A dozen years ago, when Cincinnati was mentioned in conversations, often it was for the wrong reasons. Rioting and racial tension between police and the black community had left the city scarred and divided. But today’s Cincinnati is a better place for all, largely due to the hard work of many in our community, including the Cincinnati USA Regional Chamber and its Minority Business Accelerator (MBA.)

The MBA celebrates its 10th anniversary this year, counting not only its success in Cincinnati, but also the fact that it’s being used as a model for economic inclusion across the country.

**Background**

The role of Cincinnati’s MBA is to foster the growth of local minority-owned businesses and to expand the region’s minority entrepreneurial community. By developing minority-owned businesses, the organization helps to build a more competitive supply chain for corporations here and beyond our region, while creating jobs and growing investments in our community. The MBA provides a number of services to help prepare minority business enterprises for growth:

- strategic planning and financial services
- ongoing efforts to provide access to potential capital opportunities
- business support
- education and networking opportunities

In addition to priming minority businesses for advancement, the MBA encourages mutually beneficial business relationships between minority business enterprises on the supply side, and the corporate community and the private sector on the demand side.

“Ten years ago, our leadership recognized the widespread advantages that successful minority-owned businesses deliver across the board,” said Crystal German, vice president of economic inclusion for the Cincinnati USA Regional Chamber. “We purposefully chose not to view minority business development as charitable outreach, but as a true economic development strategy. Making the supply chain more competitive for corporations and creating jobs for our community is imperative to our region’s economic vitality.”

German also is founding chair of ACCE’s Diversity & Inclusion Division, which has more than 300 members and is growing. It was formed in 2011 and provides networking and best practice sharing for chamber leaders seeking practical ideas on diversity, inclusion and minority business development.

Businesses that participate in Cincinnati’s Minority Business Accelerator must be committed to investing time, energy and resources to grow their companies and the region, and they are selected based on several criteria:

- Revenue performance: Firms must have generated at least $1 million in revenue in the previous 12 months and demonstrate their ability to have greater than 10 percent future growth.
- Strength of management and operating teams

By Lance Barry
A Growing Trend
After 10 years, Cincinnati’s MBA boasts impressive numbers. In 2012, the average revenue of MBA firms reached $29 million, and the total number of MBA firm employees reached 3,360. The number of Corporate Goal Setters, companies with established minority spend goals, reached a high of 31, and these corporations set a new record by spending $771 million with minority-businesses, compared to $594 million in 2011.

Cincinnati’s success has spawned other accelerator programs in Charlotte, N.C., Lexington, Ky., Cleveland, Dayton and Greenville, S.C.

Tyrone Tyra, vice president of community and minority business development for Commerce Lexington in Kentucky, points to the “connection” aspect of Cincinnati’s MBA as particularly appealing in building the Lexington program. “Our goal is to encourage and foster business relationships between minority businesses and the corporate community and private sector,” Tyra says. “Cincinnati’s MBA has done a phenomenal job matching the supply and demand sides, which is certainly one of the reasons we chose to model our initiative after Cincinnati’s.”

Belinda Matthews-Stenson, director of the Dayton Area Chamber of Commerce’s Minority Business Partnership, cites community buy-in as crucial to the process. “We began our initiative five years ago because of community-wide concern that minority businesses weren’t being included in corporate spends,” says Stenson. “My words of advice to chambers looking to build a minority initiative: Get community leaders on board. Spend the time to understand your business community and find an influential community leader to drive the process.”

Nika White, vice president of diversity and inclusion for the Greenville (S.C.) Chamber, says that establishing a network of peers who have built successful accelerators can be advantageous. “In Greenville, we’ve developed a hybrid of the Cincinnati and Charlotte minority business initiatives, and have relied heavily on guidance from those who’ve been where we are,” says White. “Don’t expect to use another chamber’s model exclusively; you’ll have to tweak it to fit your business climate. But support from those who’ve been where you are is key.”

“Every major project in Cincinnati now has an inclusion economic component,” says German, citing the construction of Cincinnati’s new Horseshoe Casino and downtown’s Washington Park renovation as two recent examples. “We also see inclusion initiatives being embraced by our community’s arts and charitable organizations, as well as the rise of the largest ethnic chamber in Ohio, the Greater Cincinnati/Northern Kentucky African American Chamber of Commerce.”

Challenges
Naturally, there have been hurdles to clear, including community buy-in and money. “Early on, we received feedback that a minority business initiative didn’t belong at a chamber of commerce,” says German. “Aside from the fact that chambers are historically non-inclusive, in Cincinnati minority firms are a small fraction of the region’s businesses. Critics questioned why the chamber would put money and resources behind such a small percentage.”

German’s predecessors had to make the case that minority business is a critical piece of the success of the region, noting that demographic shifts in national and global economies make the minority segment more important than ever.

When it came to funding, German says, “We knew it would take some money, and we found that it needs to be three-year pledges or commitments. In building funds, we had to make a strong business case for the model, while aligning it with the strategic plan of the community and the chamber. It’s about figuring where the tie-in is for the community, and determining the metrics of success.”

As for the future, Cincinnati’s MBA is charging ahead. It’s currently in the investment phase of a $2-5 million fund that will provide regional African-American and Hispanic-owned firms better access to capital. Also, The L. Ross Love GrowthBridge Fund (growthbridgefund.com), founded in memory of Cincinnati entrepreneur and philanthropist Ross Love, will provide flexible debt capital to finance growth projects of established, highly-competitive, African-American and Hispanic-owned firms in the region. Average loan size will be $175,000, and fund leaders anticipate making three to four loans per year.

“We have the channels in place to connect minority business owners to corporate supply chains, but accessing capital can be challenging,” says German. “The L. Ross Love GrowthBridge Fund will address this issue while further stimulating economic development in the Cincinnati region.”

Another goal is to increase the region’s number of minority-owned businesses. Cincinnati’s MBA currently adds three to four minority firms to its portfolio per year, a number German would like to grow. “We’ve succeeded in assisting our region’s established minority firms make the connections they need to ensure continued growth,” she says. “Now we’re increasing the focus on our start-up minority firms.”

Lance Barry is public relations manager at the Cincinnati USA Regional Chamber.