set of values that includes trust, transparency, economic empowerment, social justice, creative expression, authenticity, community resilience and human connection. Building and maintaining these values are time-consuming exercises, therefore we emphasize that the center is intended just as much for the next generation of NMBC members, as it is for the current one. We are this for the long haul.

With a mandate from the organization’s board of directors, the center operates with an advisory board comprised of the world’s largest companies. These are cities where members will have direct access to reputable and trustworthy contacts and resources to conduct business. The representatives from these cities will be accessible at the Manhattan headquarters at least once a year. Since the NMBC’s services and programs are targeting the U.S. market, the center now provides supply chain requirements to drive efficiency. For example, MWBE products produced in one location could use the distribution system of another first tier supplier to be more cost effectively transported to different locations.

Customer Focus

In addition to doing the basics, you should know as much as possible about your customers’ products and services. And why do you think the most important thing in this industry? Is deliverability key? How about large volumes, efficient delivery or superior customer safety? Be selective about which customers you target. Align yourself with the right ones for your product skills and qualities. Don’t waste time chasing customers you cannot support. Competitively, if you are targeting the right customers and do a great job for them, you can have your customers reeling in your business and services as well through positive references to other potential customers. It is not uncommon for corporations with good supplier diversity programs to make calls to other companies to get references on good MWBE suppliers. In addition, don’t be afraid to take advantage of second level relationships that your potential customer may have. These suppliers have mandates to do business with diverse suppliers and most of them have very large requirements on their own. Again, first tier suppliers can be leveraged to create value for MWBE suppliers while also leveraging the overall cost efficiencies of the customer. Also, be smart enough to understand your potential customers’ products. The Internet makes it easier for your potential customer to learn the basic structure of the company and the products they make. It is much easier to share in this sense. I have had several potential suppliers come to our PepsiCo corporate offices carrying a diet Coke, for instance. You don’t drive a Chevy up to the corporate headquarters at Toyota to pitch your company’s product or service. Most companies believe these oversights are an indication of your company’s lack of attention to detail. While it may not be the deciding factor, it will hurt your credibility.

Financial Viability

Most corporate customers will run credit checks on suppliers to determine how stable they are financially. Even in difficult times it is important to run your business with a strong balance sheet. In other words, do not get over your head in debt or balance with other assets you can leverage to support your company throughout tough times. Grow your business in a way you can manage it. Again, this is where creating partnerships to gain business leverage to win customer accounts makes sense. This is true when you team with other minority companies to bid on business as well as with other MWBE suppliers.
What Attributes Make a Strong MWBE Supplier?

By J. Fred Canady

This article is the second in a series on supplier diversity. The first article discussed the attributes that make a good corporate supplier diversity program. Those attributes include:

1. Positioning in the company’s sourcing operation
2. Accountability for purchasing/sourcing department members
3. Annual objectives
4. Enhanced reporting systems
5. Senior management support

In this article, I want to focus on what attributes corporations look for in an MWBE supplier.

1. Reliability, High Quality and Safety

Above all else, corporations want their suppliers to be reliable. There is nothing more important in the supply chain. Production cycles are entirely dependent on suppliers delivering their goods on time, every time. If your product arrives late it generates interruptions in other production cycles and delays overall product delivery. You will not be a supplier very long if you cannot be trusted to deliver your goods on time. Reliability is just as important. If your product arrives on time but does not work, your product not only has caused delays but also may have contaminated other components of the customer’s product. These additional costs will not be tolerated and will often be charged back to the supplier with additional fines and penalties. Safety in today’s world of constant litigation is also of tremendous importance. In certain industries such as transportation and consumer products and others, you will be out of business if your product can be deemed to have caused injuries. There is also the matter of principle involved. From the very first meeting with a customer you should do what you say you will do and don’t make promises you can’t meet. If you make a mistake, admit it, then do your best to correct your mistake.

2. Cost Management

Almost everything in business is driven by costs. You must be a fanatic about knowing your costs, what drives them and what key leverage points causes them to rise or fall. You should also have a good internal reporting system that supports your costs tracking so you can tell regularly how much your costs have changed and what is driving the change. Knowing your expenses will help you be able to price your product competitively and be able to know how much you will need per unit to meet your overhead costs and profit objectives. You should also have an idea of your competitors’ costs, and how much you are able to price your product competitively. Often, much larger suppliers are able to price their product at a lower price based on the sheer volume of the product they purchase and sell. This is often a key challenge for MWBE suppliers. At PepCo we sometimes created partnerships among our first and second tier suppliers to leverage our overall system costs. In other words, we challenged our first tier suppliers to support our overall customer needs.

3. Positioning in the company’s sourcing operation

NMBC members with go-to locations for resources and contacts to succeed in the global marketplace. He will focus his attention on industries that both reflect the NMBC membership and offer potential for the communities we serve. These targeted industries include media and entertainment, IT, energy and environment, construction, food and agriculture, education, healthcare, and youth. As the center expands, additional industries will be encouraged.

To become members for potential participants in the center must first be referred by NMBC members and associates and then go through an application and evaluation process. NMBC membership in the center is renewable every year and fee-based. We consider this undertaking a bold and necessary step in defining the NMBC in the 21st century. Our forty-two years of advocacy and creating education and business opportunities for entrepreneurs has given us the courage to embark on this mission at a time when there is an urgent call for the creation of jobs and economic stability in both developed and emerging markets.

Our support from key stakeholders of our organization provides critical resources. Our commitment to sharing will define and determine our future.

Fritz Earl Mc Lymont is co-founder of the National Minority Business Council, Inc. and currently managing director of NMBC Global. He is also managing partner of Mc Lymont, Kanda & Co. a consulting firm providing international trade and business development services. He can be reached at Fm-clymont1@nmbc.org.

JETRO facilitates business expansion in Japan

Written and researched by Hitomi Tateish, NMBC intern

In this age of globalization, it is essential that both large and small companies consider going global. In recent years an unsustainable economy has made it necessary to consider overseas expansion to ensure company growth. However, there are numerous difficulties in entering foreign markets, making it vital to know the key ingredients to succeeding with overseas expansion.

Knowledge of the foreign country’s laws, system of markets, customers, competition, market costs. How do you accomplish this, you might say? If your competitor is selling the same product at a lower cost than you, then how is he/she able to do this? Do they have better suppliers? Are they more cost conscious? Do they accept a lower profit margin?

These are all very important elements of being able to price your product competitively. Often, much larger suppliers are able to price their product at a lower price based on the sheer volume of the product they purchase and sell. This is often a key challenge for MWBE suppliers. At PepCo we sometimes created partnerships among our first and second tier suppliers to leverage our overall system costs. In other words, we challenged our first tier suppliers to support our overall customer needs.

It is not easy to expand your business. However, expanding your business will not only help the company to grow, but also will lead to a stronger domestic market and make the country thrive. The more your company succeeds, the more your country thrives. This is one of the ways.

Visit JETRO (Japan External Trade Organization) at www.jetro.go.jp.
Enterprise Risk Management

Researched by J. Edward Waller, C.P.A., Esq.

“Don’t put off until tomorrow, what you can do today” and “an ounce of prevention is worth a pound of cure” are phrases we are all familiar with. Unfortunately we often fall prey to another well-known axiom, “Let’s cross that bridge when we come to it.” Too often the result is finding the bridge has already collapsed.

Evaluate just about any financial crisis and you will find at its root, a failure to identify or act upon known risks in a timely manner. There are multiple reasons for this phenomenon, not the least of which is a strong reluctance to suppress short-term benefits for long-term risks that may never actually manifest themselves in actual problems.

Nevertheless, sound risk management is crucial to the ongoing success of any business. This is why managers must evaluate the range of risks and level of exposures, both financial and non-financial to determine whether exposures are reasonable in relation to operational controls, decision-support systems, policies, procedures, internal controls, and capital. Therefore, a relevant risk-focused governance framework must be an integral part of our business model and strategies. There is no perfect solution for managers seeking to establish an effective business approach to risk management. Each manager must meet their specific needs with various tailored approaches that take into account their organization’s complexity, resources, and expertise.

However, as a business grows, risk-focused management and judgment must also evolve and information acquired and be made available to help managers sharpen their skills. For example, the enterprise risk management (ERM) model, which can be used to complement an existing risk monitoring process, is a recommended analytical tool.

An ERM approach to risk management broadens the existing risk governance framework within a business by considering the strategic implications risks may impart, or how risks interrelate with one another. An effective ERM model would include:

- Prioritizing the existing risk culture or risk management philosophy
- Developing clear objectives including defining the business’s appetite for risk
- Identification of external and internal events or factors that effect risk
- Assessing and determining how to avoid, accept, reduce, or share risk
- Developing, implementing and communicating policies and procedures
- Establishing a monitoring system to oversee total risk management

The ERM process entails the collection of relevant information and its analysis to establish an appropriate action plan. ERM requires an ongoing cycle of interaction between key parties, requires management to continually perform risk analysis, takes risk-mitigating actions when necessary, and remains vigilant in monitoring and communicating information to all relevant parties. While there are different ways to structure ERM programs, the key element to building a framework typically incorporates several pieces, including:

- Determining the organization’s risk profile
- Establishing risk indicators (such as evolving business, concentrations, and inherent specific risks)
- Identifying risks that exist within the business
- Assigning personnel to be accountable for affected risk areas
- Designating responsible individuals and teams to monitor risk levels
- Ongoing communication to relevant stakeholders

The ERM process entails the collection of relevant information. Only those items considered most critical to the business’s operation are included. The identified risk elements are tracked against internal policies, limits, or any other internal measurements.

Actions taken by appropriate personnel to address any concerns or breaches that may arise are noted, and timeframes for resolution are specified.

ERM is not a process to eliminate risk or to enforce risk limits, but rather to encourage enterprises to take a broad look at the existing risk governance framework within a business by considering the strategic implications risks may impart, or how risks interrelate with one another. An effective ERM model would include:

- Prioritizing the existing risk culture or risk management philosophy
- Developing clear objectives including defining the business’s appetite for risk
- Identification of external and internal events or factors that effect risk
- Assessing and determining how to avoid, accept, reduce, or share risk
- Developing, implementing and communicating policies and procedures
- Establishing a monitoring system to oversee total risk management

Benefits

ERM endeavors to recognize risks within a business, and implementation of this approach can yield the following results:

- Greater awareness of risks
- Earlier detection of inappropriate, unsound or unlawful activities
- Greater potential to reduce operational losses
- Improved strategic decision making
- Fewer surprises

The Committee on Sponsoring Organizations of the Treadway Commission (COSO) is a joint initiative of five private sector organizations. Established in the United States, it is dedicated to providing thought leadership to executive management and governance entities. This includes critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting. COSO defines ERM as a process that is:

- Ongoing and applied throughout an organization
- Effectively by people at every level of an organization
- Applied in a strategic setting
- Takes an organization-level portfolio view of risk
- Designed to identify potential events that could affect the organization and to manage risk within the organization’s appetite
- Able to provide reasonable assurance to an organization’s management and board of directors
- Geared to achieve objectives in one or more separate but overlapping categories
- Understands the relationship among those factors, define an acceptable level of risk, and continuously monitor functional areas to ensure that the defined risk threshold is maintained.

The ERM process entails the collection of relevant information. Only those items considered most critical to the business’s operation are included. The identified risk elements are tracked against internal policies, limits, or any other internal measurements.

Actions taken by appropriate personnel to address any concerns or breaches that may arise are noted, and timeframes for resolution are specified.

ERM is not a process to eliminate risk or to enforce risk limits, but rather to encourage enterprises to take a broad look at the existing risk governance framework within a business by considering the strategic implications risks may impart, or how risks interrelate with one another. An effective ERM model would include:

- Prioritizing the existing risk culture or risk management philosophy
- Developing clear objectives including defining the business’s appetite for risk
- Identification of external and internal events or factors that effect risk
- Assessing and determining how to avoid, accept, reduce, or share risk
- Developing, implementing and communicating policies and procedures
- Establishing a monitoring system to oversee total risk management

(continued from page 8)

Framework

ERM requires an ongoing cycle of interaction between key parties, requires management to continually perform risk analysis, take risk-mitigating actions when necessary, and remain vigilant in monitoring and communicating information to all relevant parties. While there are different ways to structure ERM programs, the key element to building a framework typically incorporates several pieces, including:

- Determining the organization’s risk profile
- Establishing risk indicators (such as evolving business, concentrations, and inherent specific risks)
- Identifying risks that exist within the business
- Assigning personnel to be accountable for affected risk areas
- Designating responsible individuals and teams to monitor risk levels
- Ongoing communication to relevant stakeholders

The ERM process entails the collection of relevant information. Only those items considered most critical to the business’s operation are included. The identified risk elements are tracked against internal policies, limits, or any other internal measurements.

Actions taken by appropriate personnel to address any concerns or breaches that may arise are noted, and timeframes for resolution are specified.

ERM is not a process to eliminate risk or to enforce risk limits, but rather to encourage enterprises to take a broad look at the existing risk governance framework within a business by considering the strategic implications risks may impart, or how risks interrelate with one another. An effective ERM model would include:

- Prioritizing the existing risk culture or risk management philosophy
- Developing clear objectives including defining the business’s appetite for risk
- Identification of external and internal events or factors that effect risk
- Assessing and determining how to avoid, accept, reduce, or share risk
- Developing, implementing and communicating policies and procedures
- Establishing a monitoring system to oversee total risk management

(continued from page 13)
WPO drives success for women business owners

Research and Written by Stephanie M. Rosario, NMBC intern

Using her expertise as the former vice president of Women Incorporated and vice president of Training and Counseling at the American Woman’s Economic Development Corporation, Dr. Marsha Firestone created a peer advisory organization for women who owned multi-million dollar businesses. She founded and became the president of the Women President’s Organization to provide substantive business education for established business owners who wanted to learn how to scale their businesses, accelerate their growth and promote their own economic security.

As WPO’s mission statement proclaims, “[It was] formed to improve business conditions for women entrepreneurs, and to promote the acceptance and advancement of women entrepreneurs in all industries.” Through this organization, “businesses accelerate in growth, enhance in competitiveness and promote economic security.” Today WPO has expanded to include members generating $19 billion annually with 142,000 employees.

A chord that entwines itself through the WPO is definitely its members and what it provides for them. “Through the roundtable format [of peer advisory], WPO members enhance their leadership and accelerate their personal and business growth.” With this promise and commitment, it is easy to see why many members flourish from this provided network and environment.

Throughout several U.S. cities and around the world, the WPO has non-competitive chapters of 20 members each that are moderated by a professionally trained facilitator. All business is confidential, with a peer advisory format and different types of memberships catering to different circumstances.

In 2004, when Kara Trott, CEO of Quantum Health had revenues under $4 million and nearly 25,000 employees, her company needed a buy-out. But through the WPO’s guidance, in areas like accounting and marketing, QH reached revenues of $17.2 million and had nearly 150,000 people by 2007. “I have been able to bring the intense learning we go through and immediately apply it to our business,” Trott said. “The insights and techniques have helped us grow more rapidly and smartly.”

Another member, Sandra Fox, vice president of CHA Inc. shared her success. The benefits of being part of a local chapter and the national training sessions helped her not only grow her business but also polished her leadership skills. “In addition to the advantages my business has gained from my involvement, the WPO Albany chapter has also provided me with support and advice that has helped me to grow in my personal life,” Fox said.

With these and similar testimonies, there is undeniable agreement that the Women President’s Organization has helped them grow and gain support.

Recent recognition for WPO includes the 2010 Stevie Award for Women’s Association.

Dr. Marsha Firestone
COVER STORY

Randy Joy Epstein — the consummate entrepreneur

Randy Joy Epstein, CEO of Randy Joy & Co, is a serial entrepreneur, strategy and alignment consultant. Her career began at PriceWaterhouseCoopers in New York where she worked with hundreds of companies ranging from high growth startups going public to Fortune 50 companies. She has co-founded multiple companies including her first consulting company in 2001. Epstein has been interviewed or written for Entrepreneur Magazine, worklife magazine, Forbes.com, NY Enterprise Report, the Penn Club and has appeared on multiple radio shows. She has moderated the Wharton Showcase Business Presentation events and is the producer of TEDxTimesSquare.

She recently agreed to the following interview with NMBC Better Business.

NMBC Better Business: What were you doing prior to starting Randy Joy & Co?

Randy Joy Epstein: My current company Randy Joy & Co is a growth catalyst boutique consulting firm that helps CEOs, organizations and executives grow their companies using our proprietary solutions to solve operational issues. This company has morphed into a butterfly company from my previous cocoon ventures. My new company was formed in 2009 after a series of epiphanies and is a sequel to my first consulting company, My Red Shoes, which I started in 2001, helping entrepreneurs grow their businesses exponentially. Throughout the decade my consulting companies have successfully helped build, transform and create growth for entrepreneurial companies when faced with great challenges or disappointments?

RJE: Greatness only comes from major challenges and obstacles that force you to break the barriers and beliefs you have. When you focus most of your energy on the vision and not the challenges, disappointments and hurdles, that is when the energy drives you to actualize your vision. For me it is a constant struggle to put into practice this knowledge. However, no one said the path to greatness and becoming who we truly are would be easy.

NMBC: What role has your family played in your success?

RJE: My family is my biggest support. They pick me up when I am down. They see a greater vision of me before I see it. It is those remarkable family members that are brave enough to tell you the truth, even when it hurts, to bring you to become your greatest vision.

NMBC: At what point do you accept that you have succeeded in your endeavor?

RJE: Each endeavor is a success when I reach my vision. My visions keep getting greater so I am working towards higher and higher success.

NMBC: Is there one piece of advice that helped you along your journey that you can share with budding entrepreneurs?

RJE: The one piece of advice that has helped me on my journey is: Diamonds are only produced under extreme pressure. So next time you are under extreme pressure, just remember you are becoming a diamond.

NMBC: Tell us about the TEDxTime Square an event you recently organized and produced.

RJE: My newest venture is TEDxTimesSquare where I produce semi-annual events that allow leaders to share their stories on key values that help them transform. I initiated TEDxTimesSquare to create a New York and world platform to share how unlocking key values creates success.

Our first conference was at the NY Times Building where NY thought leaders and influencers spoke on how Openness transformed how they grew their company from a businesswoman who grew to $2 billion revenue. We then produced TEDxTimesSquare to create a New York and world platform to share how unlocking key values creates success. With the Wharton Showtime producer and TEDxTimesSquare producer, we created how to unlock employee values and begin aligning them with their companies. In my consulting company we are already doing work in this space. Our next new product with the Wharton Showtime producer and TEDxTimesSquare producer will generate tremendous growth and create a scalable way for companies to implement it internationally.

What advice do you have for new entrepreneurs when faced with great challenges or disappointments?

RJE: Greatness only comes from major challenges and obstacles that force you to break the barriers and beliefs you have. When you focus most of your energy on the vision and not the challenges, disappointments and hurdles, that is when the energy drives you to actualize your vision. For me it is a constant struggle to put into practice this knowledge. However, no one said the path to greatness and becoming who we truly are would be easy.

NMBC: What role has your family played in your success?

RJE: My family is my biggest support. They pick me up when I am down. They see a greater vision of me before I see it. It is those remarkable family members that are brave enough to tell you the truth, even when it hurts, to bring you to become your greatest vision.

NMBC: At what point do you accept that you have succeeded in your endeavor?

RJE: Each endeavor is a success when I reach my vision. My visions keep getting greater so I am working towards higher and higher success.

NMBC: Is there one piece of advice that helped you along your journey that you can share with budding entrepreneurs?

RJE: The one piece of advice that has helped me on my journey is: Diamonds are only produced under extreme pressure. So next time you are under extreme pressure, just remember you are becoming a diamond.

NMBC: Tell us about the TEDxTime Square an event you recently organized and produced.

RJE: My newest venture is TEDxTimesSquare where I produce semi-annual events that allow leaders to share their stories on key values that help them transform. I initiated TEDxTimesSquare to create a New York and world platform to share how unlocking key values creates success. With the Wharton Showtime producer and TEDxTimesSquare producer, we created how to unlock employee values and begin aligning them with their companies. In my consulting company we are already doing work in this space. Our next new product with the Wharton Showtime producer and TEDxTimesSquare producer will generate tremendous growth and create a scalable way for companies to implement it internationally.
When faced with great challenges or disappointments?

RJE: Before starting my ventures I worked with hundreds of entrepreneurial companies to Fortune 50 companies at Price- waterhouseCoopers. Some of my clients were the first internet companies to go public in the late 90s. I watched the entre- preneurs build the companies and sell them. Then I joined the snadegrees.com with the concept of six degrees of separation, which was a “Facebook” or “Linkedin” way before its time. As a Wharton Business School alumni and CPA, I have always been fascinated with business growth.

NMBC: What was a typical day as a new entrepreneur in the beginning?

RJE: A typical day for a new entrepreneur includes planning your own day. There is no boss giving deadlines [so] you need to work to produce your own paycheck. The key is a strategic plan to know where you want to go and the steps you need to take to get there. The strategic plan would include the vision of what the business looks like when it is all done to the key steps to get there. Most entrepreneurs overlook administrative tasks like setting up a new phone and email system, employee manuals and the like. These are all key to success.

NMBC: How did you fund your new venture?

RJE: I am thankful to have funded my new consulting com- pany from money I have earned from previous successful work.

NMBC: What was one of the most challenging aspects of starting your new career? What challenges may have come from being a woman, and how did you deal with them?

RJE: The greatest challenge for me while starting my new career in consulting was the uncertainty of success. I believed in my skills, and myself, which was the key to pushing through all hardships. As a women working with many successful male CEOs, company presidents, investors and bankers, being strong and confident in the knowledge that I could truly esca- late growth was key.

NMBC: What is one of the most positive aspects of becoming an entrepreneur?

RJE: Becoming an entrepreneur lets you be who you truly are and create the values of a company whereby everyone who you choose to work with shares those values. My values are growth, excellence, openness, smart, and joy. These values help me clearly make all business decisions including who I hire, which vendors and clients I work with. I ask myself, “Is this aligned with my values and will this decision help me get to my vision?”

I constantly am actualizing new visions and my companies give me a platform to help others create strategic plans to actualize their visions. When a company and entrepreneur are fully aligned with their team on vision and values, magical growth happens.

NMBC: What advice do you have for new entrepreneurs when faced with great challenges or disappointments?

RJE: Greatness only comes from major challenges and obsta- clies that force you to break the barriers and beliefs you have. When you focus most of your energy on the vision and not the challenges, disappointments and hurdles, that is when the energy drives you to actualize your vision. For me it is a constant struggle to put into practice this knowledge. However, no one said the path to greatness and becoming who we truly are would be easy.

NMBC: What role has your family played in your success?

RJE: My family is my biggest support. They pick me up when I am down. They see a greater vision of me before I see it. It is those remarkable family members that are brave enough to tell you the truth, even when it hurts, to bring you to become your greatest vision.

NMBC: At what point do you accept that you have succeed- ed in your endeavor?

RJE: Each endeavor is a success when I reach my vision. My visions keep getting greater so I am working towards higher and higher success.

NMBC: Is there one piece of advice that helped you along your journey that you can share with budding entrepreneurs?

RJE: The one piece of advice that has helped me on my jour- ney is: Diamonds are only produced under extreme pressure.

NMBC: How did you fund your new venture?

RJE: I am thankful to have funded my new consulting com- pany from money I have earned from previous successful work.

NMBC: What was one of the most challenging aspects of starting your new career? What challenges may have come from being a woman, and how did you deal with them?

RJE: The greatest challenge for me while starting my new career in consulting was the uncertainty of success. I believed in my skills, and myself, which was the key to pushing through all hardships. As a women working with many successful male CEOs, company presidents, investors and bankers, being strong and confident in the knowledge that I could truly esca- late growth was key.

NMBC: What is one of the most positive aspects of becoming an entrepreneur?

RJE: Becoming an entrepreneur lets you be who you truly are and create the values of a company whereby everyone who you choose to work with shares those values. My values are growth, excellence, openness, smart, and joy. These values help me clearly make all business decisions including who I hire, which vendors and clients I work with. I ask myself, “Is this aligned with my values and will this decision help me get to my vision?”

I constantly am actualizing new visions and my companies give me a platform to help others create strategic plans to actualize their visions. When a company and entrepreneur are fully aligned with their team on vision and values, magical growth happens.

NMBC: What advice do you have for new entrepreneurs when faced with great challenges or disappointments?

RJE: Greatness only comes from major challenges and obsta- clies that force you to break the barriers and beliefs you have. When you focus most of your energy on the vision and not the challenges, disappointments and hurdles, that is when the energy drives you to actualize your vision. For me it is a constant struggle to put into practice this knowledge. However, no one said the path to greatness and becoming who we truly are would be easy.

NMBC: What role has your family played in your success?

RJE: My family is my biggest support. They pick me up when I am down. They see a greater vision of me before I see it. It is those remarkable family members that are brave enough to tell you the truth, even when it hurts, to bring you to become your greatest vision.

NMBC: At what point do you accept that you have succeed- ed in your endeavor?

RJE: Each endeavor is a success when I reach my vision. My visions keep getting greater so I am working towards higher and higher success.

NMBC: Is there one piece of advice that helped you along your journey that you can share with budding entrepreneurs?

RJE: The one piece of advice that has helped me on my jour- ney is: Diamonds are only produced under extreme pressure.

NMBC: How did you fund your new venture?

RJE: I am thankful to have funded my new consulting com- pany from money I have earned from previous successful work.

NMBC: What was one of the most challenging aspects of starting your new career? What challenges may have come from being a woman, and how did you deal with them?

RJE: The greatest challenge for me while starting my new career in consulting was the uncertainty of success. I believed in my skills, and myself, which was the key to pushing through all hardships. As a women working with many successful male CEOs, company presidents, investors and bankers, being strong and confident in the knowledge that I could truly esca- late growth was key.

NMBC: What is one of the most positive aspects of becoming an entrepreneur?

RJE: Becoming an entrepreneur lets you be who you truly are and create the values of a company whereby everyone who you choose to work with shares those values. My values are growth, excellence, openness, smart, and joy. These values help me clearly make all business decisions including who I hire, which vendors and clients I work with. I ask myself, “Is this aligned with my values and will this decision help me get to my vision?”

I constantly am actualizing new visions and my companies give me a platform to help others create strategic plans to actualize their visions. When a company and entrepreneur are fully aligned with their team on vision and values, magical growth happens.

NMBC: What advice do you have for new entrepreneurs when faced with great challenges or disappointments?

RJE: Greatness only comes from major challenges and obsta- clies that force you to break the barriers and beliefs you have. When you focus most of your energy on the vision and not the challenges, disappointments and hurdles, that is when the energy drives you to actualize your vision. For me it is a constant struggle to put into practice this knowledge. However, no one said the path to greatness and becoming who we truly are would be easy.

NMBC: What role has your family played in your success?

RJE: My family is my biggest support. They pick me up when I am down. They see a greater vision of me before I see it. It is those remarkable family members that are brave enough to tell you the truth, even when it hurts, to bring you to become your greatest vision.

NMBC: At what point do you accept that you have succeed- ed in your endeavor?

RJE: Each endeavor is a success when I reach my vision. My visions keep getting greater so I am working towards higher and higher success.

NMBC: Is there one piece of advice that helped you along your journey that you can share with budding entrepreneurs?

RJE: The one piece of advice that has helped me on my jour- ney is: Diamonds are only produced under extreme pressure.

NMBC: How did you fund your new venture?

RJE: I am thankful to have funded my new consulting com- pany from money I have earned from previous successful work.

NMBC: What was one of the most challenging aspects of starting your new career? What challenges may have come from being a woman, and how did you deal with them?

RJE: The greatest challenge for me while starting my new career in consulting was the uncertainty of success. I believed in my skills, and myself, which was the key to pushing through all hardships. As a women working with many successful male CEOs, company presidents, investors and bankers, being strong and confident in the knowledge that I could truly esca- late growth was key.

NMBC: What is one of the most positive aspects of becoming an entrepreneur?

RJE: Becoming an entrepreneur lets you be who you truly are and create the values of a company whereby everyone who you choose to work with shares those values. My values are growth, excellence, openness, smart, and joy. These values help me clearly make all business decisions including who I hire, which vendors and clients I work with. I ask myself, “Is this aligned with my values and will this decision help me get to my vision?”

I constantly am actualizing new visions and my companies give me a platform to help others create strategic plans to actualize their visions. When a company and entrepreneur are fully aligned with their team on vision and values, magical growth happens.

NMBC: What advice do you have for new entrepreneurs when faced with great challenges or disappointments?
WPO drives success for women business owners

Research and Written by Stephanie M. Rosario, NMBC intern

Using her expertise as the former vice president of Women Incorporated and vice president of Training and Counseling at the American Woman’s Economic Development Corporation, Dr. Marsha Firestone created a peer advisory organization for women who owned multi-million dollar businesses. She founded and became the president of the Women President’s Organization to provide substantive business education for established business owners who wanted to learn how to scale their businesses, accelerate their growth and promote their own economic security.

As WPO’s mission statement proclaims, “[It was] formed to improve business conditions for women entrepreneurs, and to promote the acceptance and advancement of women entrepreneurs in all industries.” Through this organization, “businesses accelerate in growth, enhance in competitiveness and promote economic security.” Today WPO has expanded to include members generating $19 billion annually with 142,000 employees.

A chord that entwines itself through the WPO is definitely its members and what it provides for them. “Through the roundtable format [of peer advisory], WPO members enhance their leadership and accelerate their personal and business growth.” With this promise and commitment, it is easy to see why many members flourish from this provided network and environment.

Throughout several U.S. cities and around the world, the WPO has non-competitive chapters of 20 members each that are moderated by a professionally trained facilitator. All business is confidential, with a peer advisory format and different types of memberships catering to different circumstances.

In 2004, when Kara Trott, CEO of Quantum Health had revenues under $4 million and nearly 25,000 employees, her company needed a buy-out. But through the WPO’s guidance, in areas like accounting and marketing, QH reached revenues of $17.2 million and had nearly 150,000 people by 2007.

“I have been able to bring the intense learning we go through and immediately apply it to our business,” Trott said. “The insights and techniques have helped us grow more rapidly and smartly.”

Another member, Sandra Fox, vice president of CHA Inc. shared her success. The benefits of being part of a local chapter and the national training sessions helped her not only grow her business but also polished her leadership skills. “In addition to the advantages my business has gained from my involvement, the WPO Albany chapter has also provided me with support and advice that has helped me to grow in my personal life,” Fox said.

With these and similar testimonies, there is undeniable agreement that the Women President’s Organization has helped them grow and gain support. Recent recognition for WPO includes the 2010 Stevie Award for Women’s Association.
With the approaching 20th year anniversary in 2017, Firestone then? Her reply shows her commitment to the organization and its members. “It is to continue to grow value in the brand, to add the number of chapters nationally and globally, to maintain the culture of high touch, and to continue the feelings of intimacy and safe sharing of their business concerns. They will still be around women who have faced similar issues in their own company and it will be addressing a voice for women-led businesses who want to continue to grow and be recognized for their contribution they make to the economy.”

Located in New York City, WPO has a global reach with chapters in Canada, Peru and the Middle East. WPO conferences offer shared business strategies for women from all over the world. Visit WPO at www.womenpresidents.org.com for more information.

Enterprize Risk Management

Researched by J. Edward Waller, C.P.A., Esq.

“Don’t put off until tomorrow, what you can do today” and “an ounce of prevention is worth a pound of cure” are phrases we are all familiar with. Unfortunately we often fall prey to another well-known axiom, “Let’s cross that bridge when we come to it.” Too often the result is finding the bridge has already collapsed.

Evaluate just about any financial crisis and you will find at its root, a failure to identify or act upon known risks in a timely manner. There are multiple reasons for this phenomenon, not the least of which is a strong reluctance to suppress short-term benefits for long-term risks that may never actually manifest themselves in actual problems.

Nevertheless, sound risk management is crucial to the ongoing success of any business. This is why managers must evaluate the range of risks and level of exposures, both financial and non-financial to determine whether exposures are reasonable in relation to operational controls, decision-support systems, policies, procedures, internal controls, and capital. Therefore, a relevant risk-focused governance framework must be an integral part of our business model and strategies. There is no perfect solution for managers seeking to establish an effective business approach to risk management. Each manager must meet their specific needs with various tailored approaches that take into account their organization’s complexity, resources, and expertise.

However, as a business grows, risk-focused management and judgment must also evolve and information acquired and be made available to help managers sharpen their skills. For example, the enterprise risk management (ERM) model, which can be used to complement an existing risk monitoring process, is a recommended analytical tool.

An ERM approach to risk management broadens the existing risk governance framework within a business by considering the strategic implications risks may impart, or how risks interrelate with one another. An effective ERM model would include:

- Prioritizing the existing risk culture or risk management philosophy
- Developing clear objectives including defining the business’s appetite for risk
- Identification of external and internal events or factors that effect risk
- Developing a risk assessment and analysis profile
- Composing a risk response action plan outlining how to avoid, accept, reduce, or share risk
- Developing, implementing and communicating policies and procedures
- Establishing a monitoring system to oversee total risk management

Benefits

ERM endeavors to recognize risks within a business, and implementation of this approach can yield the following results:

- Greater awareness of risks
- Earlier detection of inappropriate, unsound or unlawful activities
- Greater potential to reduce operational losses
- Improved strategic decision making
- Fewer surprises

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a joint initiative of five private sector organizations. Established in the United States, it is dedicated to providing thought leadership to executive management and governance entities. This includes critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting. COSO defines ERM as a process that is:

- Ongoing and applied throughout an organization
- Effected by people at every level of an organization
- Applied in a strategic setting
- Takes an organization-level portfolio view of risk
- Designed to identify potential events that could affect the organization and to manage risk within the organization’s risk appetite
- Able to provide reasonable assurance to an organization’s management and board of directors
- Geared to achieve objectives in one or more separate but overlapping categories

ERM tries to remove the “silo” effect by requiring all critical risk information be reported on a regular basis.

Framework

ERM requires an ongoing cycle of interaction between key parties, requires management to continually perform risk analysis, take risk-mitigating actions when necessary, and remain vigilant in monitoring and communicating information to all relevant parties. While there are different ways to structure ERM programs, the key element to building a framework typically incorporates several pieces, including:

- Determining the organization’s risk profile
- Establishing risk indicators (such as evolving business, concentrations, and inherent specific risks)
- Establishing responses or actions to take for changing risk levels
- Assigning personnel to be accountable for affected risk areas
- Designating responsible individual(s) to monitor risk levels
- Ongoing communication to relevant stakeholders

The ERM process entails the collection of relevant information. Only those items considered most critical to the business’s operation are included. The identified risk elements are tracked against internal policies, limits, or any other internal measurements.

Actions taken by appropriate personnel to address any concerns or breaches that may arise are noted, and timeframes for resolution are specified.

ERM is not a process to eliminate risk or to enforce risk limits, but rather to encourage enterprises to take a broad look at all risk factors, understand the interrelationship among those factors, define an acceptable level of risk, and continuously monitor functional areas to ensure that the defined risk threshold is maintained.

See the Committee on Sponsoring Organizations of the Treadway Commission’s Enterprise Risk Management-Integrated Framework, available at www.coso.org/documents/coso_erm_executivesummary.pdf. The COSO framework is widely recognized throughout the financial service industry as acceptable guidance on ERM. Another approach to ERM is discussed in “Risk Management-Principles and guidelines” (ISO 3100:2009), which was published by the International Organization for Standards in 2009.

Dr. Marsha Firestone

of the Year, and mention in Forbes in 2015, in 8 Strategies Successful Women Entrepreneurs Share With Their Corporate Counterparts.

With the approaching 20th year anniversary in 2017, Firestone faces an important question. What will her vision look like then? Her reply shows her commitment to the organization and its members.
What Attributes Make a Strong MWBE Supplier?

By J. Fred Canady

This article is the second in a series on supplier diversity. The first article discussed the attributes that make a good corporate supplier diversity program. Those attributes include:

• Positioning in the company’s sourcing operation
• Accountability for purchasing/sourcing department members
• Annual objectives
• Enhanced reporting systems
• Senior management support

In this article, I want to focus on what attributes corporations look for in an MWBE supplier.

1. Reliability, High Quality and Safety

Above all else, corporations want their suppliers to be reliable. There is nothing more important in the supply chain. Production cycles are entirely dependent on suppliers delivering their goods on time, every time. If your product arrives late it generates interruptions in other production cycles and delays overall product delivery. You will not be a supplier very long if you cannot be trusted to deliver your goods on time. Reliability is just as important. If your product arrives on time but does not work, your product not only has caused delays, but also may have contaminated other components of the customer’s product. These additional costs will not be tolerated and will often be charged back to the supplier with additional fines and penalties. Safety in today’s world of constant litigation is also of tremendous importance. In certain industries such as transportation and consumer products and others, you will be out of business if your product can be deemed to have caused injuries. There is also the matter of principle involved. From the very first meeting with a customer you should do what you say you will do and don’t make promises you can’t meet. If you make a mistake, admit it, then do your best to correct your mistake.

2. Cost Management

Almost everything in business is driven by costs. You must be a fanatical about knowing your costs, what drives them and what key leverage points causes them to rise or fall. You should also have a good internal reporting system that supports your costs tracking so you can tell regularly how much your costs have changed and what is driving the change. Knowing your expenses will help you be able to price your product competitively and be able to know how much you will need per unit to meet your overhead costs and profit objectives. You should also have an idea of your competitors’ costs and know you can accomplish this, you might say? If your competitor is selling the same product at a lower cost than you, then how is he/she able to do this? Do they have better suppliers? Are they more cost conscious? Do they accept a lower profit margin? These are all very important elements of being able to price your product competitively. Often, much larger suppliers are able to price their product at a lower price based on the sheer volume of the product they produce and sell. This is often a key challenge to MWBE suppliers. At PepsiCo we sometimes created partnerships with our first tier suppliers to leverage our overall system costs. In other words, we challenged our first tier suppliers to support our overall cost.

3. Positioning in the company’s sourcing operation

It is not easy to expand your business. However, expanding your business will not only help the company to grow, but also will lead to a stronger a domestic market and make the country thrive. The more your company succeeds, the more your country will thrive. To become a strong partner, you must follow some key ingredients to succeeding with overseas expansion. First of all, your company must have the expertise, resources, and industry connections to set up office space in Japan quickly and efficiently. Because of its connection to the Japanese government, JETRO is an independent agency of the Japanese government that works to promote mutual trade and investment between Japan and the rest of the world. It promotes foreign direct investment in Japan and helps small to medium-sized Japanese firms maximize their global export potential.

JETRO facilitates business expansion in Japan

In this age of globalization, it is essential that both large and small companies consider going global. In recent years an unsustainable economy has made it necessary to consider overseas expansion to ensure company growth. However, there are numerous difficulties in entering foreign markets, making it vital to know the key ingredients to succeeding with overseas expansion.

Knowledge of the foreign country’s laws, system of markets, customs, taxes, and competition are all important factors in determining the success or failure of a business in a foreign country. These are all key challenges to MWBE suppliers. At PepsiCo we sometimes created partnerships among our first and second tier suppliers to leverage our overall system costs. In other words, we challenged our first tier suppliers to support our overall cost.
A New Direction For The 21st Century: The NMBC Entrepreneurial Global Business Center

By Fritz-Earle Mc Lymont

Then we established the National Minority Business Council, Inc. in 1972, recognizing the many networking opportunities and advantages for companies of all sizes. Much of the world now accepts and recognizes the sharing of human and physical assets. It includes the shared creation, production, distribution, trade and consumption of goods and services by different people and organizations. These systems take a variety of forms, but all leverage information technology to empower individuals, corporations, non-profits and government with information that enables distribution, sharing and reuse of excess capacity in goods and services. A common premise is that when information about goods is shared, the value of those goods increases, for the business, for individuals, and for the community.

Although in its infancy, this creative new idea in the 21st century that is shaping up to be quite different in terms of how business is conducted. There is a strong tendency for many of us to spend a lot of time focused on what we have the least of — money — and ignore what we have the most of — human resources. This observation may have influenced the creation of the NMBC Entrepreneurial Global Business Center, where entrepreneurs from many different countries can share resources and relationships to create jobs, wealth and social and economic stability in the communities where they operate.

One African Love.

Fritz-Earle Mc Lymont is co-founder of the National Minority Business Council, Inc. and currently Managing Director of NMBC Global. He is also Managing Partner of Mc Lymont, Kunda & Co. a consulting firm providing international trade and business development services.

Financial Viability

Most corporate customers will run credit checks on suppliers to determine how stable they are financially. Even in difficult times it is important to run your business with a strong balance sheet. In other words, do not get over your head in debt or balance it with other assets you can leverage to sustain your company through tough times. Grow your business only if you can manage it. Again, this is where creating partnerships to gain business leverage to win customer accounts makes sense.

Leadership Sustainability

If you have established your business as a solid MWBE supplier with a good client list, make sure to create a broad base of relationships and be cost effectively transported to different locations.

Customer Focus

In addition to doing the basics, you should know as much as possible about your customer’s products and requirements. Are costs the most important thing in this industry? Is reliability key? How about large volumes, efficient delivery or a superior record of customer safety? Be selective about which customers you target. Align yourself with the right ones for your product skills and qualities. Don’t waste time chasing customers you cannot support competitively. If you are targeting the right customers and do a great job for them, you can create a database of customers and services as well through positive references to other potential customers. It is not uncommon for corporations with good supplier diversity programs to make calls to other companies to get references on good MWBE suppliers. In addition, don’t be afraid to take advantage of second-tier relationships that could be your potential customer may have. These suppliers have mandates to do business with diverse suppliers and most of them have very large requirements on their own. Again, first tier suppliers can be leveraged to create additional MWBE suppliers while also leveraging the overall cost efficiencies of the customer. Also, be smart enough to understand your potential customer’s products. The Internet is a great source for your potential customer to learn the basic structure of the company and the products they make, which is a good idea to share in a sense. I have had several potential suppliers come to our PepcoCo corporate offices carrying a diet Coke in a bag asking for a job. You don’t drive a Chevy up to the corporate headquarters at Toyota to pitch your company’s product or service. Most companies believe these observations are an indication of your company’s lack of attention to detail. While it may not be the deciding factor, it will hurt your credibility.

Innovative Business Solutions

Creativity goes a very long way. Many large companies still use processes that are traditional and have stood the test of time. You can bring new ideas or methods to the table that result in either cost savings or revenue enhancers, you will get the attention of your potential customers. The Internet is a great source for your potential customer to learn the basic structure of the company and the products they make, which is a good idea to share in a sense. I have had several potential suppliers come to our PepcoCo corporate offices carrying a diet Coke in a bag asking for a job. You don’t drive a Chevy up to the corporate headquarters at Toyota to pitch your company’s product or service. Most companies believe these observations are an indication of your company’s lack of attention to detail. While it may not be the deciding factor, it will hurt your credibility.
**BOOK REVIEW**

**DO IT! Marketing: 77 Instant-Action Ideas to Boost Sales, Maximize Profit, and Crush Your Competition**

By David Newman  
Reviewed by German Hernandez

As a marketing expert, consultant and popular speaker, David Newman has much experience in working with small and large businesses. In fact, aside from his work with solo and small businesses, his many clients include: i.a. of the Fortune 500. As a business consultant, David Newman has worked with hundreds of companies, entrepreneurs, and groups.

Newman noticed that most small businesses end up failing, even when they believe that they are doing all that they can. He saw the opportunity to educate small business owners on popular misconceptions about marketing and on methods of improving sales and performance with marketing solutions. **DO IT! Marketing** offers 77 marketing ideas divided into 12 chapters for small businesses to use to improve their business standings and to avoid the traps to which many small businesses fall prey. This book also includes a 21-day marketing plan for small businesses to start implementing improvements immediately.

Newman’s 77 ideas include advice on how to most efficiently use social media and ways to look at your business and opportunities in a different light to better market to customers. David Newman’s writing is sharp, witty, and very smooth. The book flows and feels like a conversation rather than a set of instructions or analysis. With questions for self-reflection, activities for quick implementation, and articles from other experts, **DO IT! Marketing** is much more than just a book of tips from Newman.

Some of the larger themes in the book include learning how and why to switch your focus, understanding how to seek or take advantage of opportunities for your company, and changing how you and your business operate and market. Newman uses real-life examples from both his own experiences and from those of small businesses he assisted to illustrate some of his how-tos and how-nots, giving them better authenticity. Newman provides free templates to readers for them to use with specific marketing ideas. **DO IT! Marketing’s help does not end with the book either.**

Along with the book, readers gain access to various worksheets and other useful documents from the book’s website. Newman is not afraid to recommend resources from other websites and services in his book, either.

With ideas, articles, probing questions, plans, activities, quotes, templates, stories, resources, and answers, **DO IT! Marketing** does a very thorough job of giving its readers all the tools they need to change and improve both their companies and themselves and to take their businesses to the next level.

Newman noticed that most small businesses end up failing, even when they believe that they are doing all that they can. He saw the opportunity to educate small business owners on popular misconceptions about marketing and on methods of improving sales and performance with marketing solutions.

**Women business owners capture National Minority Business Council’s 34th Annual Awards**

Women will rule when the National Minority Business Council hosts its 34th Annual Awards Luncheon on Feb. 27, 2014, at the Marriott Marquis Hotel in midtown New York. Seven of this year’s award recipients are women.

This year’s theme, “Financial Strategies for Business Growth,” celebrates the great strides women and people of color have made in private and public sector industries. A morning business expo and reception will be followed by an awards luncheon with keynote speaker and luncheon chair Kenneth Adams, president and CEO of Empire State Development, and commissioner of New York State Department of Economic Development.

“This year’s 34th Annual Awards Luncheon and Expo also celebrates the 42nd Anniversary of the NMBC that has been assisting minority, women and veteran owned businesses with direct services and programs to help their business grow in a diverse and expanding global economy for over four decades” according to Mr. John F. Robinson, president & CEO of the NMBC, Inc.

The seven women award recipients are company founders, CEOs and/or members of their organization’s executive management team. They represent the buildings trade, office furniture industry, staffing, advertising, sustainable industry, professional associations, and higher education. They are joined by an equally impressive group of men representing Wall Street, entertainment, engineering, and real estate.

- Kenneth Adams  
President & CEO, Empire State Development  
Commissioner of New York State Department of Economic Development

**34th Annual Awards Luncheon award recipients**

- Penda Aiken  
Client Services Manager  
Perida Aiken, Inc.

- Sherman Carrington  
VP & Director Environmental Engineering  
Haider Engineering PC

- Emily Doubilet  
CEO  
Susty Party

- Rosalie Edison  
President  
Meadows Office Furniture

- La-Verna J. Fountain  
VP, Construction Business Services  
Columbia University MWBE Mentorship Program

- Jessica Holsey  
President  
Susty Party

- Victor Lewis  
President & Managing Director  
ViCrae, Inc.

- Anthony Laiti  
Founder & CEO  
Rapid Realty, LLC

- Crystal McKenzie  
President & CEO  
Crystal McKenzie, Inc.

- Merkoean William Mingione  
Vice President  
Drexel Hamilton

- Nayan Parikh  
President & CEO  
Ashnu International, Inc.

- Elliot Sander  
Chairman & Co-Founder  
HAKS Inc.

- Malgorzata Skarzynski  
Owner  
Adam’s European Contracting, Inc.

- Bonnie Wong  
President  
Asian Women In Business
To NMBC Members, Friends and Supporters:

It is our pleasure to share with you our Winter 2014 issue of NMBC Better Business magazine. We feel this issue contains some very exciting and informative articles that will help your business grow and expand in your respective market place.

Some of the articles that we would like to bring to your attention are: a history of the Samsung Corporation, an in-depth look at NMBC’s new entrepreneurial center initiative; successes of the Women President’s Organization over the past 17 years in empowering women business owners; and discussion of the attributes that make a strong M/WBE supplier by Fred Canady, former vice president of supplier diversity at PepsiCo Corporation. We believe these and other articles will be enlightening and helpful.

It is my pleasure to announce that Stephanie Rosario will now be the associate editor for the NMBC Better Business magazine, working under Carol Daugherty Foster who serves as the executive editor of our publication. Ms. Rosario has written several articles for the NMBC Better Business magazine over the last year and has edited many of the articles that have appeared in other issues.

We encourage you to reach out to us regarding this issue of NMBC Better Business and send us any articles: materials you would like us to consider in future publication.

Happy New Year to all and please note that this year, 2014, marks the 42nd anniversary of the founding of the NMBC Inc. in 1972.

Respectfully,

John F. Robinson

President & CEO

NMBC, Inc.

Publisher

How Samsung became a Global Giant

Research by Jihyeon Park, NMBC Intern

Last year, Oprah Winfrey stated that the Samsung Galaxy Gear was one of her favorite products. Galaxy Gear, the first smart watch in the world, was released in September 2013, at the IFA (Internationale Funkausstellung) in Berlin. Oprah’s mention was unexpected and delighted Samsung Electronics. At the end of 2013, 1.5 billion people, or 21 percent of the world’s population preferred smartphones. More than 3 billion people are using feature phones still but are likely to switch to a smart phone in the near future. Samsung accounts for a large market in the world of smartphones, a result of their continuous innovations.

Samsung Group is the largest South Korean business conglomerate, composed of numerous subsidiaries and affiliated businesses under the Samsung brand. In 75 years, Samsung has grown from a small company of only 40 employees to the 9th biggest brand in the world, with 230,000 employees.

Korean entrepreneur Lee Byung Chul (1910-1987), founded Samsung in 1938 as a trading company. The group diversified into food processing, textiles, insurance, securities and retail during the following three decades. Samsung entered the electronics industry in the late 1960s, and the construction and shipbuilding industries in the mid-1970s.

Lee Kun-Hee took over the chairmanship in 1987 after the death of his father, Lee Byung Chul. Through his endeavors and innovations, Samsung increased its global activities in the 1990s, primarily in the areas of mobile phones and semiconductors.

Samsung Electronics launched its first mobile phone in the South Korean market in 1988. Sales were initially poor and by the early 1990s Motorola held over 60 percent market share in the country’s mobile phone market compared to Samsung’s 10 percent for Samsung. The lag was blamed on the mobile phone division’s poor quality. Changing strategy, Lee Hun Kee shelved the production of many under-selling product lines and pursued new designing and manufacturing components and investing in new technologies for other companies. His philosophy is best expressed in his statement: “Change everything except your wife and kids.” Foreign employees were brought in and local employees were shipped out as Lee tried to foster a more international attitude of doing business.

Galaxy Note 3 and Galaxy Gear, Photographed by Jihyeon Park

This patient vertical integration strategy of manufacturing components has borne fruit for Samsung, resulting in a number of technological breakthroughs particularly in the field of memory. In 2004, Samsung developed the world’s first 8Gb NAND Memory chip and a manufacturing deal was struck with Apple in 2005 to supply Apple with memory chips. Samsung remains a key supplier of Apple components, manufacturing the A7 processors used in the iPhone 5s model.

Samsung Electronics became the world’s second-largest mobile-phone maker, overtaking Motorola for the first time in 2007. In 2009, Samsung achieved total revenues of $117.4 billion, overtaking Hewlett-Packard to become the world’s largest tech company measured by sales. At last, they are undoubtedly the largest company in the global electronics industry.

Samsung is a major sponsor of sporting events, such as the 1998 Winter Olympics in Nagano, Japan, the Chelsea FC in the England Premier League, and the Brazilian Soccer Confederation (Confederação Brasileira de Futebol).

Currently, Samsung Electronics is focusing on their new products, Galaxy Note 3 and Galaxy Gear, keeping Samsung in a top position in the electronic industry.

Samsung’s success rests in its unprecedented management by a young CEO with a brilliant insight and continuous innovations in technology. We can only wait for what comes next.
About NMBC
The National Minority Business Council’s primary purpose is to enhance the success and profitability of the small business community through the provision of high-quality services, education, mentoring programs, advocacy and networking support.

The NMBC is a membership organization that includes hundreds of small, minority, women owned and veteran owned businesses located nationally and internationally. Given the various levels of business expertise among the members, the NMBC strives to develop programs that are suited to the needs of the new start-up as well as seasoned entrepreneur.

11th Annual Women’s Business Leadership Conference
“Financial Strategies for Business Growth”

Keynote Speaker: Randy Joy Epstein, Founder & Co-organizer TEDx Times Square

“CHOOSE. True failure is not falling but rather not picking yourself up when you fall and trying again.” — Randy Joy

Randy Joy Epstein, CEO of Randy Joy & Co, is a serial entrepreneur, professional speaker and shoulder for entrepreneurs and CEOs to lean on to solve issues and grow their companies. Ms. Epstein speaks, writes and consults to CEOs and investors on how to focus the entire company towards growth.

Panels:

- Invest in Your Business and You
- Minding Your Money: Is Your Business Financially Healthy?
- Show me the Money! Financing Options for Your Business

Thursday, March 20th 2014. 8:30 AM - 2:30 PM
BNY Mellon, 101 Barclay Street, New York City

Advanced registration required. Ad space available.

Claire P. Scanlon  Dawn Henning  Ophelia Gabrino  Debra J. White
VP Supplier Development  Vice Chair, NMBC  Co-Chair, NMBC  Director, Supplier Diversity
Program Manager  Chair, NMBC  WBC  Director, Rennert Translations  BNY Mellon, 101 Barclay Street, New York City

About NMBC
The National Minority Business Council, Inc. (NMBC), a member organization of Minority and Women Business Owners, specializes in sustainability, energy efficiency or renewable technologies, we may have a relationship worth exploring.

To connect with us visit www.nypa.gov/sdp/default.htm

SUPPLIER DIVERSITY
New York Power Authority has conducted more than half-a-billion dollars in transactions with minority- and women-owned business enterprises. We recognize that diversity is the key to our strength, which is why we value our connection to hundreds of MWBEs throughout the state. We’re seeking new ideas and innovations that will help move New York toward a clean energy future. If your company specializes in sustainability, energy efficiency or renewable technologies, we may have a relationship worth exploring.

The New York Power Authority has conducted more than half-a-billion dollars in transactions with minority- and women-owned business enterprises. We recognize that diversity is the key to our strength, which is why we value our connection to hundreds of MWBEs throughout the state. We’re seeking new ideas and innovations that will help move New York toward a clean energy future. If your company specializes in sustainability, energy efficiency or renewable technologies, we may have a relationship worth exploring.

To connect with us visit www.nypa.gov/sdp/default.htm

Debra J. White
Director, Supplier Diversity
debra.white@nypa.gov
We value diversity in the workplace and in the marketplace. In building an increasingly diverse supplier pool, we are able to work toward our goal of offering priority suppliers real procurement opportunities as they arise.

BNY Mellon is pleased to announce on-line registration. To register, visit www.bnymellon.com/suppliers select the Supplier Profile Form and follow the directions.

2009 Regional Corporation of the Year
NY-NJ Minority Supplier Development Council

Entrepreneur
Randy Joy Epstein

NMBC Entrepreneurial Global Business Center
Attributes of a top MWBE supplier