

DESIGNING EDUCATIONAL PROGRAMS FOR  
SMALL BUSINESS MINORITY CONTRACTORS

BY

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THESIS

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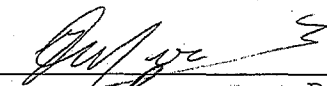
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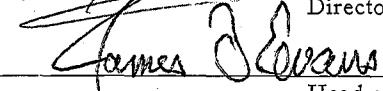
Small Business Minority Contractors

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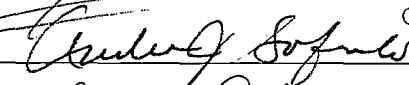


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DESIGNING EDUCATIONAL PROGRAMS FOR  
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ABSTRACT

The study analyzed why minority contractors were not bidding on federally-funded jobs in the City of Urbana. These jobs entailed rehabilitation of housing for low-income persons. The objectives of the study were to find out what factors were hindering the minority contractors, to identify their needs and design an program to meet their education needs.

The research entailed a personal survey with 22 minority contractors who worked in the Champaign-Urbana area. Literature was reviewed and local resource persons were interviewed.

The research found that minority small businesses have been hindered because of several factors: the presence of racial discrimination, a history of lack of role models for minority business persons, inconsistent government intervention, lack of networking for minorities in small businesses, little training in management and business skills, and not enough knowledge about banking and other financial institutions. The study also showed that the minority contractors were involved in businesses that may be too small to handle the federally funded housing rehabilitation projects because of lack of capital, lack of equipment and workers, and lack of insurance and bonding.

Recommendations were for two distinct groups - professionals working with minority contractors and the minority contractors themselves. For professionals a sensitivity training to understand diverse cultures and an "after hours" tour of banking facility and meeting with bank personnel was recommended. Recommended for the minority contractors were educational workshops to enhance their business and management skills and the formation of an organized coalition for minority contractors.

The recommendations for the educational programs are presented; this information may be useful for those organizing educational programming for minority business entrepreneurs.

An epilogue reports the implementation of the recommendations.

## DEDICATION

I dedicate this work to my late father, J.E. Wenzel, who always encouraged me to do my best.

I think he would be proud of my achievement and the type of project in which I am involved.

## ACKNOWLEDGEMENT

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## Chapter I

### INTRODUCTION

#### The Problem

The City of Urbana uses federal funds to rehabilitate housing for residents who are on a fixed income. In order to receive the federal funding for this project, the city is highly encouraged to hire minority contractors<sup>1</sup> working in the construction trades in the Champaign-Urbana area. The Community Development Department for the City of Urbana has not been successful in recruiting minority general contractors or subcontractors to bid on these jobs.

The lack of bidding on these jobs by minority contractors may be due to a variety of reasons. The contractors may lack specialized training in business skills and management, they may not understand the application and regulation of this government program, they may be victims of racial discrimination, and their businesses may be too small to be able to produce the capital and workers needed for the jobs.

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<sup>1</sup>For the purpose of this research, minority contractors consisted mostly of African-American males.

### Purpose of the Study

One of the objectives of the study is to find out what factors are contributing to minority contractors not entering into a working relationship with the City of Urbana to rehabilitate housing under the federal program. To address that question it is necessary to know the needs of the minority contractors that have to be met so that they can be prepared to participate in the program. After having identified the relevant minority contractors' needs, the second objective is to design an educational program to be implemented by the Cooperative Extension Service.

### Procedures

To carry out the research, the City of Urbana provided a listing of minority subcontractors and general contractors working in the construction trades in the Champaign-Urbana area. A face-to-face questionnaire was designed by the Illinois Cooperative Extension Service. The interviews were performed by an interviewer employed by the City of Urbana.

The questionnaire asks whether or not the interviewees participate in federally funded housing programs. If they do not, the questionnaire asks for reasons why not. Other questions asked relate to business management and expansion, licensing and banking needs. Topics for educational workshops are listed. The participants are asked if they would be interested in attending such workshops, and if yes, which ones.

In addition to the questionnaire, I collected information from people who have designed and implemented educational programs for minority audiences in the Champaign-Urbana area.

#### Overview of the Chapters

The chapters of this study are organized as follows:

In Chapter II, a review of the literature is reported. The review includes the background, the history of minorities in small business, government assistance, the barriers and educational programs relating to minority business entrepreneurs. A report of interviews with an African-American general construction contractor and two educators concerning educational programs held for minority participants are also included.

Chapter III is a general description of how the data were collected, and a description of the respondents to the survey is provided.

Chapter IV describes the results of the survey, a summary of the findings and conclusions regarding the study.

Chapter V discusses the recommended design of the educational workshops.

Finally, in Chapter VI, the events that came about as a result of this study are reported.

## Chapter II

### LITERATURE REVIEW AND LOCAL RESEARCH

The purpose of the review of literature is to document the history of minorities in small business endeavors, what obstacles minority business entrepreneurs have had to overcome and are still facing, and how educational programming for minorities has contributed to their success in gainful employment. The review of literature provides the basis for designing the needs assessment, and supports program development. Local educational programs were also researched to design a successful workshop. Through interviewing local educators who had conducted minority educational programs and a minority general construction contractor, valuable insight was gained to develop educational programming for our select participants.

#### Background

According to the U.S. Census Bureau, 12 percent of the U.S. population is African-American. Smith (1993) found that 3.1 percent of businesses in America are owned by African-Americans. His study also showed that only one percent of revenue generated by U.S. businesses came from black-owned businesses. Forty-nine percent of all of black-owned businesses were concentrated in lower pay service industries and the service sector accounts for nearly one-third

of all black-owned business revenues" (Smith, 1993: D13). Mescon (1987) reports that "service industries and retail trade businesses comprised 68 percent of black firms and 59 percent of their gross receipts, with more minority firms concentrated in these industries than was true for firms overall" (Mescon, 1987:62). Automobile dealerships, service stations, miscellaneous retail stores, food stores, restaurants, drinking establishments and health services account for the highest profitability for African-American businesses (Mescon, 1987:62). Although minority interest in business ownership is increasing, minority businesses continue to fail at an alarming rate.

#### History

By reviewing a segment of history about African-Americans, one begins to understand the rather large discrepancy between the levels at which African-Americans are self-employed and members of other races are self-employed. African-Americans have been hindered in business because of conditions they have endured that were contrary to successful business enterprise.

After emerging from slavery, most African-Americans had no possessions or property and most were not admitted to public schools because of fear and prejudice. They became handicapped by illiteracy and a lack of specialized training.

In the late nineteenth century, especially in the South, African-Americans did provide services to the white population as barbers, hairdressers, wigmakers, and caterers. Whites became their



patrons, often showing a paternal attitude towards these new servants (Boyd, 1990:263).

This practice changed early in the 20th century. Immigrants who came from Europe to this country after World War I were willing to work for low wages and soon filled jobs that African-Americans usually accepted. Furthermore, African-Americans left the South in order to take higher paying jobs in the North. This migration weakened any "paternalistic" relationship that had grown between African-American service providers and the white consumers in the South. It also "gave rise to 'protected markets' for the black entrepreneurs catering to special consumer demands for blacks like barbering, beauty culture and funeral systems" (Drake-Clayton, 1962:436). African-Americans were urged by their clergy to buy at African-American owned establishments and not to buy where African-Americans were not allowed to work. Yet, with little community solidarity because of the lack of African-American community leaders, and the African-Americans refusing to trade with establishments controlled by or owned by whites, the African-Americans suffered insufficient business patronage and lost strength (Boyd, 1990:263). However, in cities such as Atlanta, Georgia; Birmingham, Alabama; and Durham, North Carolina, those who became business owners enjoyed success. "Durham, North Carolina, was called the 'capital of the black middle class' because of its vibrant black commercial districts" (Frazier, 1925:333).

Although the population of Atlanta, Birmingham and Durham allowed African-Americans to be relatively successful in business, Boyd (1990) quotes Drake and Clayton to cite reasons why white-owned businesses dominated trade in profitable consumer goods. They were:

"First, blacks had no special 'culturally-based tastes' for groceries, liquor, furniture, or appliances, so protected markets in these areas failed to develop. Second, black retailers had trouble competing with white-owned businesses for reasons that are well-known, including: (1) restricted access to capital due to discrimination in lending by white banks and the retarded development of black banking; (2) difficulties in acquiring sound management training; (3) inability to secure locations on main business streets because of restrictive covenants in real estate and business licensing; (4) insufficient patronage by black consumers, which made it hard for proprietors to generate the cash-flow needed for inventory diversification or business expansion; and (5) lack of community solidarity, in particular, the inability to organize cooperative efforts to generate support for black businesses" (Boyd, 1990:261).

Many of the factors listed by Boyd continue to impede the rate at which African-Americans own their own businesses. This research project attempts to address the special needs for management training.

In the 1920's, the "double duty dollar" theory argued that if African-American consumers spent their money in African-American owned businesses, they would be benefitting themselves because the African-American business owner would expand and be able to hire more African-Americans (Drake and Clayton, 1962:437). This theory floundered when "racial loyalty failed to generate the mutual trust" (Boyd, 1990:261). In the cities, rural African-Americans were ostracized by the more successful urban African-Americans who "excluded the migrants from

churches, fraternities and other important community organizations" (qtd. in Boyd, 1990: 216).

As late as the 1930's, Drake and Clayton wrote that "few Negro retailers had any apprenticeship or training in business before taking the plunge" (qtd. in Wolfe, 1971:26). The quality of their work experience in retail trade was very poor with few experiences in management and sales (Wolfe, 1971:26).

The review of the literature points out the difficult history for African-American businesses. Obviously, there has been a shortage of successful mentoring or apprenticeships for African-Americans in business due to prejudice from whites; extremely limited opportunities in training for sound management and business skills has been evident throughout the history of African-Americans in business.

The research for this study asked about skills necessary for owning and managing a successful business - such as, evidence of business plans, recordkeeping, and credit lines for cash flow for daily operations.

#### Government Assistance

During the Nixon Administration (1969), the Office of Minority Business Enterprise was established. It was later known as the Minority Business Development Agency and provided would-be minority entrepreneurs with technical and managerial assistance, direct loans and loan

guarantees, financial grants, and set-aside procurement from federal agencies. Federal commitment to expanding minority ownership increased tenfold according to the Report of the Task Force on Education and Training for Minority Business Enterprise, January 1974. These efforts focused specifically on providing investment capital, access to sources of supply and markets for minority entrepreneurs, but the Report states "few of these new ventures show the potential for long range survival or major economic growth without permanent government subsidy" (Task Force, 1974:3).

During the administration of President Jimmy Carter, measures were developed for African-American businesses to be financed by the federal government. African-American contractors profited because of projects in public works supported by the U.S. Department of Commerce (Editors, Black Enterprise, 1992:210).

When the Reagan administration took over in 1980, public policy changed to less proactive steps for minorities (Editors, Black Enterprise, 1992:210-1). The Small Business Administration shifted away from the predominant use of affirmative action as a tool to equalize economic opportunities for African-Americans and other minorities on grounds of reverse discrimination. When this happened, programs awarded to African-Americans dropped significantly (Gupta, 1993:R1).

Sole-proprietor African-American owned businesses have fallen on hard times. The U.S. Census Bureau observed that unincorporated African-American business ownerships declined

by eight percent during the 1970's.

According to the U.S. Bureau of the Census, 1985, unincorporated sole proprietorships (92 percent of African-American owned firms) "were hard-hit with their inflation-adjusted receipts falling by 14 percent" (O'Hare, 1986:27-29). Federal programs have fallen far short of their potential and are tangled in a quagmire of red tape. "Needless bureaucratic entanglement strangles the lifeblood from businesses owned by minorities" (Gupta, 1993:R1).

Because government agencies use general hiring standards, such as civil service exams, "blacks have gravitated to public service" (Boyd, 1992:263). Affirmative Action rulings aid African-Americans wishing to work in the public sector because it is strongly enforced there and that is not always the case in the private sector. As African-Americans hold more and more government jobs, the chances that there will be more African-American entrepreneurs dwindle. Thus, with fewer African-Americans being represented in the private sector or business enterprise, less community interest or involvement may be shown by African-Americans. A lack of ownership of the business sector of the community by the very people (African-Americans) who live there is a detriment to the inhabitants. A scarcity of African-American businesses within their own communities reduces the possibility of "power and status necessary to reduce prejudice and break down barriers to black economic progress" (Boyd, 1992:269).

The Report of the Task Force on Education and Training for Minority Business Enterprise, submitted to the Secretary of Health Education, and Welfare and the Secretary of Commerce in

January, 1974, studied the problem of developing management and business skills for minorities in business. The Task Force arrived at six basic conclusions:

1. The high rate of failure for minorities in business can be linked directly to poor management and business skills.
2. An ongoing problem exists where trained minorities in management and business are not available for the growing number of new and expanding minority businesses.
3. Minorities cannot own and manage successful businesses with lack of critical management and business skills.
4. Education and training programs must become a part of the federal government strategy.
5. There is still inadequate training for entrepreneurs in the ranks of minority youth.
6. National, state and local resources should support educational programs for minority entrepreneurs or those who wish to be.

"Based on these findings, the Task Force has concluded that a comprehensive program for minority business enterprise education and training must be established if the national goal of expanding minority business ownership is to be successful" (Task Force, 1974:4).

Gupta (1993) implies that government contracts contain too much "red tape" and lack clarity. All levels of government should support African-American community leaders to reinforce good work ethics and to develop characteristics for leadership and volunteerism in their communities.

Government should offer, along with private sponsorship, educational programs for minorities in small businesses.

The questionnaire asked if general contractors or sub-contractors had participated in federally funded home renovation programs and if they had not, why not?

### Barriers

Clifford L. Alexander (1991), former Secretary of the Army under President Carter, said, "When I was Chairman of the Equal Employment Opportunity Commission more than 20 years ago, our studies determined that at least 75 percent of the time, plain old prejudice was the reason that black men and women received lesser job opportunities and fewer promotions" (Alexander, 1991:18). Unfortunately, African-Americans aspiring to own or expand their own businesses do not escape this prejudice according to social scientists. They are often denied the same information about jobs that others receive (Braddock II & McPartland, 1987). "Black job seekers are primarily tied to social networks composed of other blacks, who, on the average, are not as well situated to know about many desirable openings as the members of the social networks used by white job seekers" (Braddock II & McPartland, 1987:8). Because of a lack of information, due to a lack of properly connected networks in the minority sector, important and high-paying jobs are not bid on by African-Americans, such as in the construction business, where many jobs are found by word-of-mouth. A structured communication network for minorities in areas of small business would help them attain information regarding job availability. The network could also form a basis where minorities could share management techniques, record keeping, accessibility of capital and promotion of their businesses.

According to Eugene Carlson (1993:R1), "A public opinion poll of several hundred black business owners commissioned by The Wall Street Journal found that being snubbed by banks is pretty much the norm". The opinion poll was conducted by the Roper Organization in late 1992 and early 1993, interviewing 500 African-American business owners throughout the continental United States. Some findings of the poll stated:

- \* Although 85 percent of those polled said they knew how to raise funds, 75 percent believed it was much more difficult for African-American business owners to raise capital than it was for white business owners.

- \* Over two-thirds said major changes are needed in opportunities to start their own firms.

- \* Almost two-thirds said they were charged higher interest rates because they were African-American.

- \* A lack of collateral and a perception that African-Americans lack business acumen are the major setbacks when African-Americans try to borrow money for capital flow.

A Roper poll questioned businesses from the Small Business Administration's list of those African-American businesses with annual revenues of at least \$100,000.00. "70% said they had relied entirely on personal savings to finance their businesses. On average, 83% of the financing for black-owned businesses overall was found to come from personal savings. Lending institutions had provided only 6% - the same proportion supplied by friends and family" (Gupta, 1993:R4).



Michael Selz (1993) reports that "banks have tightened lending procedures in the wake of the savings-and-loan debacle, business owners of all races have had an extraordinarily difficult time getting loans" (Selz, 1993:R7). African-Americans still seem to have the most trouble obtaining financing. To cope, African-American business owners "have to work harder to raise less money. A white person may have to talk to three banks to raise money - a black has to talk to six banks" (Selz, 1993:R7).

Cleveland M. Chapman, President of Midwest Contractors for Progress giving testimony at the Minority Construction Contracting Hearing in Chicago, Illinois on December 8, 1989 reports:

"The other problem that we have had since the inception of these problems have been insurance, bonding, and banking. The banking seems to have a hard time in lending to black businesses. For instance, a black person can have a job paying less than \$20,000 a year and get a \$30,000 Cadillac. But that same person can go into business with the opportunity to make \$50,000 a year and cannot get \$30,000 to buy a truck to work with. This is not something that is taken out of the air, this is everyday life of black Americans" (Congressional Hearing, 1989:27).

"Racial discrimination is widespread and deeply rooted in the construction business" (Brimmer, 1992:44). A Washington, D.C.-based economic consulting firm, Brimmer and Company, conducted research where "hundreds of contractors and other business people (African-American and white) and dozens of public officials were interviewed; thousands of pages of contemporary

and historical documents were also examined" (Brimmer, 1992:44). The studies showed that discrimination occurs within the framework of the construction industry and its policies.

Brimmer (1992) reports, "construction businesses are a major factor in the U.S. economy. In 1991, new construction was worth \$404.9 billion. This figure represented 6.3% of total business revenues and was equal to 7.1% of gross national product (GNP)" (Brimmer, 1992:43). However, entering into this industry and opportunities for expansion are severely hindered by discrimination against African-American contractors (Brimmer, 1992). In 1991, out of 4.7 million people working in the construction industry, only 327,000 were African-Americans. According to Brimmer, "The highest disparity index was found among special trade contractors, which include specialists in electrical work, elevator installation, heating and ventilation and air conditioning" (Brimmer, 1992:43). Few African-Americans may be in these specialized trades because of lack of training, lack of start-up capital, and a lack of understanding in licensing procedures.

It is important to understand the distinct differences between the functions of a general contractor and subcontractor in the construction business. The Brimmer Report says that "decisions flow from the general contractor (GC), which is typically a large firm that has assembled construction equipment and key personnel, including professional and technical experts (such as architects and engineers), master craftsmen and unskilled laborers. The GC has also gathered equity capital and has access to bank credit, bonding facilities and insurance coverage" (Brimmer, 1992:44). The general contractors usually have bank credit access, bonding information, and

adequate insurance coverage.

Subcontractors usually work directly below general contractors and these firms are usually very small. These subcontractors and their employees may or may not be specialized in certain aspects of the trade, such as electricians, plumbers and roofers. According to Cleveland M. Chapman, "Unions - plumbers union, cement finishers union, iron workers union, and labor union - these unions are also lacking in training minorities and blacks"(Congressional Hearing, 1989:34). Racial discrimination may also be at the root of blacks not holding specialty jobs in the construction industry.

The networking to be able to bid on high-paying jobs is firmly in place. Many times those in the public sector who know about these jobs belong to the "old-boy" networks. Contractors are chosen after their capabilities are evaluated; Brimmer (1992) reports that this can result in prejudice against African-Americans and women in these ways:

"Historically, apprenticeship programs were run by trade unions, and entrants were usually sons and nephews of members. Until the 1960's, both the programs and building trade unions excluded blacks.

Limitations, including small size and thin performance records, have restricted black firms from [sic.] working primarily as subcontractors.

Blacks often do not get notice of upcoming public contracts.

General contractors include black subcontractors only on public-sector projects - where such participation is increasingly required.

Black contractors find it difficult to obtain insurance or bonds, which guarantee performance.

Black contractors find it difficult to obtain bank loans.

General contractors can increase total revenue above the winning bid price by negotiating change orders as the work progresses. Blacks complain that it is nearly impossible for them to do this.

Having access to a secure supply of construction materials at competitive prices is vital.

Black firms are excluded from developing such ties" (Brimmer, 1992:44).

The literature reviewed discerns how deeply and subtly racial discrimination plays a role when looking at African-Americans in the construction trades. African-Americans feel discriminated against when applying for loans, bidding for jobs and attaining bonding.

The questionnaire used in this research asked what the greatest obstacles were to expanding the construction business, and if the general contractors or sub-contractors held any electrical, plumbing and/or roofing licenses. Participants in the survey were also asked if they used banks and, if so, for what services. They were also asked if they had obtained insurance for their business.

### Educational Programs for Minorities

The question "what can communities do to ensure more participation by minorities in business development?" (Mann, 1990:30) was worth researching for generating successful programs.

African-American entrepreneurs need to be able to schedule classes around their "working day" needs. Mann (1990) reports that according to his study, courses need to be offered in the evening. They should be geographically accessible, have a sufficient number of meetings, the meetings should not be too lengthy, have excellent printed handouts and provide an opportunity for socializing, networking and provide refreshments (Mann, 1990:31-2).

In Dade County, Florida, there has been an increase of 177 percent over the last twenty years of African Americans who represent seventeen percent of unemployed persons (Mescon, 1987:63). The county recognized that this area of South Florida would not experience long-term economic development without African-Americans being involved in planning for the future. "The Entrepreneurial Institute, a multi-university sponsored training and development organization, was formed in 1983 to encourage the formation and success of minority (and particularly black-owned) small business in South Florida" (Mescon, 1987:63). According to Mescon (1987) the Institute had the following eight objectives:

- "1. Provide existing small business owners with the skills necessary to improve their business performance.
2. Improve small business performance to levels requiring additional employment.

3. Encourage thoughtful and educated new business development.
4. Provide prospective entrepreneurs with requisite skills for business ownership.
5. Provide access to bidding and procurement for private and public-sector projects.
6. Dissuade ill-prepared prospective entrepreneurs from starting new businesses.
7. Deliver direct, pragmatic technical assistance to minority small business owners.
8. Facilitate loan packaging and presentation for prospective and current business owners" (Mescon, 1987:63-4).

Mescon's (1989) summary relates that over 1,000 minority business people have participated in the Entrepreneurial Institute. Over thirty percent of these participants responded to a survey conducted by the Institute. Of these respondents, 38 percent said they owned their own businesses, 40 percent wanted to start businesses and 22 percent were undecided about their goals. The program is expanding and is exploring new possibilities of offering classes in: "franchising, insurance and bonding, bidding, joint ventures with majority firms, nontraditional funding mechanisms, networking with Chambers of Commerce and direct contact with successful minority entrepreneurs from around the country" (Mescon, 1989:65).

By reviewing educational programs that had been designed for African-Americans in business and interviewing local educators and a minority contractor, developing a workshop was becoming a more realistic concept.

### Local Information

An African-American general contractor, Glenn Love from Champaign shared with me some reasons for his success. Mr. Love's business is called "Arctic Air". When I asked him about the name, he said many people were familiar with the name since he started out in air conditioning and later expanded into construction.

It has taken Mr. Love some time to overcome the feelings of racism that he first felt when he started in the construction business. Mr. Love recounted that certain banks would not give him the "time of day". He has spent long, hard hours to earn a good reputation. He has worked hard to put himself on the same level as white contractors.

Mr. Love reported that he has attended "every" seminar or class available in the construction business. At times, this has been costly, but he feels it was well worth the effort. In his judgement, African-Americans have been offered the one-day format style of seminars; they always left little time for questions or "hands-on" workshops.

Instead of using subcontractors exclusively, he is able to keep an experienced group of employees working for him. Keeping informed of the private and public sector jobs being bid is an everyday event. He stated many times minority business entrepreneurs miss out because they do not ask questions. Mr. Love found that this is a necessity in his competitive business. According to Mr. Love, African-American men are not often willing to admit that they do not

know how to improve their business and do not ask questions that will help them.

After this interview, I wanted to learn more about educational programming that had occurred in the Champaign-Urbana area for minorities. I conducted two interviews with professionals who hold educational programs for minorities.

The first interview was with Ms. Beverly Jean Flood, Assistant to the Director of the University of Illinois Food Services - Mrs. Maria Ramos. Ms. Flood related that a cook, an African-American, came to Mrs. Ramos claiming that she could not read. After Mrs. Ramos arranged for some testing, the cook was found to be impaired by the condition known as "dyslexia", a reading disorder. Once the problem was diagnosed, the clerk was helped through some special education and was able to read recipes and perform her duties. Thinking that this may not be the only employee to be suffering from disorders or illiteracy, Mrs. Ramos arranged for Anne Hill from personnel to have the employees tested.

Classes were offered to employees through the Adult Education Department in Urbana. Mr. John Muirhead is the director of that program and worked with Mrs. Ramos to offer these classes. The workers attended the classes for one and a half hours on Wednesdays and Thursdays from September to December and February to the beginning of May. They were provided transportation by bus to Urbana from Peabody Hall which was central to their work area. The participants were given two hours off with pay in order to participate. The Director of Housing for the University of Illinois, Dr. Gary North, authorized the program, including



funds to pay participants wages.

The workers were mostly African-Americans. Mrs. Ramos had treated them with dignity and an "open door" policy which allowed them to open up to her. Because of this she gained their trust. This trust was directly attributable to the success of the program.

Volunteers were used to help in the education workshops. At the end of the program it was deemed important to recognize the volunteers and the graduates (workers) at a recognition banquet. Self-esteem was gained by the workers participating in the programs. Ms. Flood related that the classes were very important to the workers as they gained satisfaction by improving their knowledge of math and learning how to read.

The program became a model for employer supported programs. Over 45 people went through the program over a five year period. Mrs. Ramos says in her experience in this work area, she found that almost 50 percent of those who are functionally illiterate try to conceal their illiteracy by denying it, or are not aware that they are functionally illiterate. Becoming literate by attending the workshops greatly enhanced the workers productivity and aided them in attaining a higher quality of life.

The discussion of the Ramos program proved that programming has to be planned with the level of literacy of the participants in mind. The workshops need to be geographically available so that transportation does not pose an insurmountable problem for the participants. The time of day

needs to coincide with time available for "working" people.

The second interview was with Ms. Anita Bergman, Director of Community and Economic Development at Parkland College, a community college in Champaign. Parkland College developed S.P.O.T., Single Parent Opportunities and Training. The goal of the project was to enlist and train Junior League volunteers to assist minority single parents in accessing necessary education and training for the purpose of developing skills leading to gainful employment and financial independence.

The program is a cooperative effort of Parkland College with funding by the Sears Roebuck Foundation. The Junior League adds supplemental funding and volunteers to allow for additional participants in the program. The Job Training Partnership Act (JTPA) office identifies, enrolls and services minority single parents who are socio-economically disadvantaged (AFDC eligible). The ultimate goal of this project is to assist participants to overcome disadvantages of the past and provide classroom and job related training resulting in gainful employment. Literacy, GED preparation, vocational skills training, job search and survival skills are tools developed to overcome deficiencies.

The Junior League volunteers tutored, staffed the S.P.O.T. Center, helped with job skill training and used community liaisons for dealing with daily living needs - such as record keeping and accountability. In order to accomplish these jobs, the Junior League of Champaign-Urbana agreed to provide 15 - 20 volunteers. Each volunteer donated 12 to 15 hours per month.

Approximately five thousand dollars was provided by the Junior League for supplies; telephone expenses; a resume seminar; postage; a seminar on interview skills, time management and budgeting; tutoring supplies and petty cash for transportation and communication emergencies. The Champaign Consortium (JTPA) allocated one thousand dollars for books and support services including child care and transportation.

According to the 1989-90 Annual Report, ten participants were enrolled in the first program. One finished a one-year program in business information processing and one finished a year program in the licensed practical nursing program at Parkland College. Four were planning to return to finish second year programs at Parkland and two were not sure at the time. One was moving out of the state and one was not returning to school. The ten minority women participated in programs of business information processing, radiology technology, public relations, licensed practical nursing, child development, broadcasting, office careers, and pre-registered nursing. The program was planning on adding three new participants.

The program drew attention to the fact that a philanthropic organization, such as the Junior League, is more than capable of organizing and collaborating with other organizations and institutions to develop and implement an educational program for a selected audience.

Both of the above educational programs examined the needs of the participants from a social and economic standpoint. The classes were held in a non-threatening environment for the students; wages were provided while they attended classes; and domestic needs such as child care and

transportation were available. Clearly, these factors must be considered when planning educational programs or workshops for disadvantaged minorities.

### Summary

The goal of the literature review and local research is to provide a basis for designing the needs assessment for the study and support program development.

The review of the literature shows factors that may be partially responsible for African-Americans being unable to establish a vital business class. Barriers to their attainment of success in business have been racial discrimination, a lack of specialized training, a presence of illiteracy, a lack of government incentives for private enterprise, a lack of African-American business networks, and inaccessibility to bank credit, bonding and insurance coverage.

Research on the needs of African-Americans employed as general contractors or subcontractors in construction trades was needed to develop educational workshops that would address the needs of the participants in such educational programs.

Data were acquired through a survey of minority and women general contractors and subcontractors in the construction trade. An interviewer was hired through the City of Urbana. Questions on business management background, insurance, licensing, general contracting,

subcontracting, financial management and educational seminars were asked to ascertain the objectives that should be achieved when implementing educational programs in the construction industry for African-Americans.

## Chapter III

### RESEARCH METHODS

#### Survey Design

The study was conducted to determine why minority subcontractors are not participating in federally funded rehabilitation projects sponsored by the City of Urbana's Community Development Department. Data were collected from minority general and subcontractors during the month of September, 1991. The respondents were, at that time, active in the construction business in Champaign County.

#### Content of Interview Schedule

The survey was intended to determine what factors may be inhibiting minority subcontractors from actively participating in rehabilitation projects that are being conducted by the City of Urbana's Economic Development Department. Based on the literature review and interviews with knowledgeable informants, questions were designed to determine information about the following categories:

- I. Business Management Background
  - A. Type of business
  - B. Number of employees
  - C. Needs of business
  - D. Obstacles to expansion of business
  
- II. Insurance
  - A. Level of liability insurance
  - B. Difficulties in obtaining insurance
  
- III. Licensing
  - A. Existing licenses for business
  - B. Interest in obtaining licenses
  
- IV. General Contracting
  - A. Participation in federally funded programs
  - B. Interest in future participation
  
- V. Subcontracting
  - A. Participation in federal housing renovation programs
  - B. Interest in future programs
  - C. Factors inhibiting participation or willingness to participate.
  
- VI. Financial Management
  - A. Size of average contracts
  - B. Knowledge about banking and the banking services
  - C. History of business loans
  - D. Keeping books for the business
  
- VII. Educational Seminars
  - A. Interest in certain areas
  - B. Willingness to pay

The survey also asked questions to determine the work history of the contractors. I, furthermore, wanted to ascertain how minority contractors really felt about their own interactions with such institutions as banks and governmental projects. Contractors were encouraged to answer open-ended questions honestly and candidly.

A copy of the survey can be found in Appendix A.

#### Interview Respondents

The list of minority general and subcontractors was provided by the City of Urbana's Community Development Department. The list was revised and names were added by an employee who had been hired by the Urbana Community Development Department. She was familiar with many of the minority firms since she had previously been employed by the Housing Authority in Danville, Illinois.

It was decided to hire the above mentioned employee to personally interview the contractors, since it was expected that a higher percentage of completed surveys would result with personal interviews. Surveys sent in the mail usually have a lower rate of return and given the knowledge that the respondents were struggling in order to attain success in their businesses, it was considered that to mail out questionnaires and expect a good response rate would be unrealistic. During the months of August and September in 1991, 22 interviews were successfully completed from a list of 35 contractors provided by the City of Urbana's



Community Development Manager, Bruce Stoffel. Only 22 interviews were complete because of business closures and some businesses refused to be interviewed. The interviewer made phone calls to each business in order to secure interview times since it was decided that each business would respond to the interviewer's questions in person. The interviewed businesses represented electric, landscaping, concrete and masonry, heating and cooling, general maintenance, painting and decorating, plastering, excavating, plumbing, general carpentry and hauling.

#### Data Analysis

The answers to the surveys were coded and responses to the open-ended questions were recorded. The tabulations were performed by myself on a computer with the SPSS program in the Agricultural Economics Department at the University of Illinois. Due to the small number of respondents, only simple descriptive statistics are presented.

#### Description of Participants

The survey asked a question of the respondents in order to know what construction trades were represented. There were several respondents that listed more than one duty that they performed in the construction trades. For instance, five listed general maintenance and hauling. Hence, the total number is 35 even though 22 people actually were interviewed for the survey. The

following table lists the occupation and the number of participants engaged in that occupation.

TABLE 3.1 Reported Participant Construction Trades

Painting	6
General Construction	5
Hauling and General Maintenance	5
Masonry and Carpentry	5
Electrical	3
Plumbing	3
Concrete	2
Excavating and Demolition	2
Landscaping	1
General Maintenance	1
Roofing	1
Total	35

The trade of painting was the most mentioned. It is the least expensive business for the contractor to enter. The trades that were least mentioned, such as: concrete work, excavating and demolition, and landscaping require expensive equipment and high capital to start.

Electrical work, plumbing and roofing were also infrequently listed. These three trades require licensing. Licensing requires being an apprentice (in some instances), a form of quality minimum standards, application and fees. These reasons may have been a deterrent for the

contractors. The following table shows the facts about whether or not the participants held licenses.

TABLE 3.2 Reported Licenses By Respondents

Licenses	Frequency	Percent
Electrical	3	14
Plumbing	2	9
Roofing	1	5

The respondents were asked specifically if they worked alone in the business. Fifteen of the participants did which signifies how small the businesses are that were surveyed. Seven said they did hire others. The largest number of people employed by one contractor was three, although one contractor said, "It varied", and another contractor did not give a number. It is clear that the minority businesses included in the survey were not large, if a large business is one employing over 50 people. (See Table 3.3)

Table 3.3 People Employed In Reported Respondents Businesses

Employees	Frequency	Percentage
None*	15	68
One	1	4
Two	2	9
Three	2	9
Varied	1	4
Would not divulge.	1	4

\* None besides one respondent.

Job Titles

Two questions on the survey determined whether the contractors were general contractors or ever had been general contractors. Only two said they were or had been general contractors. It was assumed that the participants answering no to both questions were subcontractors (20).

Dollar Amount of Business

Another way to be able to describe the participants in the survey was to ascertain what the

average job was that they had performed in dollar amount of their contracts. The most frequently given amount was \$1,001 to \$5,000, depicting a low average contract amount for a job. Table 3.4 illustrates this point.

Table 3.4 Reported Dollar Amount of Average Contracts By Respondents

Contract Size	Frequency	Percentage
\$1,000 or less	3	14
\$1,001 - \$5,000	13	59
\$5,001 - \$10,000	3	14
Greater Than \$25,000	3	14

The dollar amount of the largest job they had completed in the last three years was also ascertained. The largest amount given was \$3,200,000.00. The range varied from 0 to \$3,200,000.00. For more detailed information, please see Table 3.5.

Table 3.5 Responses Regarding the Largest Job in Dollar Amounts

Dollar Amount	Frequency
\$3,200,000	1
\$ 47,000	1
\$ 8,000	1
\$ 6,800	1
\$ 6,000	2
\$ 5,500	1
\$ 4,000	2
\$ 3,750	1
\$ 3,000	2
\$ 2,900	2
\$ 2,800	1
\$ 2,300	1
\$ 2,200	1
\$ 1,800	1
\$ 900	1
\$ 0	1
Would not divulge.	1

One question that was not included that may have been better able to describe the participants is, "Do you have another part-time job?" One would know from the answers whether the construction business was adequate or inadequate for them to be able to make a living.

### Summary

The data show that very few of the participants who took part in the survey were involved in big construction businesses. In fact, it is questionable whether or not they relied on the construction business to make a living. From the survey one can infer that the most of the participants may not even be making a living on the profits from their businesses.

The trades that were least mentioned, such as: concrete work, excavating and demolition, and landscaping require expensive equipment and high capital to start.

## Chapter IV

### RESULTS OF THE SURVEY

#### Goals of the Study

The long term goals of the study were to be able to design and implement programs that would:

(1) aid minority construction contractors in expanding their present businesses, and (2) aid minority construction contractors in participating in the rehabilitation of housing program by the City of Urbana.

#### Expansion and Management

As indicated previously, among the contractors, 15 worked alone and only seven hired one to three people per job or it varied with the job. Yet, as many as 15 of the construction contractors said they would like to hire one or more employees, thus indicating a definite ambition to expand their businesses. An overwhelming 95 percent said they would like to add more equipment to their business.

When asked why they had not been able to expand their businesses, the reasons in Table 4.1



indicate the nature of the constraints:

Table 4.1 Reported Reasons by Respondents for Non-expansion of Business

Reasons	Percent
Lack of Money	95
Lack of Business Leads	32
Lack of Work	32
Lack of Skilled People	27
No Management Skills	5

By noting that these contractors who responded to the survey were not big businesses, aided in understanding that to attempt to bid on such large jobs as the City of Urbana offered (such as housing rehabilitation) was inconceivable. These small business contractors could only concentrate on modest contracts. Also, by listing "a lack of money" as the major constraint for expansion, some insight is given as to their financial situation. A lack of cash flow or capital would restrain them from bidding on the government contracts because the government does not pay the general contractor until the job is finished. The responding contractors do not have the money to hire subcontractors to do the job.

#### Insurance

Successful business persons carry insurance to adequately cover any liability they may encounter

when in business. They also carry insurance on all vehicles used for business, equipment used for business, and for their workers in case of accident or death on the job. A small business should carry at least one million dollars in insurance according to Small Business Extension Educators in the Illinois Cooperative Extension Service.

When asked these questions on the survey the respondents answered as noted in the next two tables:

Table 4.2 Reported No Difficulty or Difficulty in Obtaining Contractor's General Liability Insurance by Respondents

Obtaining Insurance	Frequency	Percent
No Difficulty	7	32
Don't Have Any	7	32
Can't Make Payments	2	9
Hasn't Tried to Obtain	2	9
Haven't Needed Any	1	4
Size Was Too Small	1	4
Semi-retired	1	4
No Answer	1	4

Table 4.3 Reported Levels of Liability Insurance Maintained by Respondents

Value of Insurance	Frequency	Percentage
None	17	77
\$300,000 - \$500,000	1	5
\$500,001 - \$1,000,000	2	9
More than \$1,000,001	2	9

Four questions were asked in the questionnaire of the 22 respondents to better identify what types of insurance they may be having trouble obtaining. It was astounding how many answered that such types of business insurance, usually deemed absolutely necessary for businesses, were not applicable to their business. In all instances, no answers of explanation were given. Please see Tables 4.4, 4.5, 4.6 and 4.7 for the results.

Table 4.4 Reported Difficulty in Obtaining Workers Compensation Insurance For Workers

Workers Compensation Insurance	Frequency	Percent
Yes	2	9
No	4	18
Not Applicable	16	73

Table 4.5 Respondents Reporting Having Difficulty in Obtaining Business Vehicle Insurance

Vehicle Insurance	Frequency	Percent
Yes	2	9
No	5	23
Not Applicable	15	68

Table 4.6 Respondents Reporting Difficulty in Obtaining Business Interruption Insurance for Their Business

Business Interruption Insurance	Frequency	Percent
Yes	2	9
No	4	18
Not Applicable	16	73

Table 4.7 Respondents Reporting Difficulty in Obtaining Any Other Insurance for Their Business

Any Other Business Insurance	Frequency	Percent
Yes	2	9
No	5	23
Not Applicable	15	68

The majority of the participants who responded to the survey were without business insurance at any level deemed necessary. This fact was important to the study to understand why the

respondents were not applying for the federally funded contracts. The application for the contracts offered by the City of Urbana stated that all contractors had to be insured and post proof of this insurance.

#### Licensing

As indicated earlier in Table 3.3, of the 22 participants in the survey, only three respondents had electrical licenses, two had plumbing licenses and one had a roofing license. Yet, most of the respondents (19 of 22) wished to obtain licensing. Being licensed was deemed important by this group. By being licensed, they would be more employable by general contractors for such projects as remodeling and rehabilitating housing by the City of Urbana.

#### General Contractors and Subcontractors

One of the most important components of the survey was the section dealing with general contracting and subcontracting because the City of Urbana was most interested in hiring a general contractor that was a minority. Only two of the contractors considered themselves general contractors because they had actually managed other workers in completing work assignments in construction jobs. Just one had actually participated with the City of Champaign in a federally funded housing renovation project. When subcontractors were asked if they would like to become general contractors, seven out of 22 respondents said, "yes". The rest of the contractors gave these reasons for not becoming general contractors: too much responsibility,

did not want to deal with subcontractors, had no "start up" money, there was too much paperwork, had no insurance, were too busy, could not get credit and they liked being a subcontractor.

Data from the survey revealed that 77 percent of the contractors were interested in participating in the federal housing renovation programs in the Champaign-Urbana area. When asked why they were not involved at this time, they gave the reasons noted in Table 4.8:

Table 4.8 Reasons For Non-involvement in Champaign-Urbana Federal Housing Projects

Reasons	Frequency	Percent
Can't Meet Requirements	13	59
Don't Get Information	10	45
Don't Work With Contractor	3	14
Too Much Paperwork	2	9
Too Busy	4	18

These data were very important to illustrate why more minority contractors were not bidding on projects. It also helped in knowing how to design the workshops that could relate knowledge about how to apply and what had to be accomplished in order for these respondents to be accepted for the housing projects.

### Financial Management

The general small size of the businesses involved in the survey has already been documented in Chapter III.

Over half of those interviewed do not use banks for any of their business operations. Reasons cited for not doing so were: "bank personnel deals duplicitously [sic.] with minority business enterprises contractors", "bank staff possess prejudice or racist attitudes", "extreme credit checks are done on Minority Business Entrepreneurs (MBE) so as to discourage return", and "bank staff makes it difficult for MBE without sufficient collateral". There is obviously an incredible amount of discomfort in working with banks as evidenced in the survey responses.

Of the nine contractors who do use banks, only one rated the services as "very good". Four rated the bank as good and three rated the services fair. One said they were poor. Only seven (including the four that rated the banks as good) seemed to trust banks in that they could ask one specific person for information and advice.

Sixteen contractors did not obtain loans at the banks. They stated multiple reasons for not getting banks loans. Four said they had poor credit lines, six said they had insufficient collateral and one said there was no business plan. Six thought they hadn't needed a business loan and five said they never tried for a loan. High rates and/or fees were not mentioned as a deterrent. Over all, the contractors felt that banks do not met their needs for long-term goals.

About five of the contractors use banks for getting information about their business. This information includes: obtaining credit, expansion, expense management, business plan preparation and investments. The small number of contractors using banks and their services indicates that their businesses are surviving from "job to job" or "paycheck to paycheck" with no long term investment decisions being made.

In order for a business to do business with banks, a loan officer or other bank officer will want to see the records of the business. If a business does not "keep books", a bank has no record of what success the business has had in the past and, therefore, is not apt to establish credit for that business. When asked how often they update their books, the responses indicate that financial management leaves much to be desired (See Table 4.9).

Table 4.9 Frequency of Updating Business Books by Respondents

Frequency of Updating Books	Frequency	Percentage
Weekly	3	14
Monthly	5	23
Quarterly	2	9
Don't Keep Books	11	50

It is difficult to believe that anyone in business would not keep records, but one-half of the contractors surveyed do not. One can surmise the hesitancy that bank officers would have in establishing credit for those contractors based on this fact.



There were five respondents who said they asked the bank for information about getting credit, expanding business, helping manage business expenses, preparing and updating business plans and investing their profits.

Educational Workshops

Respondents to the survey were very interested in attending seminars concerning business management and expansion. Table 4.10 relates the level of interest from the 22 participants.

Table 4.10 Respondents Answering Yes to Attending Workshops in Business-related Subjects

Understanding the Federal System	21
Getting Credit	18
Advertising and Marketing	18
Preparing Bids and Proposals	18
Keeping Books	18
Insurance	18
Financial Management	16
Pricing Your Services	16
Preparing a Business Plan	16
Law and Legal Matters	15
Expanding Your Business	13
Hiring Employees	12
Licensing Application	9
Setting Up Vendor Accounts	9

This information was very important to glean from the questionnaire, as it indicated to the City of Urbana and the Cooperative Extension Service what was the most important subject matter to present to the construction contractors. These results gave a basis to commence designing educational workshops for a select audience.

When asked if they would be interested in the workshops if offered at a low cost, twenty one of the twenty two responded, "Yes". One said he or she would be somewhat interested. This shows an extremely high interest in wanting to learn more about business skills and business management.

## Chapter V

### SUMMARY AND RECOMMENDATIONS

#### Summary

In the spring of 1991, Dennis Thompson, formerly the agricultural adviser and presently the unit leader for the Champaign Unit of the Cooperative Extension Service (CES), was approached by Bruce Stoffel of the City of Urbana's Community Development Department about the possibility of workshops for minority contractors in the construction trade. Knowing that I was very interested in small businesses and community development, Mr. Thompson gave me Mr. Stoffel's telephone number for the initial contact.

Mr. Stoffel related to me that the City of Urbana was not attracting as many minority or female contractors and subcontractors from their list of general contractors or subcontractors as they might. The City also wanted to encourage at least one minority contractor to become a general contractor. Mr. Stoffel asked that CES design a survey to discover why more minority contractors were not bidding on the City's jobs and what business skills they possibly were lacking. The City would distribute it and CES could compile the results.

A survey was designed. The goals of the survey were to determine why there was not more bidding on Urbana's housing projects by minority contractors and what educational programs could be offered to remedy this situation.

I met with Denise Brown who was hired as the interviewer for the survey. An African-American, Ms. Brown was familiar with the construction trades as her father had been a general contractor in the Danville, Illinois area. Ms. Brown was apprised of the survey in order to interview the contractors and subcontractors face-to-face.

At the end of August and beginning of September of 1991, Ms. Brown interviewed 22 contractors from a list of 35 that had originally been listed by the City of Urbana. She had made contacts with contractors via telephone and a cover letter which she read to the contractors upon the date of the interview which explained why she was conducting the survey. The low number of interviews was due to businesses closing or contractors not being able to meet with her because of time constraints, etc.

The results of the survey were tabulated by me at the Laboratory for Community and Economic Development in the Department of Agricultural Economics at the University of Illinois. I met with Bruce Stoffel to further summarize the responses gathered from the questionnaire. Some of the facts gleaned from the survey results were:

1. Of the 22 contractors:

- three have electrical licenses, two have plumbing licenses and one has a

roofing license;

- two identified themselves as general contractors;
  - one of the general contractors has participated in the federal housing renovation programs in Champaign County;
  - seven expressed interest in becoming general contractors;
  - 17 expressed interest in participating in the federal housing renovation programs in Champaign County as subcontractors; and
  - only five carry business insurance.
2. The contractors were not participating in the federal program at the time because twelve said they could not meet program requirements and ten said they did not receive information about the projects.
  3. The most frequently cited obstacles to business expansion were a lack of working capital and a lack of business leads.
  4. Thirteen do not use a bank for any business purpose. Banks are not being used as a resource for business information.
  5. Eleven do not keep any type of records or have any financial recordkeeping system.

All of the contractors expressed interest in attending business seminars to help them improve or expand their businesses. The most requested topics were: understanding contracts (federal and otherwise), obtaining insurance and bonding, keeping records, preparing bids and proposals, obtaining credit and promoting the business.

As a result of this study, it became clear to me that two distinct groups needed to be addressed to successfully realize the goals of the program. The two groups should be: the professionals (bankers, insurance salespeople and attorneys); and the minority contractors and subcontractors.

#### Recommendations

As a result of the research the following recommendations were presented for use when the educational programs for minority business entrepreneurs were developed.

For the attorneys, bankers, insurance salespeople and any other business people working with minority contractors and subcontractors, I recommend:

1. TRAINING TO INCREASE SENSITIVITY TO DIVERSE CULTURES.

Attorneys, bankers, insurance and other business persons should learn about the traditions and customs of different ethnic and minority groups involved in business transactions with each other. The training can develop an awareness of the difficulties and obstacles that a minority business person may face when applying for a business loan or other transaction.

The educational program should ensure trust and an understanding of the minority business person in small business beyond just an awareness. Many business executives have never had the opportunity to understand why minority business people view their businesses as they do. The training would offer them a chance to review their business methods. They may choose to alter some practices in order to accommodate minority

business people, and, thus, expand their businesses to include more transactions with minority business entrepreneurs.

2. PROVIDE THE OPPORTUNITY FOR MINORITY BUSINESS PEOPLE TO TOUR A BANKING FACILITY BEFORE THEY ATTEMPT TO TRANSACT BUSINESS.

Many times a minority business person may be unnecessarily intimidated because they do not know the physical layout of a facility, and, therefore, do not know where to go for specific services within the facility. He or she may not feel comfortable in speaking to an employee within the bank. A guided tour of the banking or lending facility and a meeting "after hours" with bank employees would empower the minority business person to be able to apply for a loan or perform other banking transactions once he or she becomes familiar with the physical plant and the employees in a more confident manner.

I submit the next two recommendations for the Community Development Department of the City of Urbana and any educational institution or faction working with minority contractors and subcontractors to aid them in becoming more successful business entrepreneurs.

3. OFFER AN EDUCATIONAL PROGRAM TO MINORITY CONTRACTORS AND SUBCONTRACTORS TO DEVELOP CONFIDENCE IN BIDDING FOR FEDERALLY FUNDED JOBS IN HOUSING RENOVATION.

### The Curriculum

From the results of the questionnaire, I found that there were certain categories in which minority contractors wished to obtain more information. These categories should be included in the workshops. They are :

#### A. Licensing and Federal Program Information

The licensing process will be presented - what the regulations are, and how one applies for roofing, electrical or plumbing licenses.

The federal program enabling minority construction contractors to bid and work on renovating housing will be explained thoroughly by the Director of Community Development for the City of Urbana.

#### B. Insurance

The questionnaire results showed that the minority group questioned felt that the insurance for their businesses was too expensive or unnecessary. The insurance representative will explain how important it is for them to procure insurance for their businesses and what a fair price is for the necessary type of coverage. Bonding will also be discussed.

#### C. Legal Considerations

An attorney will outline the procedures necessary and the proper terminology for writing a contract. The attorney will also explain in layman's terms how to avoid any legal problems that contractors may encounter in the operation of their business.



#### D. Financing

A local banker will explain the expectations of the banking industry considering a small business loan for development or expansion of the business. Procedures will be described that have to do with loans and other business transactions in layman's terms.

#### E. Recordkeeping

Because of the importance of financial planning and recordkeeping an essential part of the educational program will be a method of bookkeeping that could easily be implemented by the construction business owner or manager.

A certified public accountant should teach the session.

#### F. Business Planning

The participants of the workshops will learn how to prepare a business plan. The plan is an integral tool when approaching a lending institution. The participants will have an actual "hands-on" experience for this component of the program. A small business educator from the Cooperative Extension Service will explain the small business plan.

#### G. Community Leadership and Mentoring

To be successful, business men and women often play an important part in helping their community be the best it can be. Leadership training and mentoring for the contractors will allow them an opportunity to see how they can get involved with their communities, as well as be mentors for aspiring minority business entrepreneurs. An educator in

community leadership from CES will teach this lesson.

#### H. Reward and Evaluation

Handout material should be available from each of the workshops that the participant attends. A certificate showing that the participant has attended all of the workshops should be presented upon conclusion. This should serve as a reward for the participants. All interested banking facilities should be made aware of the presence of these certificates and they shall serve as proof that the certificate-bearer has attended informative business workshops.

For the workshops to continue to be constructive, an evaluation should ask what other types of programs are needed and where could improvements be made. The committee working on the coalition should tabulate results from the evaluation and decide on the next event.

#### Publicity

Before an educational program is presented, one needs to understand how minority business people can best be reached.

A joint effort involving the local community development office, the economic development committee, the Cooperative Extension Service and other relevant community groups should be involved in publicizing any event or educational programming for the

minority business group. Personal contacts through committee members, the Expanded Food and Nutrition Program Assistants employed by CES, and local church ministers may entreat minority business people in attending such educational programs. The neighborhood newspaper would also be a reliable source in which to place an advertisement announcing the program. A "kick-off" breakfast where the educational programs will be announced would also aid in publicity.

#### Place

Where the programs or educational workshops are held is also an important factor when deliberating about an effective program for the minority contractors and subcontractors. The meeting area should be one that is in familiar territory to the group. It should be one in a neighborhood where a majority of the proposed participants for the workshop resides. They would be more likely to attend where they do not have to travel to an unfamiliar area. Some possibilities for a meeting place would be church halls, neighborhood centers or the EFNEP conference room which is usually located in a minority neighborhood.

#### Time

In small businesses like the construction businesses owned by the minority contractors who participated in the questionnaire, it is imperative that they work whenever possible. The cold winters in the Midwest are not very conducive to people being able to work outside on construction, so the best time to have a program should be in the winter

months when very little construction activity is occurring. Evenings should consist of at least three - two hour sessions held in the evening with related categories to be offered in the same evening.

4. ORGANIZE AND SUPPORT A COALITION OF MINORITY BUSINESS ENTREPRENEURS.

A coalition of minority business entrepreneurs should be encouraged to organize and support for this effort should be offered by the Cooperative Extension Service, the local community development department, the local economic development committee and other local community groups. Program support should be offered by educators and specialists from the Cooperative Extension Service and other local educational institutions. Support should also be offered on a one-to-one basis from the individuals and agencies working with the group.

The minority business entrepreneurs who take advantage of the benefits offered by the coalition should attain a higher level of achievement in their business practices. If the members of the coalition can continue to improve and reach goals of their own, they have indeed used the coalition successfully.

## Chapter VI

### EPILOGUE

To follow up on the needs assessment and to begin implementing the recommendations, I contacted Mr. Bruce Stoffel, representing the City of Urbana Community Development Department. We agreed that CES and the City of Urbana would invite other representatives from the public and private sector to help implement the recommendations.

#### The Committee

A committee was formed including Fred Cobb, a compliance officer in the University Personnel Administration for the University of Illinois and chairman of the Community Development Commission for the City of Urbana; Roger Marsh, an Urbana attorney; Bruce Stoffel, Manager of the Community Development Department in Urbana; Steve Vandenberg, an officer of the Champaign National Bank; and myself, Educator in Community Leadership and Volunteerism for the Cooperative Extension Service. A list of "business bankers" or local bankers that could be liaisons between the minority contractors and the banks was formed by Mr. Vandenberg. They will rotate with Mr. Vandenberg on the committee. Glen Love, a local minority general contractor visited our committee and aided us in designing the workshops. The name of the

committee is the Minority Subcontractors Educational Programming Committee. The goal of the committee is to increase the numbers of minority subcontractors working in the local government housing rehabilitation programs, including the objective of having one minority subcontractor evolve into a general contractor.

#### Sensitivity Training

In addressing the first recommendation in Chapter V, to conduct training to increase sensitivity to diverse cultures, an educational session was organized to train business people to be sensitive to diverse cultures. A sensitivity training seminar for bankers was held on December 2, 1992, at the Levis Faculty Center at the University of Illinois. Lenita Epinger and Mary Ellen O'Shaugnessy from Communication First Associates presented the program and Busey Bank was the sponsor. The presentation, which attracted 30 loan officers as participants, was well received and those present suggested that the marketing and management departments of the banks should attend such a session. The committee is researching this idea. The program illustrated the different ways in which minority cultures perceive the banking industry. One banker noted that they were trying to appeal to minority businesses and this information would help in their planning.

#### Tour of Banking Facilities

The second recommendation, to provide the opportunity for minority business people to tour a

banking facility before they attempt to transact business, has not yet occurred. The possibility of the Service Corp of Retired Executives (SCORE), a volunteer organization, becoming mentors to the minority contractors and introducing them to bankers is being studied.

#### Planning Educational Workshops

The third recommendation in Chapter V was to offer an educational program to minority contractors and subcontractors. After reviewing the questionnaire results, the workshops were designed to try to meet the educational needs of the contractors. The committee decided on the following program content: licensing, insurance and bonding, legal considerations, financing, recordkeeping, business planning and mentoring.

The publicity for the workshops entailed a flyer announcing the time, place, and phone number where the would-be participants could register. See Appendix B. The telephone numbers of the Champaign Cooperative Extension Unit and the office of Mr. Cobb were both given for contacts for the registration process. The flyer announced the presenters for the three workshops. The name of the workshops was: Getting Ahead: Increasing Your Construction Business in Hard Times. Fred Cobb sent out flyers to all contractors that were registered with the cities of Champaign and Urbana for construction work. At a breakfast the City of Urbana traditionally holds for contractors, Mr. Cobb announced the workshops and invited those present to attend. Mr. John Schneider from the City of Urbana's Community Development Department gave contractors information regarding the federally funded housing renovation application.

Para-professionals who work in the U of I CES Expanded Food and Nutrition Program (EFNEP) were also asked to invite contractors whom they knew.

To encourage as many minority business entrepreneurs in the construction trade to attend as possible meant that a place had to be provided that was in a familiar territory to the participants. The EFNEP office was selected, since it has a conference room that could accommodate twenty to twenty five people and had audio-visual equipment if needed by the presenters. The office is in a neighborhood mostly populated by African-Americans.

The workshops were scheduled for three consecutive Thursday evenings from 7:00 p.m. to 9:00 p.m. The winter month of January was picked because it was likely that contractors would be available to attend at that time.

#### The Workshops

At the first workshop, January 14, 1993, Mr. Craig Grant from the City of Urbana talked about licensing of contractors. He explained the applications, the apprenticeships (if any) and the licensing fees.

At the same workshop, Mr. Dennis Swanson from the First Alliance Financial Group spoke about the importance of insurance and bonding for businesses. It is a requirement that contractors have the minimum insurance coverage to protect the public, the property owner and



the business from loss. The major insurance policies include: workers compensation, general liability and property insurance. Bonding was explained to be a type of surety insurance which protects an owner against defaults by the contractor or a general contractor against a subcontractor for default. Bonds are necessary when financing is obtained from banks, savings and loan associations, or insurance companies. Bonding companies are subject to huge losses when contractors fail, therefore, it is very difficult for contractors to obtain bonding without a proven track record.

The third speaker for the first workshop was Mr. James Burgess, an attorney in Champaign. Mr. Burgess, an African-American, serves many minority clients including contractors. The legal element that the participants wanted to know about most was contracts. Mr. Burgess explained that the contract is a legal agreement stating all liabilities and obligations of the parties involved. He also stated how important it is for a contractor to have an ongoing alliance with an attorney to ensure that any contract is in the contractor's best interest. He also shared publications where contractors network and find jobs.

Leading the second workshop, on January 21, 1993, was Mr. Alan Penwell from Busey Bank explaining financing. He stressed the importance of knowing how much capital is needed to successfully finish a construction job. He pointed out that contractors often omit their own living expenses and come up "short". A contractor who has a business plan is more likely to get financing from a bank.

Developing a good system of recordkeeping was the subject addressed by Mr. Rex Kallenbach, a certified public accountant. He explained such terms as: cash, accounts receivable, accounts payable, inventory and payroll and the needs to record daily or weekly in a ledger. Mr. Kallenbach explained that the accounting method used by contractors differs from other businesses because a final profit cannot be determined until a project is completed. An accrual method of accounting is recommended. Again, the subject of planning for capital or total cash required for the job was emphasized.

The third workshop, January 28, 1993, featured Ms. Norma Turok, a Cooperative Extension Service Educator in Small Business. A condensed version of a business plan was given to each contractor. Ms. Turok stressed the importance of preparing a business plan in order to obtain financing.

As an Educator in Community Leadership and Volunteerism for CES, I talked about the need for seasoned contractors to mentor new contractors so that they could learn about the business easier. The minority contractors should form a coalition so they can help each other learn about construction methods and set up a network to keep them informed of available jobs.

#### Evaluations

During the three workshops, eighteen people attended, of which ten participants were African-

Americans. There was one woman present at the first workshop. Attendance was good at all workshops and fourteen persons attended all three workshops and were given a certificate (See Appendix C).

The first session's evaluation (See Appendix D) showed that all participants said the information given could help them in business. They thought the speakers were very informative and several thought the attorney to be the most helpful of the presenters. Negative comments were written about the bonding section. They felt that the insurance person had not given them enough information to obtain a bond. Asked on how they planned to use what they learned, one participant wrote: "I plan to research and utilize information and services I didn't know about before this seminar".

On the second session's evaluations, all of the participants again wrote that the information given would help them in business. (See Appendix E) What they liked about the workshop was the fact that speakers had passed out information they could use. What they disliked most about the workshop is they felt there was not enough time for the speakers' topics. When asked how they would use what they learned, one wrote: "I will pre-plan my business strategies. I will also write a loan proposal without needing the money. Just to get familiar with the system".

After the third session, the participants again said the information given would help them in their business. (See Appendix F) One said, "New ideas and an outline for developing a [business] plan to continue and expand my business" was what was liked most about the workshop. When

asked what they disliked most about the workshop, one participant wrote: "This last session was loaded with information, but it should have been presented in twenty sessions to get something out of it". Another said, "I hope to be able to evaluate my business that I might put my finger on its weak points" to the question how do you plan to use what you learned.

After this last session, I asked them to respond if they wanted more workshops. Three-fourths of the participants said, "Yes". I felt that the sessions had helped the committee reach a goal for educating minority contractors about business skills.

#### Other Important Repercussions

Fred Cobb has contacted four major financial institutions in the Champaign-Urbana area in regard to the educational workshops. These "business bankers" have agreed to lower the rate of interest in loans being sought for those workshop participants who can produce a certificate of completion of the workshop. The lower rate is still being negotiated.

Perhaps the most exciting result is that a coalition of minority contractors and subcontractors has been formed by Mr. Andy Kpedi, a participant in the workshops. Mr. Kpedi, a graduate of the University of Illinois, has his own maintenance business. After surveying the participants of the workshops, eleven of seventeen respondents indicated that they would like to see an organization that they could network with for job information and to be able to discuss construction methods.

The Cooperative Extension Service is working with the coalition called the Minority Business Association of Central Illinois to offer a course on business planning in depth for the fall or winter months.

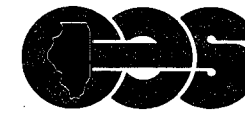
The success of the workshops is evident when one notes the acceptance of the workshops, the awareness of diverse cultures for business people, and the forming of a network for a group whose belief in themselves as minority business entrepreneurs can only grow in a more positive direction.

#### The Future

The Minority Subcontractors Educational Programming Committee is an ongoing committee. Plans are to offer workshops after a short survey is tabulated with the past workshop participants being the respondents.

A high priority for the committee is to note the needs of THE MINORITY BUSINESS ASSOCIATION FOR CENTRAL ILLINOIS. The committee will follow the achievements accomplished by the Association members in order to document any significant behavioral changes.

APPENDIX A: BUSINESS OPERATION SURVEY



Minority and Female Owned Construction Firms  
Business Operation Survey

The Champaign County Cooperative Extension Service, University of Illinois is thinking of offering adult education classes in the area of small business management and expansion. These classes would be for adults working in the construction trade. We would very much appreciate any time that you have to answer the interview's questions. Your answers will be kept confidential and will be very helpful in selecting classes to be offered. Thank you for your time and interest.

Expansion and Management

1. What kind of work does your business do?

		<u>Yes</u>	<u>No</u>
2.	a. Do you work alone in your business?	1	2
	b. If no, how many people do you employ?	_____	
3.	a. Do you keep a separate business account for future expansion of your business?	1	2
	b. Would you like to add employees to your business?	1	2
	c. Would you like to add more equipment?	1	2
	d. What are the greatest obstacles to expanding your business? (Circle all that apply.)		
	There is a lack of money . . . . .		01
	There is a lack of business leads . . . . .		02
	There is a lack of work . . . . .		03
	It is hard to hire people		

- with the right skills ..... 04
- It is hard for you to manage people ..... 05
- There is a lack of insurance ..... 06

**Insurance**

- |    |    |  |            |           |
|----|----|--|------------|-----------|
|    |    |  | <u>Yes</u> | <u>No</u> |
| 4. | a. | Have you recently had difficulty obtaining contractor's general liability insurance? | 1          | 2         |

If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_

- |  |  |   |  |    |
|--|--|---|--|----|
|  |  | b. What level of liability insurance do you currently maintain? |  |    |
|  |  | none or less than \$100,000 .....                               |  | 01 |
|  |  | \$100,000 - \$300,000 .....                                     |  | 02 |
|  |  | \$300,000 - \$500,000 .....                                     |  | 03 |
|  |  | \$500,000 - \$1 million .....                                   |  | 04 |
|  |  | more than \$1 million .....                                     |  | 05 |

- |    |    |   |            |           |            |
|----|----|---|------------|-----------|------------|
|    |    |   | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
| 5. | a. | Have you had difficulty obtaining worker's compensation for your workers? | 1          | 2         | 3          |

If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_

- |  |  |  |   |   |   |
|--|--|--|---|---|---|
|  |  | b. Have you had difficulty obtaining business vehicle insurance? | 1 | 2 | 3 |
|--|--|--|---|---|---|

If yes, please explain: \_\_\_\_\_  
 \_\_\_\_\_

- |  |  |   |   |   |   |
|--|--|---|---|---|---|
|  |  | c. Have you had difficulty obtaining business interruption insurance? | 1 | 2 | 3 |
|--|--|---|---|---|---|



If yes, please explain: \_\_\_\_\_

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
d. Have you had difficulty obtaining any other insurance for your business?	1	2	3

If yes, please explain: \_\_\_\_\_

**Licensing**

	<u>Yes</u>	<u>No</u>
6. a. Do you have any of the following licenses?		
electric	1	2
plumbing	1	2
roofing	1	2

b. If not, are you interesting in obtaining any of these licenses?	1	2
--	---	---

c. If yes, which one(s):	
electric .....	01
plumbing .....	02
roofing .....	03

	<u>Yes</u>	<u>No</u>
7. a. Are you currently a general contractor? A general contractor bids on jobs, makes sure jobs are scheduled, hires subcontractors, etc.	1	2

If yes, please answer these questions:

b. During the last 3 years, have you participated as a general contractor in federally funded home renovation programs run by any of the following?	
City of Champaign .....	01
City of Urbana .....	02
Village of Rantoul .....	03

Champaign County ..... 04

None ..... 05

c. If you have participated as a general contractor, approximately how many of these federally funded renovation jobs have you done in the past 3 years? \_\_\_\_\_

	<u>Yes</u>	<u>No</u>
d. If you have not, would you like to participate in the future in these programs as a general contractor?	1	2

e. If no, why are you not interested?  
(Circle all that apply.)

It would be too much responsibility ..... 01

You don't want to deal with subcontractors ..... 02

You have no start-up money ..... 03

It requires too much paperwork ..... 04

You have no insurance ..... 05

You are too busy ..... 06

You can't get credit ..... 07

You like what you are doing now ..... 08

other \_\_\_\_\_ ..... 09

8. If you answered no to question 7, please answer the following:

	<u>Yes</u>	<u>No</u>
a. Would you like to be a general contractor?	1	2

b. Why or why not?  
\_\_\_\_\_  
\_\_\_\_\_

**Subcontractors**

	<u>Yes</u>	<u>No</u>
9. a. Have you been a general contractor in the past?	1	2
b. If yes, have you participated as a general contractor in federal housing renovation programs run by any of the following during the last three years?		
City of Champaign . . . . .		01
City of Urbana . . . . .		02
Village of Rantoul . . . . .		03
Champaign County . . . . .		04
Other _____ . . . . .		05
c. If you have participated as a general contractor in these programs, how many of these federally funded renovation jobs have you done in the past three years?		

	<u>Yes</u>	<u>No</u>
10. a. Would you participate again as a general contractor?	1	2
b. If no, why not? _____ _____		

11. Why did you return to subcontracting?  
\_\_\_\_\_  
\_\_\_\_\_

12. a. During the last three years, have you participated as a subcontractor in federally funded home renovation programs run by any of the following?		
City of Champaign . . . . .		01

City of Urbana . . . . . 02

Village of Rantoul . . . . . 03

Champaign County . . . . . 04

b. If yes, approximately how many of these federally funded renovation jobs have you done in the last three years: \_\_\_\_\_

	<u>Yes</u>	<u>No</u>	
c. If no, would you like to participate in these federal programs as a sub-contractor?	1	2	

d. If you haven't participated as a sub-contractor in a federally funded home renovation project, is it because:

You do not get the information . . . . . 01

You do not work with a general contractor that does this type of work . . . . . 02

You have too much paperwork . . . . . 03

You are too busy . . . . . 04

You can't meet requirements . . . . . 05

Other ----- . . . . . 06

**Financial Management**

13. What is the average dollar amount of your contracts?

\$1,000 or less . . . . . 01

\$1,000 - \$5,000 . . . . . 02

\$5,000 - \$10,000 . . . . . 03

\$10,000 - \$15,000 . . . . . 04

\$15,000 - \$20,000 . . . . . 05

\$20,000 - \$25,000 . . . . . 06

greater than \$25,000 ..... 07

14. What is the dollar amount of the largest job you've done in the last three years (nearest thousand)? \_\_\_\_\_

15. a.	Do you use a bank, in any way, for your business operation?	<u>Yes</u>	<u>No</u>
		1	2

b. If no, why not?

Don't feel comfortable with bank personnel ..... 01

Don't know what the bank can offer ..... 02

Past experience makes me discouraged to go back ..... 03

Can't or don't want to pay bank fees or interest rates ..... 04

other (explain) ..... 05

c. If yes, how would you rate the services provided by that bank?

Very good ..... 01

Good ..... 02

Fair ..... 03

Poor ..... 04

d.	If yes, do you feel that you have a specific person at your bank that you can go to for information and advice?	<u>Yes</u>	<u>No</u>
		1	2

16. a. Have you obtained any business loans with a bank? 1 2
- b. If you have not obtained any loans, why not?  
(Circle all that apply.)
- Poor credit line . . . . . 01
- Insufficient collateral . . . . . 02
- Rejected business idea (type) . . . . . 03
- No business plan . . . . . 04
- Haven't needed a loan . . . . . 05
- Other (explain) . . . . . 06
- 
- 

- |        |  | <u>Yes</u> | <u>No</u> |
|--------|--|------------|-----------|
| 17. a. | Does your bank meet your needs for operating loans<br>(paying subcontractors, etc.)? | 1          | 2         |
| b.     | If no, why not? _____  |            |           |
- 

18. a. Does your bank meet your needs for long-term loans (purchasing equipment,  
overhead, tools, etc.)?
- b. If no, why not? \_\_\_\_\_

19. How often do you update your books?
- Daily . . . . . 01
- Weekly . . . . . 02
- Monthly . . . . . 03
- Quarterly . . . . . 04

Annually . . . . . 05

Don't keep books . . . . . 06

20. Does your bank give you information on any of these topics? (Circle all that apply.)

Getting credit . . . . . 01

Expanding your business . . . . . 02

Helping you manage your business expenses . . . . . 03

Preparing and updating your  
business plans . . . . . 04

Investing your profit . . . . . 05

Other (please explain) . . . . . 06

---

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21. If you were interested in attending seminars concerning business management and expansion, would you like to take:

Preparing a business plan . . . . . 01

Getting credit . . . . . 02

Financial Management . . . . . 03

Pricing your services . . . . . 04

Advertising and marketing . . . . . 05

Preparing bids and proposals . . . . . 06

Expanding your business . . . . . 07

Setting up vendor accounts . . . . . 08

Law and legal matters . . . . . 09

Keeping books .....	10
Insurance .....	11
Hiring employees .....	12
Licensing applications .....	13
Understanding the federal contract system .....	14
Other _____ .....	15

22. If we offered these workshops at a low cost, would you be:

Definitely interested .....	01
Somewhat interested .....	02
Definitely not Interested .....	03

Thank you very much for your cooperation.



APPENDIX B: WORKSHOP FLYER

## Getting Ahead: Increasing Your Construction Business in Hard Times

January 14, 21, and 28, 1993  
Thursday Evenings, 7 PM - 9 PM  
Champaign County Cooperative Extension Service  
EFNEP Office  
811 1/2 North Lincoln Ave.  
Urbana, IL 61801

### Topics

Getting Permission (Licensing)  
Getting Protection (Insurance/Bonding)  
Getting It Legal (Legal Considerations)  
Getting the Money (Financing)  
Getting It Straight (Record Keeping)  
Getting It Planned (Business Planning)  
Getting Involved (Community Leadership)

### Presenters

Craig Grant, City of Urbana  
Dennis Swanson, First Alliance  
Financial Group  
James Burgess, Attorney  
Lee O'Neill, Busey Bank  
Rex Kallenbach, Kallenbach &  
Associates  
Norma Turok, Cooperative  
Extension Service  
Michelle Pride, Cooperative  
Extension Service

Please make reservations by January 12, 1993 to:

Dennis Thompson  
Champaign County Cooperative Extension Service - Unit Office  
1715 W. Springfield Ave., Champaign, IL 61821  
352-3312

or

Fred Cobb  
University of Illinois  
333-2590



APPENDIX C: CERTIFICATE

*Getting Ahead: Increasing Your  
Construction Business in Hard Times  
January, 1993*

*Presented to:*

*for completing all three workshop sessions.*

Michelle Prids, Extension Educator  
Decatur Extension Center



Dennis Thompson, Champaign  
County Extension Unit Leader

Bruce Stoffel, Community Development  
Manager, City of Urbana



Cooperative Extension Service  
University of Illinois at Urbana-Champaign  
Helping You Put Knowledge to Work

Fred Cobb, Chair, Small Construction  
Contractors Education Program

APPENDIX D: FIRST WORKSHOP EVALUATION SUMMARY

## Getting Ahead: Increasing Your Construction Business in Hard Times

January 14, 1993

### Evaluation Summary

The information given will help me in business.      13 Yes    0 No

#### What I liked most about the workshop was:

- The contract discussion.
- Informative yet informal.
- Very informative
- The attorney.
- I am glad to have been here to hear all three speakers.
- Speakers were very interesting in their subjects.
- Most of information and speakers were knowledgeable in their field.
- Making clear several things I was unsure of.
- The information that was given.
- It is very educational for helping business started and maintain steady pace.
- General information.

#### What I disliked most about the workshop was:

- Nothing I heard here today will help contractor's receive proper bonding.
- Would like to see more women involved.
- The information they give.
- I like all three.
- Most of the information I heard before.
- The length.
- Didn't stay on time for each workshop.
- Complying to time schedule.
- It was geared towards a contractor just starting out.

#### This is how I plan to use what I learned:

- Attempt to layout a plan to become a contractor.
- I plan to research and utilize information and services I didn't know about before this seminar. Thanks.
- Getting an attorney for business.
- In my business.
- Try to learn more about the business which I am in.
- In pouring over contract language in contracts.
- I don't.
- To try and bid on other jobs.

APPENDIX E: SECOND WORKSHOP EVALUATION SUMMARY

## Getting Ahead: Increasing Your Construction Business in Hard Times

January 21, 1993

### Evaluation Summary

The information given will help me in business.      13 Yes   0 No   1 Some

#### What I liked most about the workshop was:

- The two speakers are very experienced and they both gave good view about the business world. I like their well structured plan passed out.
- Very informative.
- It talked about a number of things that will help me in my small business.
- Good info in a condensed format.
- No one thing, every topic was informative, good, excellent advice and information.
- There were some good points given but very general in nature.
- Very good outlines given by each. An insight was given into the financial institutions' eyes as well as the IRS.
- Importance of good record keeping.
- I like everything because I need to get my business together.
- Speakers knowledge of their profession.
- They explaining them very good.
- Both speakers were very well versed in the material they presented.
- Know your banker.

#### What I disliked most about the workshop was:

- Time factor.
- Not enough time to talk back.
- Not enough time for examples.
- It really didn't get exact enough about anything.
- Rex was a bit short of time.

#### This is how I plan to use what I learned:

- I will expand my business strategies. I will also write a loan proposal without need the money just to get familiar with the system.
- Evaluate my present accounting procedures and update according to the information I received.
- To be a better employer.
- Develop a plan for future of company.
- Seek professional help before seeking business help.
- The only thing really put forth is have complete and accurate records but that in its self is important!
- Bank references; some good guidelines to follow.
- Making notes on calendar of all due dates for forms to be mailed.
- By making appointment with a public accountant.
- Expansion
- To restructure some of my business.
- See a CPA and a banker.



APPENDIX F: THIRD WORKSHOP EVALUATION SUMMARY

## Getting Ahead: Increasing Your Construction Business in Hard Times

January 28, 1993

### Evaluation Summary

The information given will help me in business.      9 Yes      0 No

#### What I liked most about the workshop was:

- Illustration and presentation.
- A lot of information about planning.
- The information.
- New ideas and outline for developing a plan to continue and expand my business.
- It answers questions.
- The information recommended about a business plan was a lot broader than the information I have compiled in mine. I learned a lot and found out that I need more research and info in mine.
- A lot of food for thought.
- Caused us to look to the future and do planning and evaluation.

#### What I disliked most about the workshop was:

- Too much talking and not enough time for questions.
- None
- None
- Some was unprofessional. This last session was loaded with information but it should have been presented in twenty sessions to get something out of it.

#### This is how I plan to use what I learned:

- To better my business plan.
- Put together a business plan.
- I plan to make a "business plan." Would like to see more workshops.
- In my work. I want more workshops.
- To better organize my business. I would attend more workshops.
- I will do a lot of research and write a business plan. Thanks. More workshops would be helpful and appreciated.
- As much as I can I would like to see more workshops.
- I hope to be able to evaluate my business that I might put my finger on its weak points. I would like very much to have more sessions.

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