

GOVERNMENT CONTRACTS: A STUDY OF MINORITY SMALL BUSINESS

OWNERS' AND ADMINISTRATORS' STRATEGIES FOR SUCCESS

by

Carol Ward

A Dissertation Presented in Partial Fulfillment

of the Requirements for the Degree

DOCTOR OF BUSINESS ADMINISTRATION

UNIVERSITY OF PHOENIX

2009

UMI Number: 3370945

Copyright 2009 by
Ward, Carol

All rights reserved

INFORMATION TO USERS

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleed-through, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

UMI[®]

UMI Microform 3370945
Copyright 2009 by ProQuest LLC
All rights reserved. This microform edition is protected against
unauthorized copying under Title 17, United States Code.

ProQuest LLC
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106-1346

© 2009 by
ALL RIGHTS RESERVED

GOVERNMENT CONTRACTS: A STUDY OF MINORITY SMALL BUSINESS
OWNERS' AND ADMINISTRATORS' STRATEGIES FOR SUCCESS

By

Carol Ward

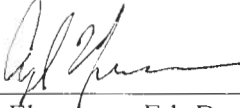
March 2009

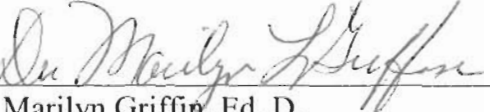
Approved:

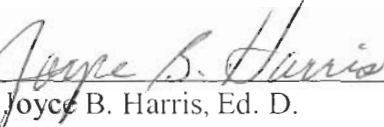
April Flanagan, Ed. D., Mentor


Marilyn Griffin, Ed. D., Committee Member

Joyce B. Harris, Ed. D., Committee Member

Accepted and Signed:  3-20-2009
April Flanagan, Ed. D. Date

Accepted and Signed:  3-20-2009
Marilyn Griffin, Ed. D. Date

Accepted and Signed:  3-20-2009
Joyce B. Harris, Ed. D. Date

 4-8-2009
Dawn Iwamoto, Ed. D. Date
Dean, School of Advanced Studies
University of Phoenix

ABSTRACT

The problem investigated is that minorities comprise a large segment of the population and only receive a small share of available government contracting dollars. The purpose of the study was to gain a deeper insight of strategies used by successful minority small business owners in Memphis, Tennessee and to acquire a better understanding of the problems they faced in procuring government contracts. The study included the minority populations of African Americans, Hispanics, and women who successfully received awards in seeking to procure federal contracts as small and minority business owners. The qualitative phenomenological inquiry design was used to reveal owners' leadership experiences and their application of the contingency theory to minority businesses. The study revealed that the minority share of total contract distribution is relatively small and requires selective and competitive solicitation practices.

ACKNOWLEDGMENTS

How do I say thank you for the support and knowledge shared during this tremendous dissertation journey. To my mentor, Dr. April Flanagan, your character, integrity, and professionalism were revealed through your directions and guidance in response to each chapter you read. I am truly grateful for your support. To my committee members, Dr. Marilyn Griffin and Dr. Joyce B. Harris, your expertise and suggestions increased my critical thinking and ensured a scholarly written dissertation. Thank you for your continuous support.

To my loving husband, Haywood C. Ward, Jr., thank you for your assistance, kindness, and understanding shown during this tedious journey. To my family, you are so wonderful, supporting, and giving; thank you Angela, Garry, Myron, Donita, Melonie, Garrin, Matara, Antonio, Lora, Arthur, Sarah, Turner, Jake, Brenda, Cornell, Sabrina, Loretta, Cornelius for being my family. Finally, all praises to my LORD and Savior, Jesus the Christ.

TABLE OF CONTENTS

| | |
|---|----|
| LIST OF TABLES | ix |
| CHAPTER 1: INTRODUCTION..... | 1 |
| Background of the Problem | 2 |
| Statement of the Problem | 3 |
| Purpose of the Study | 5 |
| Significance of the Study | 6 |
| Significance of the Study to Leadership | 7 |
| Nature of the Study | 7 |
| Research Question | 10 |
| Conceptual Framework | 11 |
| Definitions | 14 |
| Assumptions | 15 |
| Scope | 16 |
| Limitations | 16 |
| Delimitations | 16 |
| Summary | 17 |
| CHAPTER 2: REVIEW OF THE LITERATURE | 19 |
| Small, Disadvantaged Businesses | 20 |
| Documentation | 23 |
| Literature Review | 23 |
| The Small Business Administration | 23 |

| | |
|---|----|
| The Certification Process and 8(a) Program and Implications | 32 |
| Present Conditions | 37 |
| Leadership Implications | 42 |
| Future Leadership Opportunities | 43 |
| Entrepreneurial Leadership Decision-Making Strategy | 50 |
| Leadership Values and Communication | 56 |
| Conclusion | 68 |
| Summary | 69 |
| CHAPTER 3: METHODS | 71 |
| Research Method and Design Appropriateness..... | 71 |
| Population, Sampling and Data Collection Procedures and Rationale | 75 |
| Data Collection | 77 |
| Instrument: Selection | 78 |
| Instrument: Reliability | 79 |
| Validity: Internal | 79 |
| Validity: External | 80 |
| Data Analysis..... | 80 |
| Summary | 81 |
| CHAPTER 4: RESULTS | 83 |
| Data Collection and Instrumentation | 84 |
| Data Analysis | 85 |
| Participants | 86 |
| Results and Findings | 88 |

| | |
|--|-----|
| Themes | 89 |
| Summary | 107 |
| CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS | 109 |
| Findings and Interpretations | 110 |
| Recommendations | 126 |
| Suggestions for Further Research | 129 |
| Conclusion | 131 |
| Summary | 132 |
| REFERENCES | 136 |
| APPENDIX A: INTRODUCTORY LETTER | 156 |
| APPENDIX B: INFORMED CONSENT | 157 |
| APPENDIX C: INTERVIEW PROTOCOL | 159 |
| APPENDIX D: INTERVIEW SUMMARIES | 161 |

LIST OF TABLES

| | Table |
|--|-------|
| 1. The Future of Small Businesses in the Federal Government | |
| Marketplace: Acquisition Reforms of the 1990s | 30 |
| 2. 8(a) Small Disadvantaged Business: Comparison/Contrast Flow Chart | 35 |

CHAPTER 1: INTRODUCTION

The procurement of federal contracts by small and minority-owned businesses has long been problematic. Several federal legislative and regulatory actions addressed factors that contribute to the limited number of contracts awarded to small and minority-owned businesses (Fauntroy, 2002). The intent of the regulations was to address the disparity between the numbers of large and small business contractors by providing maximal opportunities for small businesses to participate in federal contracts (Velázquez, 2004).

In 1953, the U.S. government established the Small Business Administration (SBA) to ensure small businesses received a maximum realistic opportunity to obtain an equal allocation of federal contracts. The federal government also established a “set aside” goal regarding the percentage of contracts each agency is to award in attaining annual negotiations for contract procurement, certifications, and technical assistance programs with women-owned businesses, small businesses, small disadvantaged businesses, and minority businesses (U.S.SBA, 2006a).

The purpose of this study was to gain a deeper insight into the strategies used by minority small businesses that were successful in procuring government contracts. The focus of the study was successful strategies that enabled minority business owners to achieve government procurement awards. The study included the minority populations of African Americans, Hispanics, and women in Memphis, Tennessee, who successfully received awards in seeking to procure federal contracts as small and minority business owners. Interviews were conducted with administrators involved in awarding contracts to minority business owners in general. A synopsis of the research design and other sections in chapter 1 include an overview of the nature of the study.

Background of the Problem

Historically, the breakdown of U.S. monetary allocation of federal contract procurement to small businesses indicated small business's share is disproportionately small compared with the pool of potential contracts (Clark & Mourtray, 2004; Office of Advocacy, 1999).

Velázquez (2005) noted that small businesses receive fewer valuable contracting opportunities and concluded that although 99.7% of the organizations are small and may qualify for contracts, small businesses received fewer than 23% of the targeted federal prime contracts (\$33.2 billion in national prime contracts compared with \$181.7 billion spent by the federal government). The minority business report presented additional challenges and indicated small business procurement did not achieve the goal of 5% (Clark, Mourtray, & Saade, 2006; Velázquez, 2004). The 5% procurement goal for women-owned businesses embedded in the 23% goal for small businesses identified through federal programs also fell short (Clark et al.; Clark & Mourtray, 2004).

In accordance with the SBA, federal government agencies may set aside procurement wholly for small businesses (Fauntroy, 2002). The SBA established the "8(a) program in 1974 to help minority and other small disadvantaged businesses to grow through a program of government contracting preferences and set-asides" (Sourcetek, 2004, ¶ 1.). The set-asides are only available when at least two entrepreneurs within the small business industry make an offer to bid on a contract valued at \$100,000 or greater, because contracts valued between \$2,500 and \$100,000 are exclusively for small business entrepreneurs (Knerly, 2007). Subcontracting is another avenue intended to increase procurement opportunities. The subcontracting opportunities for small businesses lack similar consideration compared with the prime contracting program

(Clark et al., 2006). In the subcontracting framework, the SBA permits contract bundling (Clark et al.; Gruber, 2005). According to Barreto (2007),

Contract bundling [is] defined in Section 3(o) of the Small Business Act to mean the consolidation of two or more requirements for goods and services into a single procurement that is unlikely to be suitable for award to a small business concern. (¶ 1)

Barreto concluded the number and size of bundled contracts increased and resulted in a dramatic decline in small business federal contracting opportunities. The decline occurred because for every 100 contracts bundled, 106 individual contracts were no longer accessible to minority business owners. Every \$100 awarded within a bundled contract represents a \$33 decrease in the minority business owner's potential to increase revenues. An examination of the requirements and procedures of small and minority businesses seeking to procure contracts is important for understanding the distribution of federal contracts, and to the impact of the distribution on society.

Statement of the Problem

Minorities comprise a large segment of the U.S. population. An examination of procurement applications demonstrated recipients of federal contract awards represent a small portion of small businesses (Clark & Moutray, 2004). The results of a procurement contract study of 18 states indicated,

Minority-owned businesses receive far fewer government contract dollars than would be expected based on their availability . . . [They] receive only 57 cents of each dollar they would be expected to receive based on the percentage of . . . firms that are minority-owned. (Enchautegui et al., 1997, ¶ 1)

Enchautegui et al. (1997) reported that a 5% government-wide procurement goal for federal prime contracts and subcontracts awarded to women-owned businesses was established through the Federal Acquisition Streamlining Act of 1994. An examination of awards reports indicated bureaus with large budgets, identified to procure most of the small business contracts, provided small businesses with the least participation compared with larger businesses through the process of omission (Office of Advocacy, 1999). According to Kaiser (2004), the Tennessee businesses specifically targeted by the Federal Acquisition Streamlining Act of 1994 are not receiving the designated government funds.

This qualitative phenomenological study investigated the problem that the number of government procurement awards to small and minority businesses in Tennessee has been proportionally small compared with the number of awards received by larger businesses, thereby presenting challenges to minority business owners attempting to procure federal contracts (Faucett, 2006). Investigation of the problem required an in-depth comprehension of the experiences of small and minority businesspersons in procuring contracts. According to Vatne and Fagermoen (2008), “Qualitative analysis is a labor-intensive activity, guided by few standardized rules from a phenomenological perspective ... the researcher moves between discovery, understanding, and explanation of various parts of data in light of the whole” (¶ 1). The qualitative phenomenological study included dialogue with participants whereby they shared their perceptions of strategies, influences affecting decision making, and other experiences associated with procuring federal contracts. Research methodology authors suggest that the value of the phenomenological methodological approach is in the researcher’s ability to use the participant’s perspective gained from experiences to learn about the phenomenon and to share this understanding (Vickers & Parris, 2007).

Purpose of the Study

The purpose of the study was to gain a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. Consistent with Groenewald's (2004) rationale for conducting phenomenological research, a purpose of the study was to acquire knowledge that may describe as accurately as possible the phenomenon. The study was designed to assist future minority business owners in the successful procurement of government contracts to reduce unemployment and to offer training and long-term educational resources for small business owners. The secondary purpose of the study was to acquire a better understanding of problems faced by minority business owners in attempts to procure government contracts and to identify ways in which other minority business owners might successfully procure government contracts.

Use of the qualitative, phenomenological approach allowed an in-depth study of the lived individual experiences of participants regarding procurement of federal contracts. Individual interviews with 20 successful minority entrepreneurs, business owners, and administrators who grant the awards, assisted in obtaining information that included contract procurement processes followed, barriers experienced, and strategies employed. According to Jewell (2007), the phenomenological approach involves learning about others' lives through a deep holistic experience of their thoughts and actions. Phenomenology is a method of inquiry used to explore the lived experiences of minority business owners (Jewell). The phenomenological research approach was determined as appropriate for identifying the experiences of minority business owners in successfully procuring government contracts in Memphis, Tennessee, and for possibly revealing information that may be applicable to other minority business owners in the same location.

Significance of the Study

This study is important to research because the findings revealed a deeper understanding of contract procurement challenges for entrepreneurs in general and minority entrepreneurs specifically. Because participants' experiences included experiences related to the leadership of organizations, the results of the study may have significance for understanding the importance of various leadership strategies in attaining government contracts. Additional significance may result from the determination of success factors and strategies for minority entrepreneurs and business leaders in their efforts to secure resources to operate their organizations effectively and efficiently. Although programs to assist minority businesses exist, according to Young (2002), the indifference in the program services has created minimal participation of minority business owners in government programs; the perception of impediments related to acquiring capital access has been found to exist in the social structure.

Dowsett (2006) wrote, "In today's competitive business environment, the difference between a company succeeding or failing often comes down to the quality and effectiveness of its leadership" (p. 25). The intent of the study was to illuminate the efforts of minorities in receiving government contracts. The procurement of contracts represents a decision-making strategy used to increase revenues to improve operational performance and develop a successful organization (Brouthers, Gelderman, & Arens, 2007). The study was significant in identifying reasons for successful contract procurement with attention to the kinds of leadership strategies employed by small minority business owners.

The study was also significant in identifying the experiences of participants with resources, such as information technology and marketing skills accessible for making presentations and enhancing procurement efforts. Therefore, the study may have significance in

enhancing knowledge about the 8(a) program and how participants' skills can benefit procurement efforts. Abramowicz and Sparks (2007) suggested that participants' knowledge of the program is limited. The development of the SBA 8(a) programs occurred wholly through the Small Business Act to provide financing, set asides, and mentoring to small, minority-owned businesses. The exploration of participants' lived experiences regarding the effects of leadership, strategy-making practices, and reasons for disparity in the procurement of contracts among minority businesses would likely be significant in revealing new knowledge to local community leaders and small business owners regarding potential impediments and strategies that affect the upward mobility of minority entrepreneurs as related to the 8(a) program.

Significance of the Study to Leadership

Research regarding the success of leadership of small minority businesses is limited, especially as related to federal contract procurement. This study has contributed to the body of literature and research on the leadership of successful minority business owners. The significance as related to leadership draws from the perspective of authors, including Chaganti, Cook, and Smeltz (2002), who concluded leaders' behaviors motivate the direction of organizations through their vision and business strategy practices. The results of the research study may influence and promote the growth of small, minority-owned businesses to compete successfully for government contract procurement (Abramowicz & Sparks, 2007). The significance of the study to leadership is in the development of information to enhance minority business entrepreneurs' management and leadership strategies (Dowsett, 2006; Jones, 2004).

Nature of the Study

The study employed a qualitative methodology recommended for the purpose of using a naturalist approach to build a holistic picture of a problem (Creswell, 2005). Contrary to

quantitative research, which is designed to analyze numerical data, the use of qualitative research permits the analysis of dialogue, documents, and artifacts in the natural setting of the study (Creswell, 2005). The rationale for using qualitative research was because the intent of the study was to capture the experiences of participants in their efforts to procure federal contracts; the outcome of the study relied heavily on participants' comments. A numerical analysis could not have conveyed the sentiments of participants' experiences as could have been conveyed through an interview.

According to Creswell (2005),

Qualitative research is a type of educational research in which the researcher relies on the views of participants, asks broad, general questions, collects data consisting largely of words or text from participants, describes and analyzes these words for themes, and conducts the inquiry in a subjective manner. (p. 39)

The above description includes directions for the procedures of this study which resulted in insight into the experiences of the participants through interview questions. Several underlying assumptions exist to determine the differences between qualitative and quantitative research. The qualitative methodology involves acquiring an understandable knowledge relating to the social aspects of a human problem. In the qualitative methodology the researcher uses the literature and theory inductively which allows questions to emerge and directs the construct of the problem through an exploratory, broad-based research question (Kumar, 2007). The quantitative research methodology involves the use of the literature and theory to build the research question deductively, examines the measurement for correlation, and hypothesizes the relationship among variables to establish if truth exists with the analytical generalizations of the theory (Kumar, 2007; Shields & Twycross, 2003). The qualitative researcher gains knowledge through

participating in the research, whereas the researcher in quantitative research is an observer who refrains from participating in and influencing the research (Advantages of Qualitative Observational Research, 2008).

Quantitative research usually includes the use of numbers, proportions, and statistics (Shields & Twycross, 2003) and may include the use of Likert-type scale questionnaires for analyzing responses. The advantages of qualitative research include the ability to explore themes and provide additional or new knowledge to an acknowledged concept. The use of the qualitative research method allows in-depth comprehension of the interviewee's emotions and philosophy, which could not be obtained through quantitative research (Broussard, 2006).

The qualitative methodology consists of several design approaches, and the research question and the researcher's discipline drive the approach for the research design (CSU, 2008). For example, the ethnography and ethnomethodology design involves the study of anthropology (Ethnography, Observational Research, and Narrative Inquiry: Introduction, 2008). The ethnographic data design involves written responses to open-ended questions and transcripts from focus group discussions (Onafowora, 2005). The narrative inquiry method includes information obtained from the participant through storytelling; the researcher then provides written documentation describing the participant's experiences. In the grounded theory design, the objective is to develop a theory grounded in data from group observations. Although the concept or theory is grounded within the group's experience, the researcher interjects thoughts through inductive reasoning detailing why the participants' experiences exist (CSU, 2008).

The use of the case study design may provide clarity to complex issues when the context and phenomenon peripheries are apparently not comprehensible; a case study may constitute an analysis of a single case or multiple cases (Creswell, 2005). Although the case study design has

been in existence for several years and has applications in various disciplines, the design includes limited grounded generality and may create biases within the findings (Soy, 2006). The general intention of a case study is to answer questions relating to how or why. The case study may include numerous cases within a single study for an extended time and may result in a high volume of data to analyze (Kumar, 2007; Soy, 2006).

This study used the phenomenological design. The qualitative phenomenological study involved interviews of successful, minority small business owners to elucidate potential challenges faced and strategies employed in procuring government contracts. Phenomenology is a holistic inquiry in the lived experience of humans relating to reality, which patterns their social and cultural perceptions. According to Creswell (2005), a central phenomenon is the key concept, idea, or process studied in qualitative research. In the phenomenological research method, information originates from a group of people through inquiry of their lived experiences. A phenomenological inquiry involves qualitative research resulting from the philosophy of phenomenology (CSU, 2008; Manen, 2008). An examination of the procurement literature indicated a complex central phenomenon exists for small business minority entrepreneurs attempting to procure federal contracts (Faucett, 2006; Gruber, 2005). The use of a phenomenological design supported the exploration of strategies and decisions of minority business owners who successfully procured federal contracts.

Research Question

The research question that guided the study is, what are the experiences, strategies, and decisions of minority small business owners that have led to the successful procurement of government contracts? The research question was created to provide a better understanding of problems faced by minority business owners in their attempts to procure government contracts.

The question was intended to help in revealing strategies leading to the successful efforts of business owners to achieve and complete procured contracts.

Conceptual Framework

An important issue among minority business owners involves their failure to receive a fair share of federal contracts, which results in lost contractual opportunities worth billions of dollars (Velazquez, 2005). To enhance procurement opportunities, in 1953, Congress established the SBA to assist minority-owned, small disadvantage businesses and women-owned businesses in competing effectively within the marketplace (*Small Business Resource Guide*, 2008). This study identified the experiences, behaviors, and decision-making strategies of successful minority, small business bidders for government procurement contracts.

Information obtained from an examination of the business literature indicated 21st century organizations will experience change and survival of the organization will be predicated on its ability to become flexible, innovative, and adaptable to cultural diversity (Chowdhury, 2003; Gilkey, 1999). Johnson (2006) posited the realization of organizational attributes occurs through the ability of the leadership to communicate effectively the organization's vision, goal, and operational strategy. The unprecedented challenge for leadership is to supply the strategy and decision-making directives necessary to catalyze the appropriate services in the pursuit of new opportunities. The uniqueness of the leadership challenge lies in the fact that both organizational and cultural changes are inevitable (Gilkey).

The entrepreneurial and small business owner's ability to compete in the marketplace requires leadership integrity and quality to ensure that the contingency theory of the organizational internal features best fit the exigencies of the environment, thereby permitting needed adjustments in order to respond to the demands of the environment which then ensures

that profits are sustained (Scott, 2003). The implementation of strategies to identify and leverage the challenges or opportunities incurred helps to ensure the organization sustains its profitability and continues to operate as a viable entity. One such strategy requires the organizational leader to capture the market share to increase revenue. According to Jones (2004), the action is acceptable following the guidelines of the contingency theory.

The contingency approach to organizational design tailors organizational structure to sources of uncertainty facing an organization. The structure is designed to respond to various contingencies—things that might happen and therefore, must be planned. One of the most important of these is the nature of the environment. According to the contingency theory, in order to manage its environment effectively, an organization should design its structure to fit with the environment in which the organization operates. In other words, an organization must design its internal structure to control the external environment. A poor fit between structure and environment leads to failure; a close fit leads to success. (Jones, 2004, p. 118)

Contingency theory includes the concept that to lead an organization effectively, the design of an organization's structure must fit within its internal and external operating environment (Jones, 2004).

The ability of an organization to evaluate effectively the external adaptation and internal integration determines the organization's survival. The environment is constantly changing and leadership should make a conscious effort to adapt to the change and continuously improve the product or services created by the change. According to Bounds, Dobbins, and Fowler (1995), "The learning organization is an organization that has woven a continuous and enhanced capacity to learn, adapt, and change into its culture" (p. 580). An element of the external

adaptation includes the organizational culture, which assists the leader in obtaining goals, relating to outsiders, and identifying the task to be accomplished along with the methodology to acquire the goals, successes, and failures through communication (Schermerhorn, Hunt, & Osborn, 2004).

The concept of internal integration includes establishing an identity to a product to position collectively the guidelines through communication. Through interaction, the leader diagnoses the challenges as opportunities and develops them into an innovation/change that benefits the organization (Schermerhorn et al., 2004). The above position is in agreement with the contingency theory, which involves the belief that appropriate behavior in a given situation depends on a wide variety of variables and that each situation is different (Foster, 2006). Leaders establish the tone of their organizations by their beliefs, values, vision, and action (Banerji & Krishnan, 2000). Over time, the leader's core beliefs and values become entrenched within the organizational culture (Chowdhury, 2003).

According to a report describing the impact of change on organizational performance, producing a product or service that is unique and difficult to replicate is the most explicit way for an organization to sustain its competitive advantage (Sustainable Competitive Advantage, 2006). According to Yu (2001), the entrepreneur establishes a single-period or multi-period market. The single-period market involves the development and production of a product or service currently attainable in the market. The multi-period market results in the development and production of a product or service created through entrepreneurs exploiting opportunities readily attainable in the market and through their unique creativity, which results in an essential economic innovation. Slater and Narver (1995) indicated small business owners who exemplify the entrepreneur mind-

set to develop, learn, and incorporate new knowledge to improve organizational performance produce an efficient and marketable culture. The mind-set has a link to performance as a leader.

This study was designed to identify the experiences, behavior, and decision-making strategies of successful minority small businesses owners associated with procuring government contracts. The study was intended to result in information that would be useful to participants in the study and similar business owners in the study's setting in their efforts to sustain the competitive advantage needed to optimize operations and maximize profits. Consistent with facets of the contingency theory, the researcher determined that the uncovering of owners' experiences may lead to an understanding of efforts to optimize operations and leadership traits which may provide the foundation needed for minority business owners to bid successfully on contracts.

Definitions

The following terms are defined as related to the core concepts of the study.

8a certification: An opportunity for minority business owners to receive sole-source contracting to secure smaller contracts, usually less than \$3 million, without open competition. The minority business owners have the opportunity to bid on any competitive "set-aside" contract (Federal Access, 2007).

Bid price preference: The addition of 10% to the price of non-SDB's bidders on procurement contracts resulting in the revision of bids for awards (Women's History, 2006).

Contract bundling: Merging two or more contracts into a single contract, thereby increasing the costs of the project, which results in the small business owners' inability to compete for contract procurement (Barreto, 2007).

Set-aside contracts: Three percent of all federal government contracts designated by law for businesses such as small minority- and disabled veteran-owned businesses (ElBodhdady, 2005).

Set-Aside Program: A vehicle established through the Small Business Act of 1953 whereby qualifying businesses owned by designated classes of people can acquire assistance to obtain federal, state, and local government contracting based on the requirement that the federal government set aside 3% of all contracts (Abramowicz & Sparks, 2007; Denes, 1997).

Small minority-owned businesses: Socially and economically disadvantaged organizations representative of Black Americans, Hispanic Americans, Native Americans, and Asian-Pacific Americans who own at least 51% controlling ownership of an organization (Women's History, 2006; Small Business & Diversity Program, n.d.).

Women-owned business: A self-certified group of American women or a woman who owns at least 51% of a company (Women's History, 2006).

Assumptions

An assumption of the study was that the minority small business owners were knowledgeable of the availability of potential opportunities to procure contracts. The level of knowledge regarding contract opportunities may influence the participant's view of how contracts are successfully procured. Another assumption was that participants would openly share strategies and types of decisions that permitted their acquisition of contracts. The openness of participants would permit the collection of data based on various experiences that may have been challenging, yet resulted in increased revenue from bidding and implementation strategies.

Scope

The design of the study assisted in describing the entrepreneurial leadership and strategic decision-making strategies used by successful minority small business owners in Memphis, Tennessee, in procuring government contracts. The scope of the study comprised the identification of the trend for contract procurement among the minority business owners. Because study results indicate a disparity in minority procurement and available government contracts (Enchautegui et al., 1997; Velazquez, 2005), it was assumed that data from the lived experiences of participants may assist in facilitating understanding about how the level of contract procurement for small businesses compares with the level of government contracting. A description of minority small business owners' perceived negative encounters to securing and completing awards was also within the scope of the proposed study.

Limitations

The focus of the study was minority business owners who had been successful in procuring federal contracts in Memphis, Tennessee; the study did not include participants who had been unsuccessful. A limitation of the study was the shared experiences of the minority business owners and agency administrators awarding the contracts. Time constraints also limited an extensive exploration of the effects of the minority business owners' employed leadership strategies. Another limitation of the study was that the data were collected and interpreted through participation of the researcher in dialogue with participants.

Delimitations

The study solely included the leadership strategies and decision-making efforts of successful minority business owners procuring government contracts. The research did not include minority business owners who were attempting but had not yet succeeded in procuring

federal, state, or local government contracts. The study did not include structural or bureaucratic issues. The results of the study are not generalizable, in part because of differences in contractual requirements from state to state. The transferability of findings from the study was based on a reader's decisions obtained from thick descriptions of the participants' experiences.

Summary

The purpose of the study was to gain a deeper insight into the successful strategies of minority small business owners in procuring federal, state, and local government contracts. The business owners included African Americans, Hispanics, and women who own businesses that have not received a proportionally equitable share of the government contract procurement program (Clark & Moutray, 2004). The federal government established goals involving the percentage of contracts awarded to each agency. The intent of the award distribution is to regulate the agency's process of attaining annual negotiations for contract procurement and certifications. The distribution also included technical assistance programs with small businesses, small disadvantaged businesses, and minority- and women-owned businesses.

The business owners experienced challenges in their attempts to procure government contracts (Clark & Moutray, 2004). Although the government incorporated the subcontracting program in the procurement framework, the subcontracting opportunities for small businesses lack similar consideration compared with the prime-contracting program (Enchautegui et al., 1997). According to Enchautegui et al., the prime contracts are not broken into smaller segments, which may provide an opportunity for the minority- and women-owned businesses to compete.

Leadership strategies and making decisions were important variables of this study. Ponder (2005) contended becoming an effective leader for an entrepreneur requires an examination of the different strategies of leadership and engaging in authentic, entrepreneurial,

and self-leadership. Because leadership is important to the success of any organization, research related to leadership strategies was helpful in guiding the development of questions for the interviews. The use of interviews with minority entrepreneurs and small business owners who received procurement contracts, and the administrators granting the awards, helped to identify successful strategies. It was anticipated that data from the study might result in decision-making and leadership strategies that could assist minority small business owners in addressing potential barriers and perceived challenges associated with procuring contracts. Chapter 2 contains an extensive review of the literature associated with the study.

CHAPTER 2: REVIEW OF THE LITERATURE

This study of the experiences of minority small business owners seeking government contracts involved an examination of literature drawn from multiple sources, including practitioners, agencies, and authorities in fields associated with procurement contracting. The literature contains discussions of a variety of ways in which to address the proportion of government procurement awards to small and minority businesses, including the establishment of regulations through the federal government. Examination of the literature provided greater clarity of the problem that the number of procurement contracts of small business owners is proportionally lower than that of larger businesses. Chapter 2 includes an overview of procurement strategies designed to facilitate the efforts of minority business owners and a description of small businesses and their contributions to the economy.

Chapter 2 contains areas pertinent to the nature of the study that include both a historical and a current perspective on procurement contracting for minority businesses extending from 1953 to 2008. The section on small disadvantaged businesses includes an overview of small businesses. Other topics that trace the history of procurement contracting include the certification process and 8(a) program and implications, and the SBA. The section on present conditions includes a discussion of current perspectives, including issues. The type of leadership that may factor in successful contract procurement is also relevant to the study. Chapter 2 includes a discussion on leadership divided into several sections that address leadership strategies, ethics, and other aspects. For example, globalization represents a leadership strategy. Leaders develop infrastructures to support information technology through the Internet to increase an organization's market share and revenues, which is necessary for global expansion.

Consequently, a discussion of the future of small minority businesses from the perspective of the interlink of globalization and information technology support concludes chapter 2.

Small, Disadvantaged Businesses

Small businesses played a vital role in assisting the economy by adding more than 5.1 million new jobs in the United States of America (Space Island Group [SIG], 2006). The emergence of small businesses accounts for two of three new jobs and approximately half of the inclusive employment in the United States. For example, since August 2003 the impact of small businesses reduced America's unemployment rate to 4.7%, which was below the average unemployment rate of the 1960s, 1970s, 1980s, and 1990s (SIG).

One way in which small businesses can acquire opportunities for growth is through procuring federal contracts. The federal government purchases billions of dollars in commodities and services annually, ranging from paperclips to complex space vehicles (SIG, 2006). Such purchases as the space vehicle, known as the Space Island Dual Launch vehicle, for example, will increase the commercial benefits for space entry by the National Aeronautics and Space Administration (NASA) and open new opportunities for engineering organizations (SIG).

The enactment of the Small Business Act of 1953 ensured all small businesses have the maximum practicable opportunity to participate in providing goods and services to the government through government-wide contract procurement (U.S. SBA, 2006b). The enactment of the Small Business Act did not guarantee minority-owned, small, women-owned, and disadvantaged organizations could procure a contract with the government. The intent of the SBA 8(a) program, created in 1974, was to assist with the growth of minority and other small, disadvantaged businesses through a program of federal contracting preferences and set-asides

(Sourcetec, 2004). The program provides an entry for socially and economically disadvantaged small business owners to participate in the business segment of the U.S. economy.

Small, disadvantaged businesses (SDB) may participate in the 8(a) business development program and SDB certification if the individual owner qualifies for the program (Federal Procurement, 2006). To be eligible under the SDB, the organization must own at least 51% of the business. The individuals or shareholders who maintain the business operations must have received mistreatment based on ethnic prejudice, racial, or cultural orientation. Finally, eligibility is also determined by individuals whose capability to be competitive within the marketplace are challenged due to their economic disadvantaged attributable to moderate capital and credit opportunities (Federal Procurement).

Organizations established as an 8(a) program qualify for SDB certification, which allows the organization to become eligible for federal procurement benefits. The benefits include a 10% price evaluation adjustment whenever the owner experiences an ongoing effect of discrimination. Conversely, the benefits are available to non-minority females who have experienced ongoing discrimination; the benefits enable the women to qualify their organization as an 8(a) or SDB organization (*8(a) certification*, 2006).

Small business owners who are socially and economically disadvantaged represent a substantial percentage of U.S. population of 299,801 million (U.S. Bureau of the Census, 2008). The disadvantaged small business owners symbolize an inexplicably diminutive percentage of U.S. total business revenues. Minority-owned organizations comprise 2,149,184 compared with 17,253,143 or 12.5% of U.S. organizations (U.S. Department of Commerce, 1992). Minority sales represent \$209,739,000 compared with \$3,324,200,000 of U.S. organizations (U.S. Department of Commerce). Five years later, minority-owned businesses increased to 3 million,

employed 4.5 million workers, and earned \$591.3 billion in revenues, which equated to 15% of the 20.8 million of businesses excluding the farming industry (U.S. Bureau of the Census, 2008).

The intent of the 8(a) program is to acknowledge the historical deficiency for minorities and other disadvantaged business owners in achieving a fair share of business opportunities (Sourcetec, 2004). Through the 8(a) program, the government supports the participation of approved organizations in the business environment so they can become autonomously competitive within the marketplace (MEGAWEGA, Inc., 2006). Although the intent of strategies included in the SBA was to enhance procurement opportunities for minority business owners, women-owned businesses, and small businesses with disadvantaged owners, the results of reports on small minority businesses indicate the distribution of federal contracts has not been proportional to the number of businesses (Clark & Moutray, 2004).

A challenge to minority business owners is contract bundling, which methodically denies small business entrepreneurs the opportunity to bid on government contracts (Styles, 2002).

Contract bundling, as defined in the literature

Refers to the consolidation of two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small business. The contract bundling creates concern due to diversity, size, and dollar value. (Code of Federal Regulations, 2006)

The use of contract bundling allows an agency to group a contract to include all functionalities of the project, thereby creating a package beyond the competitive ability of small business owners (Lane, 2001). The occurrence of contract bundling thwarted small business owners' from bidding on government contracts (Alvillar-Speake, 2004). The magnitude of such instances created the

need for the leadership of the Department of Energy's small business program to suggest an agenda to eliminate contract bundling (Alvillar-Speake).

Documentation

The conceptual framework for this study has been researched from several literary sources, for example, ProQuest Databases, EBSCO Host Databases, books, journals, and professional literature from the Internet. In 1953, the United States (U.S.) government established the small business administration (SBA) to ensure that small businesses received a maximum realistic opportunity to obtain an equal allocation of government contracts. Sourcetek (2004) is among sources reporting programs established through the Small Business Administration (SBA) such as the 8(a) program of 1974, which involved regulating government contracting preferences and set-asides. The SBA designed the program to support development and expansion efforts of minority and other small disadvantaged businesses. The literature review from 1986 to 2002 covers the development of policies and attempts by governmental leaders, citizens, and journalists to ensure small minority owners obtained their fair share of government contract procurement. Even though from 2003 to 2008, several authors presented research regarding the opportunities and challenges for minority contract procurement, the literature relating to implications of leadership for small minority business owners' successful government contract procurement during this period is limited. Consequently, these factors have contributed to the inadequacy of documentation for this time span.

Literature Review

The Small Business Administration

In 1953, the SBA emerged from the Reconstruction Finance Corporation (RFC) created in 1932 by President Herbert Hoover to address the financial crisis of the Great Depression

through a federal lending program for all large or small businesses (U.S. SBA, 2006b). The concerns for small business intensified during World War II when the production operations of large organizations increased to service the wartime defense contracts, which rendered smaller businesses incapable of competing. Velázquez (2005) reported that since 1953 the act has been amended and other legislation facilitated procurement efforts through such actions as the Procurement Goaling Program, the Federal Works Employment Act, the Federal Acquisition Streamlining Act, and the HUBZone Act. In 1942, Congress created the Smaller War Plants Corporation (SWPC) to assist small business participation in wartime production and provide financial viability. The SWPC offered direct loans to private entrepreneurs, persuaded the larger financial institutions to issue a line of credit to small businesses, and promoted small business interests in federal procurement agencies (U.S. SBA, 2006b).

The end of the war eliminated the need for war supplies, which resulted in the dissolution of the SWPC. The Department of Commerce Office of Small Business (OSB) inherited lending and educational operating responsibilities and contractual powers. The OSB initially offered educational services, but the OSB acknowledged that limited knowledge and expertise of OSB staff caused the failure of small business in general (U.S. SBA, 2006b). The Korean War caused new wartime operational and production issues. Congress created another wartime organization to handle small business productivity concerns. The functions of the Small Defense Plants Administration (SDPA) were similar to the functions of the SWPC, except the lending authority remained with the RFC. The SDPA certified small businesses to the RFC when the small business was deemed competent to perform the work of government contracts. In 1952, President Dwight Eisenhower abolished the RFC and proposed the creation of a new small business agency, the SBA (*50 Years*, 2006).

The Small Business Act of July 30, 1953, evolved into the SBA, the function of which was to “aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns. The charter also stipulated that the SBA would ensure small businesses a ‘fair proportion’ of government contracts and sales of surplus property” (U.S. SBA, 2006b, ¶ 8). The Small Business Act established a business development program called 8(a). Small disadvantaged businesses met certain requirements to qualify in the 8(a) program, which provided the organization two opportunities to compete in the economy through federal contracting (U.S. SBA, 2006c). Since 1954, the SBA has provided small business owners technical assistance, business training, and governmental contractual procurement (U.S. SBA, 2006b).

The implementation of these and other legislative actions provided assistance to small businesses by clarifying the criteria used to identify minority-owned businesses, recognize socially and economically disadvantaged businesses, establish procedures for contract bidders to identify percentage goals for minority participation, and through other directives for giving minority-owned businesses equal access to contract procurement (Velázquez, 2004). The regulations are necessary for awarding contracts through all governmental agencies, including the newly added Department of Homeland Security. Significant prime contractors set aside subcontracting prospects for the SBA candidates, which afforded marketing opportunities for small, minority, and women-owned businesses (Federal Procurement, 2006). According to Enchautegui, Fix, Loprest, von der Lippe, and Wissoker (1997), despite legislation, the prime contracts are not broken into smaller segments to allow the smaller businesses to compete.

Although a history of legislative efforts exists, a review of the literature related to small businesses as well as procurement records revealed small and minority businesses consistently

experienced a decline in receiving contracts made available through the federal contract procurement program (Clark & Moutray, 2004). Although the federal marketplace from which contracts originate has demonstrated annual gains for a period of 5 or more years, the small disadvantaged business goal of 5% for contract awards has not been achieved (Gruber, 2005). Velázquez (2004) reported achievement levels for contract awards for 1999 through 2003 were 3.31, 3.61, 4.26, 4.36, and 3.54%, respectively. Similar results existed for women-owned businesses; for 1999 through 2003, the achievement levels were 2.47, 2.28, 2.49, 2.9, and 2.89% (Velázquez). Based on the 5% goal mandated by the federal government, reviewers of the procurement trend agreed that in 2003, \$4 billion in contracts should have been awarded to small disadvantaged businesses. For the same year, more than \$6 billion should have been awarded to women-owned businesses (Clark & Moutray, 2004; Faucett, 2006). The non-awarded contracts indicate evidence of the continuous decline in contract awards based on the goals set for procurement.

Evidence exists that small businesses categorized as minority or women-owned businesses have encountered challenges in seeking federal contracts, as identified in acknowledgments by governmental leaders, experts in the field, and in publications (Clark & Moutray, 2004; Gruber, 2005). For example, President George W. Bush, in *The Future of Small Businesses in the U. S. Federal Government Marketplace* (as cited in Clark & Moutray) acknowledged, “After 50 years, small businesses are still encountering barriers to full participation in the federal acquisition marketplace” (p. 2). The barriers include the exclusion of contracts performed outside the United States and contract bundling or combining contracts into mega-contracts.

Regulation Title 13 - Business Credit and Assistance Part 125 – Government Contracting Programs and Section.125.1 Government Contracting Assistance Programs provides clarity to rules and regulation. Regulation Title 13 - states: “The objective of the programs is to assist small businesses in obtaining a fair share of Federal Government contracts, subcontracts, and property Sales” (Code of Federal Regulations, 2006, p. 422- 445). Section.125.1 Government Contracting Assistance Programs of SBA identifies 5 main programs:

Prime contracting assistance, Subcontracting assistance, Government property sales assistance, the Certificate of Competency program, and Service-Disabled Veteran-Owned Small Business Concern contracting assistance. The objective of the programs is to assist small businesses in obtaining a fair share of Federal Government contracts, subcontracts, and property sales. (Code of Federal Regulations, 2006, p. 422-445)

Although government buying increased as a result of military operations, because no requirement exists for large corporations to provide the same subcontracting opportunities to small businesses for overseas contracts, small businesses have received only 1% of the contracts (Velázquez, 2004). According to Gruber (2005), the president of the *Eagle Eye Publisher* concluded the SBA excluded contracts performed outside the United States, the Transportation Security Administration, and the Federal Aviation Administration, which will further reduce the percentage of federal contracts awarded to small businesses.

Researchers addressed the declining status of federal contract procurement for small businesses in general in terms of both agency buying and small business spending. Mandel (2006) reported results from *The Small Business Economy: A Report to the President* (Office of Advocacy, 2005) demonstrated the federal government achieved its anticipated small business (minority and women-owned businesses) procurement goal of 23% in purchasing commodities

and services in federal prime contracts representing \$69 billion of the \$300 billion in total revenues. Clark and Moutray (2004) observed the 23% represented a combination of projected goals, including 5% for women entrepreneurs and 3% for disabled veteran entrepreneurs. Velázquez (2004) noted the data had been inflated; subsequently, retraction of the report from the data system occurred. The observations further indicated a decline in procurement awards to small and minority businesses, although governmental spending provided contract opportunities.

Faucett (2006) explained, “The government wide acquisition contracts (GWAC) growth outpaced small business spending, leading to a decline in the annual small business GWAC share; once the GWAC spending exceeded \$100 million dollars the small business share declined 30%” (p. 15). According to SCORE (Service Corps of Retired Executives Association) (2006), the small business and the industry business survival rate produce similar results, which translates to 671,800 new businesses and 544,800 business closures. Two-thirds of new employer firms survive at least two years, and about 44% survive at least four years. The share of contracts minority businesses receive, although related to the amount of government spending, also declined. Velázquez (2005) compared the percentage of government spending with the percentage of contract procurement for small businesses from 2001 through 2004. He concluded although the amount of government-wide spending reached the 23.14% goal for 1999, small businesses did not receive their proportionate share of contract awards in 2004.

The 3.4% increase in government-wide contract spending had a value of \$285 billion in 2003 and \$294.7 billion in 2004. The decline in the share awarded to small businesses or GWAC significantly influenced small businesses opportunities to obtain valuable contracts (Gruber, 2005). In 2004, a decline of 31% represented a \$1.65 billion loss of contracts and a loss of

32,000 new jobs, which represents loss of awards since the government agencies experienced a decline in the contracts awarded (Velázquez, 2005; Gruber, 2005).

The U.S. Government demonstrated an immediate need to source innumerable products or services that are marketable to consumers through various organizations such as the SBA and the 8(a) Business Development Program (*Contracting with the U.S. government*, 2006). The intent of the 8a program is to provide an opportunity for minority business owners to receive sole-source contracting to secure smaller contracts, usually less than \$3 million, without open competition. Abramowicz and Sparks (2007) claimed, “Surprisingly, little is known about the 8(a) program outside of government agencies” (¶ 1). Most minority entrepreneurs are unaware of the process used to locate contract information or the contact person with whom to initiate the contract procurement process (“Minority Business Enterprise,” 1986).

During the 1990s, the federal government introduced three reform acts that influenced small business government contract procurement, including the Federal Acquisition Reform Act (FARA), the Clinger–Cohen Act of 1996, and the Small Business Reauthorization Act of 1997 (Clark & Moutray, 2004). Table1, cited as Figure 3 in the works of Clay and Moutray (p. 4), includes a pictorial view of the reforms. The impact of the Clinger–Cohen Act required information technology contracts to respond to General Services Administration, a designated agency. The FARA permitted the use of credit cards for purchases; the policies included a negation of directives for the inclusion of small businesses or limitation of the awards to small businesses (Clark & Moutray, 2004). Finally, the enactment of the Federal Acquisition Streamlining Act (FASA) continued the approval of credit card usage, which allowed employees to make micro purchases without proper documentation. The “agencies increased their credit

Table1. The Future of Small Business in the Federal Government Marketplace

| Legislation | Highlights | Impact on Small Business |
|---|--|---|
| Acquisition Streamlining Act of 1994 (FASA) | <ul style="list-style-type: none"> -Authorized multiple-award contract. -Created new procurement category for micro-purchases up to \$2,500. -Exempted micro-purchases from the Buy American Act. | <ul style="list-style-type: none"> - Multiple-award contracts hurt 8(a) companies. -The dollar volume and size of multiple-award contracts are beyond the reach of many small businesses. -No competition is required for micro-purchase contracts. |
| National Defense Authorization Act of 1994 | <p>Authorized use of “other transactions.” This term refers to transactions other than contracts, grants or cooperative agreements, which are entered into under the authority of 10 U.S.C. 2371</p> | <p>These are not governed by FAR and the Small Business Act requirements for small business participation. A recent example would include the Army’s Future Combat Systems overhaul, where Boeing has signed a \$14.78 billion ‘other transactions’ agreement and serves as the general contractor.</p> |

Table1 (continued),

| Legislation | Highlights | Impact on Small Business |
|---|---|--|
| Clinger-Cohen Act of 1996 | <p>Clinger-Cohen Act of 1996</p> <ul style="list-style-type: none"> -Authorized credit cards for use by more employees for purchases up \$2,500. -Authorized use of multi-agency contracts for information technology. -Repeated GAS's central acquisition authority for information technology. | The Act specified no small business requirement for credit card purchases. |
| Administrative Dispute Resolution Act of 1996 | District court jurisdictions on bid protest case were sunset on January 01, 2001. | There are a limited number of places where small businesses can file a claim. |
| Small Business Reauthorization Act of 1997 | Increased annual goal of small business procurements by federal agencies from 20 to 23 percent. | This increases the number of opportunities for small businesses to do business with the federal. |

Note. From “The Future of Small Businesses in the U.S. Federal Government

Marketplace,” by M. Clark and C. Moutray, 2004, *Journal of Public Procurement*, 29, p. 4.

Adapted with permission of the author.

card purchases from \$5 billion in FY 1997 to \$16 billion in FY 2003 resulting in doubling the credit card activity from 11 million to over 25 million” (Clark & Moutray, 2004, p. 3).

In conclusion, small businesses played a vital role in assisting the economy by adding more than 5.1 million new jobs in the United States. The emergence of small businesses accounts for two of three new jobs and approximately half of the inclusive employment in the United States. Concerns for the survival of small businesses led President Herbert Hoover to address the financial crisis of the Great Depression through a federal lending program for small businesses, which established the beginning of the SBA (U.S. SBA, 2006b). The Small Business Act of July 30, 1953, evolved into the SBA, whose function was to “aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns” (U.S. SBA, 2006b, ¶ 8).

The Certification Process and 8(a) Program and Implications

As previously noted, the 8(a) program represents a segment of the Small Business Act, which “is a business development program created to help small disadvantaged businesses compete in the American economy and access the federal procurement market” (Acquisition, (n.d., ¶ 1). The program includes technical and management assistance to minority, women, and small, disadvantaged business owners to access the federal procurement market through sole-source, minimally competitive, and procurement set-aside avenues (Federal Procurement, 2006). The SBA operates a Procurement Center Representatives (PCR) program to assist small businesses in obtaining federal contracts. Through the SBA, the assignment of PCRs often helps to accomplish the SBA policies and programs for any contracting activity or contract administration.

The responsibility of the PCR is to assure compliance to the contracting agency’s commands that have control of the contracting personnel and information. To assure compliance, the PCR works collaboratively with the Small Business Specialist and Program Office Personnel, obtains access to contract information from the contracting officer, and reviews and proposes

acquisitions to recommend set-asides not unilaterally set-aside by the contract officer. According to the Office of Small Disadvantaged Business Utilization (2006), the PCR also makes recommendations to federal agencies of newly qualified small, small disadvantaged, 8(a), women-owned business sources that provide the types of services or products the agencies seek. Further, assistance is provided through the PCR in developing appropriate language for solicitation in consideration for small businesses and in providing oversight on the acquisition process for pre and post awards. Procurement Center Representatives exist at various SBA procurement area offices and federal buying centers around the United States. The SBA streamlined the certification process by making the application available electronically.

The application processing time varies with the complexity of the business owner's application. For example, the processing time for a 100% sole-proprietorship business is less than the time required for a multi-owned corporation located in a community property state. The more complex the organizational structure, the longer the application review. The regulatory periods are 90 days for an 8(a) application and 75 days for a SDB application, dividing the application reviewing process into two segments. The first phase includes the screening process. The SBA ensures all required information is available for processing the application; Phase 2 involves the analysis of the information provided in the application. According to the SBA (U.S. SBA, 2006c 2006d), the following steps outline the process to complete the electronic application.

1. To obtain business with the federal government and become certified under the 8(a) program or SDB, the applicant *must* register in the Central Contractor Registration (CCR) database and complete the Small Business Supplemental Page within CCR. As a government-wide single point of vendor registration, CCR is a key aspect of

- streamlining and integrating electronic commerce into the federal procurement process. Federal Acquisition Regulation requires contractors to register in CCR prior to award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement.
2. The individual must register for an account in the SBA's General Log-in System (GLS). SBA supports a single login point for all services of the U.S. SBA, that point is the General Log-in System.
 3. The individual *must* download, sign, and submit the notarized authorization form, sometimes referred to as the "signature" authorization. The individual's *signature* is an important part of the electronic application process because the *receipt of this document* by SBA initiates the period to begin the review and analytical process of the electronic application.
 4. Log in to the 8(a) or SDB application via SBA General Log-in System (GLS).
 5. Complete and submit a completed application form. (U.S. SBA, 2006d, p.1)

The relevance of the information provided above is to demonstrate the improved and revolutionized methods for the applicant to apply for 8(a) and small disadvantaged business certification using the electronic application process (U.S. SBA, 2006d). Table 2 (cited from *8(a) Certification*, 2006, Figure 2) illustrates the qualification requirements for 8(a) and SDB certification. The initial phase for small business owners seeking to procure a government contract is to determine the program that best fits their organizational structure, which includes certification as an 8(a) or disadvantaged business. Table 2 contains a comparison and contrast chart to assist the small business owner's to decision-making process as an application attempting to qualify for government contracts (Federal Access, 2008).

Table 2. 8(a)/ SDB Comparison/Contrast Chart

| Certification | 8(a) | SDB |
|-----------------------------|--|--|
| Small Business | Per 13 CFR 121 | Per 13 CFR 121 |
| Ownership | 51% minority | 51% minority |
| Socially Disadvantaged | Blacks Hispanics Native Americans Asians Subcontinent Asians | Blacks Hispanics Native Americans Asians Subcontinent Asians |
| | ***** | ***** |
| | Individuals not members of designated groups | Individuals not members of designated groups |
| Economically Disadvantaged | \$250,000 | \$750,000 |
| Control and Management | By 51% owner | By 51% owner |
| Potential For Success | 2 years in business or meet waiver provisions | N/A |
| Character analysis | Review of SBA Form 912-Statement of Personal History | SBA Form 912 not required as part of the application |
| Application Processing Time | 90 days | 30 days |

Table2 (continued),

| Certification | 8(a) | SDB |
|-----------------------------------|---|--|
| Certification Term | 9 years <i>period</i> | 3 years |
| Set Aside Contracts | Sole source and competitive Sole Source \$5,000,000 and under for manufacturing \$3,000,000 and under for all other services Competitive > \$5,000,000 in mfg. >\$3,000,000 for all other services | N/A |
| Price Evaluation Adjustment | N/A | 10% |
| Reciprocal Certification | Yes-All 8(a) firms <i>are</i> SDBs | No-All SDBs <i>are not</i> 8(a)s |
| Application Submission Address | Small Business Administration San Francisco Central Office Duty Station Division of Program Certification and Eligibility 455 Market St., 6 th Floor San Francisco, CA 94105 | Small Business Administration Office of Small Disadvantaged Business (SDB) Certification and Eligibility Mail Code 8800 409 3 rd Street, SW Washington, DC 20416 |

Note. From “8(a) Certification versus SDB certification,” by SCORE, 2006. Available at <http://www.scoreknox.org/library/certification.htm>. Adapted with permission of the author.

Present Conditions

Program opportunities. The federal government established a set-aside program to aid minority, women-owned, small, and disadvantaged businesses in competing effectively for government contracts. The process affords the minority-owned business a bidding advantage over a non-minority-owned business with a 10% price adjustment. The following example includes an explanation of the advantage as LaNoue (2000) reported:

If a non-small disadvantaged business owner bids on a \$1,000,000 given contract and a small disadvantaged business owner bids \$1,090,000, the contract is awarded to the small disadvantaged business owner, because its bid is not greater than 10% of the non-small disadvantaged business owner's original bid offer. (p. 91)

Minority business owners can market their product or services through the Federal Business Opportunity (FedBizOpps [FBO]). FedBizOpps is the government point of entry (GPE) for federal contract procurement opportunities over \$25,000. Government buyers publicize their business opportunities by posting information directly to FedBizOpps via the Internet. Through one portal, the FBO allows minority business owners to market his or her products and services through researching, observing, and downloading potential prospects solicited by the federal contracting community (FedBizOpps, 2006).

Program issues. In fiscal year 2003, the federal government exceeded its 23% goal to contract business with small businesses. The achievements were notable; however, the Acquisition Reforms Act of 1990 created entry barriers to the federal contract procurement market for the small businesses. According to Enchautegui et al. (1997), the minority-owned organizations had to confront barriers in two major areas: the formation and growth of minority-owned organizations, including a lack of financial capital and social capital.

Financial Capital represents the organization start-up which “most often comes from debt capital, equity capital, business angels, or formal venture capitalists” (Marshall & Oliver, 2004, Financial section, ¶ 1). *Social Capital* “refers to those features of social relationships, [for example], interpersonal trust, norms of reciprocity, and membership of civic organizations, which act as resources for individuals and facilitate collective action for mutual benefit” (MacArthur & MacArthur, 2000, ¶ 1). Enchautegui et al., cited barriers to minority participation in the government contracting process as:

Failure of government to break large contracts down into smaller projects so that minority organizations can compete; ineffective screening for false minority fronts; limited notice of contract competitions; bid shopping on the part of majority prime contractors, who disclose minority firms; subcontracting bids to their majority competitors so they can be underbid (Enchautegui et al. (1997, p. 2).

According to Clark and Moutray (2004), despite surpassing the small business goal, the goals set for minority and women have not been met. The use of contract bundling and purchase cards further restricts small business opportunities. Gerin (2005) addressed an SBA report, which indicated federal contract awards for small business exceeded the government's goal of 23% of all contract awards. Gerin’s article contained remarks by Representative Nydia Velazquez of New York who said, “The 23% was misleading and that contract bundling, plus SBA’s miscoding of large businesses as small businesses, cost small businesses almost \$1.8 billion in 2004” (p. 2).

McCullough, SBA Associate Deputy of the Administrator for Government Contracting and Business Development, issued a rebuttal to Velazquez's charge with validated results from the Federal Procurement Data System (FPDS). The FPDS report indicated small business awards

were counted multiple times, thereby inflating contract award figures. Conversely, large organizations that failed to meet the criteria as small awards were identified as small organization awards (Velazquez, 2004).

To clarify the misunderstanding of the definition, Velazquez provided a definitive explanation for contract bundling “as a contract action awarded to a small business to which other requirements are later added” (Gerin, 2005, p.2). Velazquez addressed the issue that the women-owned businesses did not have a set-aside program. Although the law passed in 1996 specifically stated the government would award 5% of its contracts to women-owned small businesses, the current award level barely reached 3% within a 9-year period.

The FASA creates an opportunity for micro purchases of items valued at less than \$2,500 without competitive quotations, which exempts the organization from the small purchase set-aside requirement. The majority of the FASA purchases are less than \$25,000 and most of the purchases are less than \$2,500 (Clark & Moutray, 2004). The use of the process allows the buyer, rather than the contracting official, to make micro-purchases, thereby eliminating the full report process as stated within the Federal Acquisition Regulation (FAR).

The FASA procedural changes allow the buyer to make a micro purchase instead of the contracting officer. The buyers’ failure to follow FAR reporting and accountability procedures through documenting the purchase credit card for minority business owners allowed increased micro purchases without obtaining competitive quotes (Clark & Moutray, 2004). In 1997, the value of the purchase credit card increased from \$5 billion to \$16 billion in 2003. For unknown reasons, the awarded contract data for small businesses through the purchase credit card have not been maintained by the agencies. The benefits of the procurement reform equate to less for small businesses than in the past (Clark & Moutray, 2004).

The impact of contract procurement on small businesses and the small business environment. The results of research demonstrated the small and entrepreneurial organizations are the passageway for a major segment of the national economy. Clarity regarding how small and entrepreneurial organizations achieve excellent status significantly impacts the owners/leaders, employees, and economies in which the small and entrepreneurial organizations operate. The higher the level of performance accomplishments, the more growth, profits, and economic increase is available for the employees, who return the benefits to the general economic health of the community.

The organizational environment reflects many conditions and factors, including economic, political, and community factors. Other factors are related to employees, legal rules and regulatory practices established by the SBA to determine the organization's size, demographics, global factors, and societal issues. A low or inferior performance level produces negative economic health (Wolff & Pett, 2006).

America's small businesses played a vital role in assisting the economy through the addition of more than 5.1 million new jobs (*50 Years*, 2006). With the help of small businesses, new opportunities arise, especially for women and minorities. Women own more than 25% of all businesses, and the number of women-owned businesses is growing. Hispanic Americans are opening their own businesses at a rate of 3% of the national average (Center for Women's Business Research, 2005).

Woman-owned business. The federal government procurement process offers no formal certification program for women-owned businesses. Organizations self-certify that the woman possesses at least 51% ownership and that a woman or women, who are U.S. citizens, control the business (Federal Procurement, 2006). Although completion of the self-certification process

occurs, the literature on SBA set-asides demonstrates that the assistance for growth of woman-owned businesses has been limited (Enchautegui et al., 1997). According to an article in the *Women's Business Exclusive* (1998), although the SBA established goals related to woman-owned businesses being included in the subcontractor bidding process of prime contractors, the businesses never performed the work.

The enigma confronting small business owners has to do with the unique terms and conditions of contract bundling and purchase card activity involving government contracting. The cost of the audits and restrictive rights in data clauses kept many private-sector companies from collaborating on government research efforts (Office of Advocacy, 2002, 2003; Sorber, 1998). Miller (2001) concluded the minority business owner must encounter several challenges before acquiring a federal contract, including a tedious application process requiring at least 90 days to complete. Additional milestones are completing of the 8(a) certification, demonstrating a lack of technical support from the SBA upon winning a contract after 8(a) certification, and employing educational skills on marketing strategies (Hoover, 2001). In Memphis, employees of many small businesses have the skills to do construction work such as bricklaying or landscaping. Scott (2003) determined minority owners of such businesses do not have the management expertise required to complete the application process for federal contract consideration.

In 1997, the economic census data revealed minority-owned businesses only accounted for 1.4% of all business revenue generated in the Memphis metropolitan area Memorandum of Understanding (One Memphis: An Alliance for Business Growth, personal communication, January 13, 2005). Additionally, Hoover (2001) reported 38 of the 100 8(a) contractors were eligible for contract preferences. The guidelines in the amendment of 8(a) established in 1987

restrict participation and graduate small business owners once an organization becomes certified, portals the 8(a) program, and earns 9 years of service. The requirement indicates, over time, the organization should strengthen its collaboration of business from the external 8(a) program and federal contracting to maintain the competitive advantage (Women's History, 2006).

Leadership Implications

The leadership challenges and opportunities of the SBA. The SBA attempts to further add value to minority, women, and small disadvantaged business owners through faith-based and community organizations (FBCOs) and the Service Corps of Retired Executives (SCORE). The FBCOs have a long tradition of helping Americans in need and play an important role in helping the SBA identify, train, and finance the entrepreneurs whose businesses will bring jobs and hope to distressed economically communities all across the United States (*SBA's Faith-Based*, 2006). Assistance to business leaders comes through a variety of services. An opportunity for assistance available in Memphis, Tennessee, is a volunteer charter through the SCORE Chapter 68, which provides an opportunity for retired executives to offer advice to new and existing small businesses. The charter extends free services to several counties throughout Tennessee, such as Shelby, Tipton, and Fayette counties, and provides services in adjoining states such as Arkansas and Mississippi (SCORE Services, 2006).

The SCORE service is a training tool available to assist leaders in effectively operating their organizations. An entrepreneur is a person whom organizes and manages a business undertaking and assumes a risk for the sake of profit. Operating a business requires certain skills. Few people have all the skills needed to run a business, but they can compensate for their weaknesses by hiring staff or consultants and by becoming more knowledgeable through education or training (Growthink, 2006).

An entrepreneur designs and initiates change in an organization. For example, the supervisor who redesigns the job of subordinates, introduces flexible working hours, or brings new technology to the job performs the role of entrepreneur (Shriberg, Shriberg, & Lloyd, 2002). The success of the organization involves the entrepreneur's ability to identify the needs of the employees and influence them to achieve the organizational objectives. To become an effective leader an entrepreneur should build trust and confidence and effectively communicate with employees.

Trust manifests through hard work, dedication to achieve the organizational vision, and problem solving, which result in high employee satisfaction and commitment. Equally important is effective communication. The leader's knowledge of organizational goals and vision, when effectively communicated, creates an environment of ownership, which encourages the employees to become stakeholders of the organizational objectives (Growthink, 2006).

Often employees do not have the proper tools to develop, test, or create innovative ideas. The organization empowers the employee with a tool called launch and learn (Kipp, 2001). Launch and learn includes the software to plan and design a project of special interest to the employee with the potential to be a new product for the organization. The concept will inevitably free the employee to be flexible to create (Kipp).

Future Leadership Opportunities

Future leadership—Optimizing operational opportunities. The long-term viability of an organization involves the use of sound ethical decision-making strategies. The conceptual framework of the proposal identifies the importance for leadership to remain vigilant and recognize environmental changes through new technology, new consumer preference, and changing demographics. Important also is the recognition of new competitors differentiating

themselves and unnoticeably capturing market share, attributes important to maintaining the competitive advantage and the survival of an organization in the 21st century (Johnson, 2006). Organizational life cycle theorists contended organizations encounter a predictable series of crises that mandate management if organizations expect to grow and survive in a competitive environment.

Minority, women-owned, and disadvantaged organizations can test operations through one of the most efficient life cycle models of organizational growth, Greiner's model. According to Greiner's model, an organization must pass through five sequential growth phases for the duration of the organizational evolution and advance from one phase to the next, including creativity/innovation, leadership, synchronization, and organization. An organization should successfully change itself and solve the organizational issues associated with each crisis. Greiner's Model of Organization Growth (as cited in Jones, 2004, p. 350-354) states the organization will sustain viability through the following attributes or actions:

(a) Creativity/innovative—the manager develops the skills and abilities to create new products for new market niches or revenue resources; (b) Leadership—owners direct company's strategy; and (c) Synchronization—owners coordinate and motivate employees to incorporate the organization's perspective. Organizations gain knowledge of competition by conducting prescribed marketing techniques, searching out competitive knowledge, scrutinizing competitor's merchandise, benchmarking, and investigating the market (Hunt & Morgan, 1996).

Leadership is not limited to a handful of executives at the top echelon of an organization (Kouzes, 2003). According to Osheroff (2004), leadership represents the initial phase of the organizational success. Osheroff noted, "A manager is a person who ensures that business structures and processes are working correctly; but a leader is someone who builds those

structures and envisions desired outcomes” (p. 1). The managerial and leader role often requires consolidation for a smaller organization. Osheroff concluded that the leader’s ability to guide others is the deciding factor because without leadership, management is ineffective.

Diverse situations reveal the importance of leadership to an organization’s success. The ability to relate to dissimilar contexts requires different leadership strategies, diagnostic ability, and adaptability (Kouzes, 2003). Good leadership takes precedence because the leader makes the decision involving what and who processes the actions. Leadership also takes precedence over the contribution of culture and management tools because the leaders inevitably will become the end users of the tools. According to Kouzes, the comment that good culture will self-mend is inaccurate; the survival of an organization sometimes requires radical cultural changes. Kouzes further noted that without strong effective leadership, change will not transpire.

Knowledge management strategy is a best practice implemented by management to share knowledge within the organization to obtain success, a competitive advantage, and long-term growth (Liao, 2007; Riege, 2005). The interest of management lies in acquiring the location and application of the knowledge to assist in optimizing its organizational objectives. The strategic planning of knowledge management relates to developing shared learning with the internal stakeholders to inspire innovation, which produces improved products and increases product entry into the marketplace and market performance (Reige).

According to Reige (2005), knowledge management is “any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations”(¶ 1). Reige postulated that management has both the opportunity to segment knowledge management strategy into dynamic, system, and human category styles and decision making and the obligation to manage knowledge assets of the

organization. Reige's description of knowledge management permits the implementation of a choice of codification or personalization strategy; however, managing knowledge assets presents potential barriers as a result of the diversity of the organization. Reige identified barriers as (a) Time constraint to share the knowledge; (b) Sharing might jeopardize his or her job; (c) Age and gender differences; (d) Lack of trust, fear of abuse from the individual obtaining the knowledge; and (e) The individual providing knowledge lacks the trust in the accuracy and creditability of the knowledge.

The list represents a limited account of the total spectrum of barriers. The barriers represent the individual perspective. Reich (2007) associated risks with knowledge management related to learning from past projects, the competence of the project team, problems in integrating and transferring knowledge, and the lack of a knowledge map. According to Liao (2007), knowledge management presents challenges. Management should align with the organizational goals and structure to provide clarity relating to improving innovation.

A review of leadership models is pertinent to identifying best practices that would be beneficial to minority business owners to ensure organizational success. The ability to employ appropriate strategies to sustain the organization's competitive advantage within a constantly changing environment is important to business owners. The purpose of the review is to present a synthesis of leadership models relevant to conducting a study of minority business owners that can provide a conceptual framework for leadership.

The models reviewed include authentic, entrepreneur, and self-leadership models. According to Jensen and Luthans (2006), a business owner has the responsibility to construct and "sustain a successful new business venture's demands through vision and financial capital, but also [lead] others to transform that vision and financial capital into a successful reality" (¶ 1).

The strategy involves the leadership of entrepreneurial small business owners who desire to promote the growth and performance of the organization through authentic leadership (Jensen & Luthans).

Authentic leadership. An authentic leader promotes the development of positive behavior through self-discernment and self-regulation. An authentic leader is resilient, goal oriented, and self-assured (Jensen & Luthans, 2006). Oftentimes, the external evidence of the leaders determines their level of success through factors involving the organization's profitability, product innovation, and reduction in expenditures (Cashman, 1997). According to Cashman,

Leadership is *not* simply something individuals do. It comes somewhere from the inside of the person. Leadership is a process, an intimate expression of whom the individual represents. It's our being in action. At its deepest level, leadership is authentic self-expression that creates value. (¶ 2)

Cohen (2008) noted the core values within the behavior of a leader include the ability to stand alone, live fearlessly, and act heroically. Additional core values identified were exhibiting the behavior of taking unconditional responsibility for oneself, facing everything and avoid nothing, and living for a higher purpose. The desire to be free and true more than anything else and to always see things impersonally were also cited as core values.

Cohen (2008) defined authentic leadership as ego death where the ego of the leader dies for the cause of the project. The leader fervently dedicates time, energy, and resources, which result in creating value. Both Cohen and Cashman (1997) posited the aspirations to become successful reside within the essence of the individual.

Entrepreneurial leadership theory. An entrepreneur is defined, according to Vecchio (2003), in reference to a setting or in the context of start-up firms and actions taken by an

individual within a specific setting (¶ 304). The underlying concept related to the effective entrepreneur is the leader's ability to influence, exploit opportunities, and gain the competitive advantage. The implementation of such leadership signifies the entrepreneur is able to construct a trusting culture and encourage self-confidence (Tanner, 1995; Vecchio). Entrepreneurial leaders often respond to the needs of the community and create a societal change through offering assistance as a for-profit organization. Such leaders are identified as social entrepreneurial leaders (Prabhu, 1999).

A standard in business development emerged in the 1980s that required the entrepreneur to develop sound leadership qualities, possess the characteristics needed to survive, and surpass the challenges to improve the potential outlook of the business (Fernald, Solomon, & Tarabishy, 2005). According to Fernald et al. (¶ 1), the characteristics include (1) seeing and clearly communicating a clear direction (2) leading and motivating others, (3) recognizing shortcomings in the team and supplementing those skills, and (4) having the business skills from an educational and experience viewpoint.

Leaders differ from managers in their work habits, thoughts, behaviors, interactions, and channels used to acquire knowledge (Fernald et al., 2005). A manager's perception of security in work follows a pre-designed path, and managers maintain personal identity through the efforts of others. Fernald et al., suggested that leaders gain leadership through their struggle to survive and often experience isolation and separation from their environment, which strengthens their leadership characteristics and solidifies self-esteem and commitment to the vision.

According to Fernald et al. (2005), an effective leader possesses certain traits such as cognitive ability and knowledge of the business. Motivation is demonstrated through both leadership and achievement. Other traits the authors identified were drive, ambition, energy,

tenacity, initiative, honesty, integrity, and self-confidence. The authors advised that the traits do not guarantee success; they enable the leader to obtain the skills to create and implement an organizational vision. A leader is an entrepreneurial leader and entrepreneurial leadership encompasses decision-making, risk, strategic planning, creativity, and vision (Fernald et al.).

The concepts presented by Concepcion (2003) indicate a dynamic change process occurs within the entrepreneurial leader as evidenced through systematic dynamic evaluations of the strengths and movements of the leader. The evaluations determine the direction of the leader's aptitude to attitude. The correlation between the leader and manager identified when the leader's aptitude to attitude is a positive analytical versus creative response representing anti-management conditions. A creative versus analytical response signals pro-management conditions.

An effective leader requires the flexibility necessary to adapt to changes, which occur within the internal and external organizational environment (Covey & Gullledge, 1994). However, "forward-thinking leaders visualize critical changes before the internal or external stakeholders become knowledgeable" (Covey & Gullledge, p.12). According to Ponder (2005), executives develop their leadership style based upon their own set of beliefs, personality traits, and educational knowledge received relating to leadership. In relation to a transformational leader who uses introspection, a successful business owner conducts a self-renewal process of the organization to develop an optimizing strategy focusing on capturing a product or service overlooked by a larger competitor (Romano & Ratnatunga, 1995).

Self-leadership theory. Entrepreneurship includes individuals desiring to become successful business owners. The cost of success is relative to the individual's ability to endure the challenges of achieving growth and profitability. The objective of self-leadership includes the

conceptual framework required by an individual to maintain a level of motivation during the initial small business startup or to withstand the struggle of growth, including behavior-focused strategies, natural reward strategies, and constructive thought pattern strategies (D'Intino, Goldsby, Houghton, & Neck, 2007).

According to D'Intino et al. (2007), the opportunities presented to the entrepreneur in relation to employees, customers, suppliers, banks, and lending institutions equate to the success or failure of the organization. An entrepreneur's experiencing deficiencies in optimism, happiness, psychological flow, consciousness, and self-monitoring may affect the status of the organization. Personality models, the need for autonomy, emotional intelligence, and diversity factors including age, gender, and cultural differences interface with work life.

The survival of the organization, regardless of the circumstances, is based on the entrepreneur's thought patterns and whether the leader is an optimist or a pessimist. Optimism differs for each individual and directly relates to the explanatory style in leadership. Use of the explanatory style allows an explanation of unfavorable events; for example, in the optimism explanatory style an issue is not personal or permanent. Conversely, within the pessimistic explanatory style the issue is personal, permanent, dejected by setbacks, and indicates the individual surrenders or stops trying (D'Intino et al., 2007).

Entrepreneurial Leadership Decision-Making Strategy

Within each organization, a leader should model learning behavior by inquiring knowledge from its interior and exterior organizational environment (Pech, 2003). The leader's decision-making approach entails the dissemination of knowledge to the stakeholders. However, to ensure that a learning culture exists, the leader should request that stakeholders contribute their knowledge within the organization, which will strengthen the organization's ability to

become a dynamic learning organization, to support creativity, and entrepreneurship (Slater & Narver, 1995). Consequently, the structure of the organization would provide value, which creates interest with the stakeholders to support the performance and the quality of products or services offered.

The elements that influence the concern of the stakeholders relate to whether they will receive inducements such as reward, money, or power and contributions. The stakeholder questions if the agents have the talent and expertise to perform a task (Jones, 2004). The role of the stakeholder is essential to the survival of an organization. Stakeholders comprise two groups: internal and external. Internal stakeholders are the employees and stockholders. External stakeholders are customers, suppliers, and key government agencies. Conversely, the stakeholder represents anyone or any group affected by the performance, policy, processes, or products of the organization (Bowditch & Buono, 2005).

The external stakeholders measure organizational goal achievement through performance measurement and total quality. Performance is a tool used to measure the success of an organization through growth, longevity, and stakeholders' goals relating to employee and customer satisfaction. Organizations face the opportunity to balance the goals of the stakeholder with the original goals of maximizing shareholder's wealth (Walters, 1999). According to Olian and Rynes (1991), organizations seek to provide the customer with the utmost total quality in services and products possible. This level of achievement requires a change in the organizational culture.

The environmental factors of an organization include the processes, decision- making, innovation, risk, competitiveness, and practices. The organization's survival depends on its ability to create sales growth, customer satisfaction, and profitability (Fredric & Zolin, 2005).

Organizations gain knowledge in many ways, such as conducting formal research, seeking out competitive intelligence, dissecting competitor's products, benchmarking, and test marketing. The resources-advantage theory adds to extant work to understand how the process of competition contributes to organizational learning through feedback, provides knowledge from relative financial performance, and indicates market position (Hunt & Morgan, 1996).

The Strengths, Weaknesses, Threats, and Opportunities (SWOT) analysis offers a twofold viewpoint in aiding leaders' marketing strategy through identifying the intelligence for creating and totally integrating the marketing strategy (Novicevic, Harvey, Autry, & Bond, 2004). The leader's marketing strategy results from a continuous change in technology, environment, customer, and industry needs. The resources of the organization and capabilities of leaders are challenges to sustain the competitive advantage. Use of the resource-based view helps to examine the knowledge and core competencies of the organization through the SWOT analysis in an effective and efficient methodology with a goal to accomplish success (Marti, 2004).

A leader performs a SWOT analysis to determine the internal (convenient and variable) and external (unmanageable) environmental factors (Nair & Prasad, 2004). A leader should involve all groups in training activities, such as knowledge collections regarding the stakeholders, and communicate the benefits obtained from the training. The decision-making strategy should have a consistent focus on learning and a comprehensible and impartial appreciation of the product and service characteristics valued by the customer (Slater & Narver, 1995).

Implementing the contingency theory. The survival of organizations in the 21st century requires global expansion. Leaders recognize globalization is here to stay. Businesses should

prepare, as indicated in the recommendation made by Jones (2004). Jones contended to sustain competitive advantage, organizations should incorporate the contingency theory to manage the environment effectively, design its structure, and control systems to correspond with the environment in which the organization operates. Contingency theory involves the belief that a particular leadership strategy used to make decisions does not solve every organizational problem. The optimal leadership strategy depends on several internal and external constraints: eliminates the concept of a singular best way to lead; decision-making is used to correspond with the environment; and the correlation that exists between the organization and leadership strategy is suitable for the task and character of the employees (Wade & Tomasevic, 2006).

According to Meznar and Johnson (2005), a significant perception of contingency theory involves the idea that organizations must coordinate their strategy and structure if they are to improve performance. Use of the theory may strengthen the small business owner's contract bidding strategy to acquire contracts conducive to the organizational environment. According to contingency theory, if the environment in which the organization operates is durable and homogenous, the periphery across develops into a standard operating procedure.

The economy is helping to create rapidly an essential component in the United States for flexibility in its small business program. Section 211 of Public Law §95-507 enacted in 1978 remains unchanged and inflexible to account for new procedures in the procurement marketplace (Clark et al. (2006). The policy still includes the presupposition that the prime contractor performs all aspects of the project, but in actuality, the presupposition represents the extreme opposite, creating a demand for flexibility within the policies. The federal government updated the Small Business Act to provide opportunities for small business owners to participate in subcontracting programs. Enactment of the Small Business Act of 1958 ensured the opportunity

for small business owners to receive a reasonable percentage of government contracts, thereby indicating the SBA should take steps, “to encourage the letting of subcontracts by prime contractors to small business concerns” (Subcontracting, 2002, p.1). In 1978, a change in the policy and procedures structure resulted in the stipulation that every contract exceeding \$100,000 be subcontracted with small, small disadvantaged, and women-owned small businesses (Policy Directive 02-01, 2002).

The traditional concept of the federal marketplace reserved for the national market is obsolete. Small and small disadvantaged businesses receive encouragement to participate in exporting their commodities and services, but they encounter some obstacles. According to Clark et al. (2006), the government international marketplace includes challenges to the small business owner. In 1978, Public Law 95-507 resulted in a minimal change to Section 211, which limits flexibility for minority business owners incorporating new initiatives within the procurement arena. For example, Clark et al., explained that the policy reflects the assumption that the prime contractor is doing all of the work which is not the case; therefore more flexible policies are needed. Some practices that keep small business owners uninformed result in restricted opportunities to bid for subcontracts.

Traditionally, minority business owners have the opportunity to participate in prime contracting and subcontracting as a method to expand the organization (*Small Business Resource Guide*, 2008). According to Adetimirin (2006), M. D. Turner, President of Optimal Solutions Group for small minority-owned businesses, provided an opportunity for minority business owners who aspired to move from subcontracting to prime contracting through Global-Link, a program established by The National Minority Supplier Development Council (§ 1). The creation of Global-Link eliminated the traditional exclusion of minority business owner access to the

international market through providing a link for minority business owners to establish a relationship with international suppliers (Adetimirin). December 16, 2004, marked the initiation of new beginnings for minority business owners to embark on a global diversity supply chain to enhance profitability through globalization (Adetimirin).

Leaders desiring to globalize operations must communicate pertinent questions to internal and external stakeholders relating to how and why the global expansion will add value to the organization. The concepts of global imperatives provide a framework for U.S. organizations establishing a global presence. The development of a global mind-set, open awareness to diversity of cultures, and market require knowledge to strategize effectively a management plan to meet the challenge of emerging into foreign markets (Gupta & Govindarajan, 2004).

Several imperatives exist for global expansion based on the organization's structure and strategic position. The growth imperative requires mature organizations to look for emerging markets to implement their service or product to increase their competitive advantage, sales revenue, and profitability. The efficiency imperative offers an increase in cost advantage when the minimum efficient scale exceeds sales capacity within a particular country. The sales capacity increases because the product is sold worldwide. The knowledge imperatives require the organization to adapt to the culture of the host country. Effective communication is crucial for each imperative (Gupta & Govindarajan, 2004).

The financial and economic strategy ensures the organization sustains its profitability and continues to operate as a viable organization. The implementation of measurements identifies and controls the challenges or opportunities relates to the contingency theory to sustain the organization's existence (Jones, 2004). According to Pitt and Goyal (2004), management understands risk is inevitable. The comprehensive approach to protecting financial and economic

strategy involves the consideration of the Business Continuity Plan. The Business Continuity Plan discipline provides a link for the information technology strategy with other key areas to change the mind-set within an organization, including a technology mind-set concentrating on the information system. An auditing mind-set ensures the information system complies with the regulations, policies, and procedures set forth by the organization; a value mind-set in which the Business Continuity Plan resides, focuses on the needs and adds value to the organization. Revenue streams emerge through the establishment of consultation fees, itemized fee structures for services rendered, and government grants. Pitt and Goyal concluded, “The value based mindset is considered to be the better practice in comparison to standard practice of the technology mindset” (p. 8).

Leadership Values and Communication

Ethical values. Baron (2003) defined ethics as “the study of what makes up good and bad conduct inclusive of related actions and or values,” and business ethics as “the study of what makes up good and bad conduct as related to business activities or values” (pp. 683-684).

According to Zablow (2006), studies revealing organizations’ ethical operational objectives are not probable. The ethical standards consist of a pre-established set of procedures intentionally documented by an assigned management team to take the responsibility to become the moral agent committed to protecting and enhancing the character and integrity of the organization.

The implementation of efficient and effective ethical standards provides the support mechanisms needed for an organization to create and sustain its competitive advantage, reduce negative exposure to its reputation, and prevent potential disadvantage to its financial and intellectual capital. The ethical best practice indicates the organization operates at its best when compared to any alternative course of action when the intent of the practice is to achieve some

deliberative end (Bretschneider, Marc-Aurel, & Wu, 2005). Regardless of economic status, a leader should view the best practice or standards as tools for more effectively implementing and executing company strategy. The slightest payoffs from best practices occur when company leaders seize them as something worth trying or novel ideas that could improve things. Additionally, when best practices are not part of a wider-scale effort to improve strategy execution and business performance, they deteriorate into blind efforts to manage better (Thompson & Strickland, 2003).

A sound strategic plan is a requirement for an organization's long-term viability. Issues facing 21st century leadership include new technology, new consumer tastes, changing demographics, or new competitors differentiating themselves and capturing market share. Instilling a culture of ethics is not easy; unethical conduct is the result of neglectful leadership and organizational cultures that send mixed messages about what is important and what is expected. Senior corporate leadership must step up as an example and have ethical standards built into the strategic plan. A solid reputation for ethical behavior is a valuable strategic competitive advantage that is not easily replicated (Johnson, 2006).

The use of tacit knowledge in the form of best practices, lessons learned, marketing research, and process manuals can prevent managers from repeating mistakes. Although the use of best practices can differentiate an organization in the marketplace by providing some real competitive advantage, tacit knowledge is often ignored (Johnson, 2006). Effective leadership correlates with integrity and the presence of integrity may improve organizational effectiveness. Judgment of leaders is not according to the ethical nature of decision making, leading, and managing complex change but is based on the importance of integrity and ethical leadership

correlated with higher levels of hierarchical status; the assumption exists that by virtue of status and success, leaders lead with integrity (Storr, 2004).

The five sources of ethical standards management used to develop effective and efficient decision-making strategies and control risk within the organization include the utilitarian, rights, fairness or justice, common good, and virtue approaches (Markkula Center for Applied Ethics, 2006). The goal of utilitarianism is to yield the greatest aggregate well-being for everyone affected by the action (Baron, 2003). The utilitarian approach is dominant in the business decision-making process, consistent with such goals as efficiency, productivity, and high profits (Robbins, 2003).

According to Rigsby and Greco (2003), establishing trust and creditability with the stakeholder endorses honesty in communication and strengthens relationships. A lack of trust and creditability creates an environment and culture in which the “employee constantly attempts to protect the environment, second guesses colleagues’ decision- making, and evokes self-interest. The lack of trust drains a company of its ability to do the important work of innovating, collaborating, and adding value” (Rigsby & Greco, p. 240). The establishment of trust between a leader and stakeholders relates to the culture and values of the individual. According to Beslin and Reddin (2004), high-performing leaders establish a culture of trust through open communication. The leader creates policies, procedures, and strategies to assist in sharing information freely to gain the confidence of the stakeholders.

The embodiment of ethical values becomes an integral part of the employee and management development assessment through persistence and determination to educate the employee regarding values. Human resource expectations shape the intrinsic values of the employees and the organization assists in molding behavior. The expectations assist in forming

the behavior as the behavior changes. Through the continued growth of the organization, a system of checks and balances of the code of ethics is rewritten annually with the input of the employees and applied to all team members (Hatcher, 2003), creating a need for organizational values. According to Verschoor (2006), a survey revealed personal ethics are important, but the organizational culture is critical because good ethics equates to good business and builds brands, draws customers, and recognizes future monetary benefits.

Organizational values. An effective leader is aware of the continuous need to maintain organizational values because of changes in society and economics. The decision-making process and communication are the most effective and efficient tools to align goals, values, and norms with stakeholders' expectations (Michel, 2007). Leaders incorporate the decision-making tools to eliminate cynicism within the organization and its stakeholders where concerns exist to challenge the core values of the organization (National Defense University, n.d.).

According to Wenstop and Myrmel (2006) stakeholders identify with the following values: (a) Created values and stakeholder values come together to produce and are the underlying principle for the organization; (b) Protected values: Trade-off against other values is considered unethical and management protects them through rules, standards, and regulations; (c) Core values: These values prescribe behavior and tell the character and attitude of the organization. These writers also noted how the operational values of the organization directly influence the stakeholders. Managers are influenced in terms of their relating *to* growth, market share, profitability, and liquidity. Job satisfaction, motivation, salary, and job security are influences that relate to employees. Operational values are also directly related to concerns of customers for price and quality of services, of shareholders regarding their share of earnings, of suppliers' interests in the percent of sales, and of the communities' interests in work places.

The values offer limited substitution when the leaders attempt to maximize value. The stakeholder anticipates a healthy and secure workplace and the community anticipates environmental protection; trade-offs are nonnegotiable (Wenstop & Myrmel, 2006).

Abbott, White, and Charles (2005) revealed that processes and leadership could present barriers to innovation regarding the leader's ability to adopt cultures to improve employee motivation and external performance. To overcome the challenge the leader implements pan-cultural motivational values such as benevolence. This type value most frequently relates to the welfare of individuals and universalism by ascribing to the safety and protection for all individuals.

Kipp (2001) identified leader mind-set and leadership as barriers that could affect an innovative business strategy, which relates to the traditional style of management implementing standardization as opposed to an open system. Kipp noted, "Distinguished companies know that complacency is the thief of innovation; consequently the leader incorporates a culture of *no-fault discontent*, which then allows the stakeholder to question its practices and ensure that the organizations are performing at maximum quality" (p.1). Regardless of the leadership strategy, the leader ascribes to the perception of creativity as a core value (Kipp).

To ensure the success of the vision and mission of the organization, Trahan, Steckler, and Sonnesyn (2007) described the use of thoughtful strategic planning involving a long-term approach to employee hiring through the implementation of strategic human capital planning. The requirements for meeting the organizational objective would necessitate human capital possessing the capabilities to perform, be accountable and be able to produce results.

Communication. According to Chowdhury (2003), the identification of underperforming organizations occurs when the top leadership and the lower leadership fail to communicate.

Communication barriers permeate the organizational structure as a result of a laissez-faire or too top down leadership strategy, an ineffective team, and an unclear strategy, which are described as silent killers. Chowdhury described these and other silent killers as follows: “Unclear strategy and/or conflicting priorities; an ineffective leader; a top-down or laissez-faire style of leadership; poor vertical communication; poor coordination across functions, businesses, or geographic regions; and finally insufficient leadership skills and development of down the line leader”(p. 315).

Allowing the employee to participate and sharing the organizational vision through communication inspires people to follow. An effective leader understands communication increases value and a desire to become a team player to ensure the success of delivering the leader’s strategy (Dewhurst & Fitzpatrick, 2007). The leader often analyzes key performance indicators in an attempt to identify the area failing to meet the organization’s performance requirements. Performance weakness could produce the results obtained from lack of internal communication, as opposed to a weakness in methodology (Tyler & Erickson, 2007). Dewhurst and Fitzpatrick suggested that efforts to ensure a company’s leaders become better communicators are among the most valuable legacies an organization can leave.

The previous success of an organization does not guarantee its future longevity. For example, Apple Computer introduced the personal computer. Because Apple failed to respond to the threat of price competition (lack of communication), the original company known as Apple Computer, Incorporation is no longer in existence. Palo Alto Research Center failed to commercialize its computer and technology breakthroughs prevented its adaptation to the business market (poor communication) (Chowdhury, 2003, p.313). Effective communication to

the employees by management of the strategic plan improves working conditions and ensures the success of optimizing operations (Badiru & Pulat, 1995).

According to Badiru and Pulat (1995), an effective project planning tool for management to enhance requirements and its progress is the Triple C Model, which integrates communication, cooperation, and coordination and “facilitates a systematic approach to project planning, organizing, scheduling, and control; it also helps to identify the resources such as personnel, equipment, and facilities” (p. 60). Use of the Triple C Model provides management with a strategic plan to communicate with each divisional manager in developing a business-level strategy to add value and create additional resources to its existing core competencies to sustain its competitive advantage (Jones, 2004).

The leader uses such strategic tools to enhance communication and sustain its competitive advantage through effective decision-making needed to procure government contracts. To implement contract procurement successfully, a project of this magnitude requires open communication channels, whether internal or external, throughout the life of the project cycle among the leader, employees, and parties related to the project (Badiru & Pulat, 1995). Badiru and Pulat noted that communication channels utilize different forms of communication including formal and informal written communication, formal and informal oral communication, and nonverbal gestures.

Technology is the core component used by organizations to sustain their competitive advantage, whether within the global or the domestic environment. The Internet increased leaders’ ability to communicate with employees, regardless of the milieu, through the electronic communication support technology stored within the organization’s computer system (Newstrom & Davis, 2002, p. 65). An effective leader has several options available to communicate

strategies to obtain the organization's goals and objectives and create change: face-to-face communication, e-mail, and teleconferencing are examples (Jones, 2004).

Information and communication technology play an increasing and essential role evidenced in rich literature since the 1960s in the society of networks (Pikas, 2006). The role comprises coordinating activities and keeping inter-organizational groups together, which demands a high level of service and top-quality information and communication technology. Such quality service would provide locally customized services with the economies of a scale that result from worldwide operations. Gaining the competitive edge in a high-level environment requires the integration of information technology potential with global logistics (Reponen, 2003). The high-level environment includes all information technology employed: hardware, software, services, and the supporting infrastructure to supervise and transport information using audio, video, and data. Infrastructure designed to integrate key personnel through a cost-effective technology to connect people, customers, and colleagues determines the success rate of an organization (Richert & Rush, 2005).

Financial strategy. The leader should create a balance between short- and long-term goals. According to Weldon and Yun (2000), the proximal goals create a benchmark to measure effectively the long-term, thereby increasing the employees' interest in performing the project. Both goals help to establish the balance. The short-term goal "defines the preliminary levels of performance while working toward the long-term goal, which defines the level of performance achievement" (Weldon & Yun, p.1). Conversely, setting both short-term and long-term goals increases team effectiveness and enhances performance.

Financial strategies include the balance scorecard (BSC) and key performance indicators to evaluate effectively the organization's performance, and the Sarbanes–Oxley code to protect

the organization's reputation and ethical conduct to preclude impairment of the financial reputation of the organization resulting from unethical behavior. The Sarbanes–Oxley code of ethical behavior mandates management must evaluate the internal officers and operations and present documentation in a timely manner (Zablow, 2006). Management's failure to control adequately its reputation causes uncertainty among the stakeholders. Reputational risks include the responsibility and accountability of management, which adds financial value. A decline in the organization's reputation complicates management's responsibilities, including increasing profits, improving the shareholder's value, and creating erosion to its competitive advantage (Murray, 2003).

Use of the BSC offers a different perspective and measures all dimensions of the entire organizational strategy, which is the major opposition to the methodologies (Wu, 2007). Wu emphasized the BSC measures the financial, creative, internal, and customer aspects of the organization. A major feature of the BSC is the ability to use it to provide data and link the performance indicators causing the intervals and vanguards within the operation, which are ultimately significant to the organization's success. The key performance indicators extend beyond the traditional budgeting measurement system and provide the shareholder with an illustrative summary to determine whether the organization obtained its targeted performance; demonstrated increased profitability, revenue growth, or variance with the previous year's performance; and improved the shareholder's value (Wu).

Sales and marketing strategies. Sales and marketing divisions share a coexisting relationship. The sales department creates a product or service of value and the marketing department creates strategies to present the product or service to the stakeholder to increase profitability through stakeholder satisfaction and corporate social responsibility. The creation of

successful sales and marketing strategies requires an analysis of customer expectations (Strong, Ringer, & Taylor, 2001). An effective performance management system focuses on preventing customer dissatisfaction and ensuring the employees go the extra mile to satisfy fully customers' needs (McCune, 1989). Customer satisfaction is crucial to the success of the organization and is based on the percentage of customers the organization is able to retain. According to Fecikova (2004), managing customer satisfaction requires a quantitative measurement device eliciting information through procedures that define the customer. Measures used would identify the customer's satisfaction with management's selection of personnel and the quality of products and services offered. Phone and email communications, returned products, marketing research, and direct interviews will also serve as measures to determine customer satisfaction.

The imperative issue associated with customer satisfaction is whether to gather information directly or through benchmarking the competitor's strategy. Effectively measurement of feedback from external stakeholder requires management to implement a methodology designed especially to meet the objectives of the organization (Fecikova, 2004). A leader's creative leadership ability to implement a customer relationship management (CRM) marketing strategy to support the transformation of an organization adds value to the organization (Hirschowitz, 2001).

Exclusive of detailed comprehension of the customer's profiles and behavior, the implementation of most CRM operates without a clear focus on quality, needs, and expectations from the customer. Regardless of how highly developed an organization's capabilities to produce customer insight, the results will provide minimum value unless processes are established that expound the knowledge to construct stronger customer relationships. The implementation of the

closed-loop approach is crucial to correlate the analytical and operational components of CRM, which transforms the customer's insight into customer lifetime value (Hirschowitz, 2001).

Hirschowitz (2001) recommended that closing the CRM loop involve the following:

(a) improving customer communication by distributing information throughout other departments, (b) making the CRM activity visible through collecting data from marketing campaigns, and (c) determining customer reaction to different forms and content interaction through an analysis of data. According to Molla and Bhalla's (2006) seven "S" organizational aspects (strategy, structure, systems, staff, skill, style, and shared values), information technology assists in the transformation of the organization. The seven "S" organizational aspects assist in framing the transformation and organizational effectiveness on the interaction, interconnection, and coordination to prevent conflict and restrict access, which provides the leader with internal controls to increase operational efficiency and maximize profitability (¶ 1). Use of the customer insight closed-loop CRM provides the marketing manager with the opportunity to design and simultaneously manage several small marketing campaigns that accurately target and define customer segments. The benefits derived relate to establishing the competence to personalize marketing information through various modes of communication such as e-mail, Internet, and outbound and inbound contacts at the call centers (Hirschowitz, 2001).

Marketing supports the transformation of an organization. A marketing strategy allows organizations to close the CRM loop through implementing processes and designing infrastructures to organize customers' information directly into the organization's marketing tool. The concept measures the technical architect; continuously evaluates the marketing campaign effectiveness; enhances its marketing performance, reduction in market time, and individual campaign costs; and provides a return on investment (Hirschowitz, 2001).

Minority, women-owned, disadvantaged marketing team. Within each organization, marketing leaders should reproduce the knowledge acquired by discovering additional information from inside and outside the environment. The marketing leader or change agent leads by including all groups in knowledge-oriented activities, such as aptitude of the customers and exhibiting advantages that result from the activities. The leader continuously reiterates the marketing strategy to preserve a clear and unbiased understanding of the product and service, which attributes to the customer's value (Slater & Narver, 1995). The need exists for thorough strategic planning as a prerequisite for the organization's path and long-term viability.

Some leaders become overly focused on the diminutive issues of the short-term survival of the operation and eliminate the organization's vision and mission statement (Johnson, 2006). The catalyst for failure often evolves when the management's success is high but the following occur: failure to identify change in the environment, the development of new technology, change in consumers' tastes, change in demographics, and competitors' identities are hidden until the market share anonymity slips away (Johnson). An effective leader identifies early warnings through measurement tools which, "affect the customer, finance, internal processes, learning, and growth" (Slizyte & Bakanauskiene, 2007, p.139).

Globalization and information technology support interlinked. According to Gupta and Govindarajan (2004), the global environment is rapidly changing. For organizations to increase market opportunities, leadership should take advantage of emerging prospects and develop a global mind-set, which opens awareness to diversity of cultures and market. Effective capture of the global market requires the implementation of information technology during the initial stage of the organization's development process. Use of the Internet operation assists in the development of the infrastructure to support the information technology required for global

expansion. Use of the Internet opened new strategies for organizations to expand production; the communication structure includes a cost-effective mechanism for global training programs and information sharing relating to business practices (McFarlan, 2005; Sandelands, 1997).

The advent of information technology allowed organizations to create an international brand image. According to Rij and Binstock (1996), management has the opportunity to develop “business anthropology to think about the challenge of keeping up with global change” (p.1). The implementation or execution of organizational strategies cannot occur without diverse support systems for business operations. Well-developed modern support systems not only make possible the strategic execution but also fortify organizational qualifications to maintain the competitive edge, which includes empowering the employees with the essential data and communication capabilities (Thompson & Strickland, 2003).

Conclusion

Applying the description of Fullenbaum and McNeill (1993), this study presents the perspective that, “winning federal government contracts greatly increases the chances for a firm’s survival. Winning multiple awards increases a firm’s chances significantly over firms winning a single award and firms not participating in the federal contracting market” (p. 2). An analysis of the literature reviewed suggested that the survival of small firms or businesses is important to the sustainability of economic growth in the United States. Supportive of this conclusion is that entrepreneurship/small business owners increased the economic growth of the community through the addition of more than 5.1 million new jobs (Space Island Group [SIG], 2006). Findings also showed that women own more than 25% of all businesses (Center for Women’s Business Research, 2005). However, despite these findings, regulatory agencies and legislation have not provided measures that have resulted in small and minority business

procuring an equitable share of federal contracts. Clark and Moutray (2004) are among authors presenting statistics to demonstrate that the federal agencies have not met their goals for minority business owners and women-owned businesses as provided through the 8(a) program for small and disadvantaged business owners. Contract bundling and purchase cards are among practices found that further restrict opportunities for small business to gain access to an equitable share of the federal contracting market (Barreto, 2007).

Summary

The performance of small businesses has played a vital role in assisting the economy by adding more than 5.1 million new jobs in the United States. America's small businesses create two of three new jobs and account for approximately half of U.S. inclusive employment. Socially and economically disadvantaged small business owners represent a substantial percentage of U.S. citizens. Federal contracts are among avenues that permit some small businesses to sustain but historically these businesses have faced challenges in attempts to procure them.

To bring relief to the struggle of procuring a fair share of federal contracts, the federal government enacted the 8(a) program for small and disadvantaged business owners (*8(a) Certification*, 2006). Among its provisions, women-owned businesses are to receive 5% contract procurement, but according to Gerin (2005) over a 9-year period, contract procurement equated to only 3% for these businesses. The federal government also established a set-aside program to aid minority, women-owned, small, and disadvantaged businesses to compete effectively for government contracts. The process affords the minority-owned business a bidding advantage over the non-minority-owned business with a 10% price adjustment. However, successfully procuring a fair share of federal contracts remains a challenge for the small business owners.

The leadership literature has implications for enhancing the success of business owners to procure contracts and to successfully manage the business. A leader's leadership skills and style, determine the success of the organization in accomplishing its goals and vision and ascertaining future profits (Mapunda, 2007). The leadership style of the small, women-owned, and disadvantaged organization, whether through management or as a transformational leader, should provide the freedom to be innovative and empower employees to claim entrepreneurship for the success of the organization (Mapunda, 2007). The leader's capabilities and style of leadership combined with winning federal contracts may significantly increase the small, women-owned, and disadvantage business opportunities to succeed in offering substantial benefits to the community. Chapter 3 includes the methodology and discussion questions used to determine the successful strategies and decision-making opportunities implemented by minority small business owners to procure government contracts.

CHAPTER 3: METHOD

The purpose of this study was to gain a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. The knowledge acquired was expected to “describe as accurately as possible the phenomenon” (Groenewald, 2004, ¶ 1) to assist future minority business owners to procure successfully government contracts, to reduce unemployment, and to offer training and long-term educational resources for the small business owners. Thus, a secondary purpose of the study was to acquire a better understanding of problems faced by minority business owners in their attempts to procure government contracts. The understanding would be useful in identifying ways other minority business owners might successfully complete government-procured contracts.

Chapter 3 contains the methodology that was used to address the following research question: What are the experiences, strategies, and decisions of minority small business owners that have led to the successful procurement of government contracts? The chapter begins with a description of the methodology and the rationale for selecting the study’s design. Additionally, the chapter includes a discussion of participants, data collection, and analysis techniques. Finally, the chapter presents methods used to ensure internal and external validity and concludes with a summary of salient points discussed.

Research Method and Design Appropriateness

The qualitative phenomenological research design was selected for the study. Schwandt (2000) and Patton (1990) are among the researchers who described phenomenology as an inquiry of perspectives of participants to understand their world or their lived experiences and how they experienced them. Qualitative and quantitative research methods offer two distinct approaches. According to Family Health International (2008), qualitative research involves a search for an

explanation to questions and identifies unknown findings that apply to the peripheral of the phenomenon. The qualitative method uses the rich text of information found within the social environment and communicates meanings in term of cases and context, which rely on the interpretive or critical social science, and follows a nonlinear path or “logic in practice” (Neuman, 2003, p. 139). “The logic in practice is the logic of how research is carried out” (Neuman, 2003, p. 140). Quantitative research focuses on the reconstructed logic, follows a linear path, and communicates in terms of variables and hypotheses. “The reconstructed logic [relates to] the logic of how to do research, highly organized, and restated in an idealized, formal, and systematic form” (Neuman, 2003, p. 140).

According to Neuman (2003), although qualitative and quantitative researchers offer similarities, the difference occurs with the researchers’ style of design. For example, the characteristics of quantitative research Neuman cited include that the concepts are in the form of distinct variables, data are in the form of numbers, and analysis proceeds by using statistics, tables, or charts and a discussion of how the analysis relates to the hypotheses (p. 145). Neuman observed that in qualitative research, once the researcher becomes immersed in the data, meaning is captured and discovered. Defining characteristics cited for qualitative type research relate to the nature of the research procedures, the analysis of data, and in the presentation of results.

Characteristics cited were that concepts are presented as themes, motifs, generalizations, and taxonomies and words and images from documents, observations, and transcriptions constitute the data. In the analysis procedure, themes result through organizing data in a coherent and consistent picture and are extracted as generalizations from evidence. Characteristics also include that theory is often inductive and replication of research procedures is rare because

procedures are designed for a particular audience; similarly, measures used in the research are also specific to particular setting.

The most prevalent difference between qualitative and quantitative research relates to flexibility. Quantitative research is inflexible, which infers the directions are predetermined; for example, questionnaires and surveys responses are preset (Family Health International, 2008). However, qualitative research is flexible, which allows a natural interaction to adapt between the researcher and the participant. The participants' responses to the questions are either yes or no or they provide a detailed response (Family Health International, 2008).

The qualitative research for the study provided an expanded range of knowledge and understanding of the environment beyond the researcher and helped to reveal the reasons behind a certain condition, rather than just presenting a phenomenon (Advantages of Qualitative Observational Research, 2008). Similar to ethnography, the researcher in a phenomenological study is involved in the experience and the researcher's examination of personal bias and active engagement in identifying uncontaminated data controls subjectivity (Patton, 1990). According to Patton, "One can employ a general phenomenological perspective to elucidate the importance of using methods that capture people's experience of the world" (p. 71).

In all forms of qualitative research, the emphasis is on observation and systematic inquiry of behavior. Phenomenology involves understanding behaviors of participants regarding an event or situation based on the views of participants. The rationale for using qualitative research is that the study was proposed to capture the experiences of participants in their efforts to procure federal contracts, and therefore, would rely heavily on the participants' comments. The qualitative researcher used induction in applying the literature and theory to explore the research question and to acquire information from active engagement in the research (Kumar, 2007).

The advantages offered by qualitative research involve the ability to explore themes and provide additional or new knowledge to an acknowledged concept. Additionally, qualitative research presents the researcher with an in-depth comprehension of the interviewee's emotions and philosophy, which normally are not obtainable through quantitative research (Broussard, 2006).

According to Creswell (2005), "A central phenomenon is the key concept, idea, or process studied in qualitative research" (p. 45). The procurement literature indicates a complex central phenomenon exists for minority small business entrepreneurs procuring federal contracts (Faucett, 2006; Gruber, 2005). Therefore, the phenomenological research approach was an appropriate method for identifying the experiences of minority business owners in successfully procuring government contracts in Memphis, Tennessee, which was intended to reveal information that may be applicable to other minority business owners in the same location.

The research method obtains its information from the events of a group of people through inquiry; consequently, the phenomenological inquiry is qualitative research resulting from the philosophy of phenomenology (Ethnography, Observational Research, and Narrative Inquiry: Introduction, 2008; Manen, 2008). According to Jewell (2007), the phenomenological approach involves learning about others' lives through a deep holistic experience of their thoughts and actions. The qualitative phenomenological approach would allow an in-depth study of the lived individual experiences of the participant regarding his or her procurement of federal contracts. The design is appropriate for the incorporation of interviews of successful, minority small business owners to elucidate potential challenges faced and strategies employed in procuring government contracts. Additionally, the qualitative phenomenological study permits the use of triangulation techniques to ensure accuracy and to preclude biased interpretations (*TEL 598 Research Methods Triangulation in Research*, 2006). The design involved a heavy reliance on

the content analysis of text obtained through an interview protocol used with minority business owners and observation (Creswell, 2005; Neuman, 2003).

Population, Sampling, and Data Collection Procedures and Rationale

Population

Cooper and Schindler (2003) purported a population element is the subject on which the measurement is being taken (p. 179). Therefore, the population for the study included African Americans, Hispanics, and women small business owners in Memphis, Tennessee, who had successfully received government procurement awards as minority small business owners. The administrators of the awards program were interviewed to obtain knowledge relating to their expectations and experiences with the minority business owners.

Sampling

The selection of participants for the study involved purposive sampling (Blankertz, 1998; Cooper & Schindler, 2003). Purposive sampling is a non-probability sampling method implemented to ensure a purposive selection of participants to achieve an appropriate representation and to attain the uppermost comprehension relating to the phenomenon of minority business owners' contract procurement (Teddlie & Yu, 2007). The sample included 20 participants. Participants were African Americans, Hispanics, and women in Memphis, Tennessee, who had successfully received awards in seeking to procure federal contracts as small and minority business owners. Additionally, administrators involved in awarding contracts to the minority business owners were interviewed. The basis for participant selection was availability and willingness to share knowledge and strategies relating to minority business owners successfully procuring government contracts.

To obtain clarity regarding sampling and to formulate inference requires knowledge relating to the population elements. The fundamental concept of sampling involves selecting several elements in a population, which affords the researcher the opportunity to represent conclusions about the entire population (Cooper & Schindler, 2003). To attain a diverse sample, the purposive selection of minority business owners was conducted by choosing participants coded as minority, small women-owned and disadvantaged based on the Small Business Administration criteria and who represented a variety of social and ethnic backgrounds representative of the population. The first 20 participants meeting these criteria constituted the sample for the study. The sampling frame consisted of the awards administrators and listings of the minority business owners who had received awards from the Small Business Administration, Mid-South Minority Business Council, advice from SCORE (Service Corps of Retired Executives Association), and referrals from minority business.

Informed Consent, Confidentiality, and Geographic Location

The informed consent complies with the ethical conduct component when performing research, which allows the respondents to participate voluntarily in the interview and maintain the right to repudiate their involvement in the research immediately (Neuman, 2003). The 20 participants were selected from the regional mid-south geographical location of Tennessee. The potential participants were informed both through the consent form and orally of the purpose of the study, that they have the right to participate or not participate, or to withdraw from participating in the study at any time with no penalties associated to his or her decision personally or professionally. Participants were informed that their names would remain confidential and would in no way be associated with written analyses of the data. The informed consent form was mailed with directions to return an ink-signed form by mail in the stamped

envelope provided (see Appendix A). Participants were informed that interviews would not begin until the signed form was received. Participants received a copy of the signed consent form on the day of the interview.

To ensure further anonymity, pseudonyms were substituted for the names and locations of participants. All raw data collected were retained in a locked file at the researcher's residence for a period of 3 years; afterward, a licensed, bonded, and insured professional shredding company would destroy the data. Only the researcher had access to transcripts and other identifying information. Participants were provided contact information of the researcher and the university's Institutional Review Board for any questions or concerns that may arise regarding the conduct of the research. The Informed Consent agreement is included in Appendix B.

Data Collection

Phenomenology involves a heavy reliance on interviews as the method of collecting data and the researcher strives to study and explain the commonalities or symbolic meanings of the group's lived experience (Patton, 1990). The methods rely on thick description from engaging in the environment and data collected through interviews and content analysis (Schwandt, 2000). Common threads across meanings given by these and other authorities reveal that studying the phenomenon in its natural setting is one characteristic of phenomenology.

Other characteristics that give a distinct meaning to qualitative research include that the data are not numerical and the research has a descriptive focus. Data collected are in narrative form and based on views, experiences, and behaviors of research participants (Creswell, 2005; Denzin & Lincoln, 1994, 2000; Fitzpatrick, Sanders, & Worthen 2004). An interview protocol was used to record data (Creswell, 2005, p. 221) and provided a means for communicating, structuring, and note taking. In accordance with Creswell's recommendations, the researcher

used the opportunity to audio tape-record the interview and to record handwritten notes as a backup process. Transcription was used to convert data from the audio tape-recorded data into text, an acceptable method used in qualitative research according to Creswell. The interviews took place in the offices of the business owners, unless a business owner requested to meet in the office of the researcher.

The components of the protocol are integrated as an interview format in Appendix C. The preparation components of the protocol were making the initial contact with participant, establishing the location for the interview, and securing the signed consent form. During the interview, rapport with participants was established, introductions were made, and a review of the purpose of the interview was given. The participants' responses to questions were then tape-recorded. The protocol allowed for prompts that may encourage the respondent to expand on answers to clarify further the response to questions. Further explanation of the protocol appears in the discussion of instrumentation.

Instrumentation: Selection

The participants were provided with 11 interview questions included in the interview protocol (see Appendix C) which comprised the instrumentation for the study. The length of the interview required no more than 1 hour of the participants' time. The questions elicited information that included contract procurement processes followed, barriers experienced, and strategies employed. According to the qualitative research literature (Creswell, 2005; Denzin, & Lincoln, 2000), the interview is characteristic of the data collection tool for a phenomenological qualitative study. As appropriate, questions were composed within a protocol used to guide the researcher's engagement with participants. The instrument permitted the researcher to remain on task and assisted in the control of researcher bias.

Instrument: Reliability

The interview questions developed for the protocol were field tested for content validity with a panel of five peers of the minority business owners who had experience as minority business owners. Owners had also successfully procured government contracts. The experts included 4 Black men and 1 Black woman. These experts judged each item by responding to them to determine if the content included adequate information to achieve its purpose and if the structure of items was appropriate. Experts judged items as excellent, good, fair, poor, or inadequate and suggested changes to improve content and clarity. The questions were designed to elicit information regarding contract procurement processes followed, barriers experienced, and strategies employed. Results of the field test showed that all items were judged as excellent or good and the instrument was appropriate for sampling the procurement process, barriers experienced, and strategies employed among minority business owners.

Validity: Internal

Qualitative validity refers to the accuracy of the research results, which relates to the concept the researcher implements to describe the reality and the actual findings in terms of the social environment (Neuman, 2003). Neuman further noted validity addresses the question of how well the social reality being measured through research matches with the constructs the researcher uses to acquire an understanding (p. 179). Salkind (2003) offered further assurance regarding the importance of the validity measurement, which provides truthfulness in the instrument used and confidence in the results produced. The second measure relates to limited interference from the interviewer (Salkind). The characteristics of qualitative research emphasize human factors, intimate firsthand knowledge of the setting, and avoiding distraction from the people or events studied. To prevent subjectivity within a qualitative study using interviews

requires logging, journals, or diaries used in the collection of data due to a deficiency of reactivity (Llewellyn, 2003). Consequently, the use of a field notebook in this study helped to assure subjectivity was disciplined.

Validity: External

Methods of triangulation such as comparing documents and notes from interviews with administrators funding programs to those of individuals who received the contracts helped to ensure the validity of the process for data collection, analysis, and the interpretation of findings and to eliminate potential discrepancies. Triangulation offers a validity method for addressing if a finding is true in terms of the outcome relating to real conditions and meanings; the findings eliminate all elements of disbelief. The triangulation process takes into consideration observation, several sources of data, and each source agrees with the outcome (Guion, 2002). Triangulation indicates using different methods, for example, data triangulation, investigator triangulation, theory triangulation, methodological triangulation, and environment triangulation. However, this research study involved the implementation of data triangulation validity (Guion, p. 1).

Data Analysis

The qualitative study included content analysis of the data obtained through the written and audio tape-recorded interviews. Messages that participants communicated were analyzed to determine likenesses and differences in their perceptions for each question posed. As Neuman (2003), Cooper and Schindler (2003), and other research methodology authors suggested, the analysis was done to identify emerging themes related to the research question: What are the experiences, strategies, and decisions of minority small business owners that have led to the

successful procurement of government contracts? The participants' responses permitted conclusions to be drawn from the study.

The creation of preliminary codes or key words aligned with the research question helped to organize participants' responses in families or thematic meanings. The content analysis involved identifying the frequency of words participants used to determine the specific thematic meanings proposed and other themes that emerged. The systematic process of coding, searching for, and counting similar text was used to ensure the validity for data analysis and interpretation. These procedures are recommended in applying content analysis to text data collected in qualitative research (Creswell, 2005).

Summary

The design for the study followed a qualitative phenomenological approach. The approach is the most appropriate method to gain a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. The sampling frame consisted of minority business owners who had received awards from Tennessee businesses, the Small Business Administration, the Minority Business Association, and referrals from minority business owners of a population of African Americans, Hispanics, and women in Memphis, Tennessee, who met the criteria, and the awarding administrators. The basis for the selection of the participants was the participants' availability and willingness to share knowledge and strategies relating to minority business owners' successfully procuring government contracts. Additionally, to ensure diversity of the sample, participants of different social and ethnic backgrounds were selected for participation.

An interview protocol guided the collection of data. Data were converted from the audio tape recording into text (Creswell, 2005, p. 221). Data were interpreted through content analysis

as recommended for qualitative analysis. Content analysis permits an integrated view of the data and the specific contexts of the data and allows the researcher to interpret social reality in a subjective but scientific manner (Zhang, 2006, n.d.). Consequently, the use of content analysis facilitated the analysis of the interview text to identify common themes of the study's findings. Chapter 4 will present findings based on procedures used in the analysis of data.

CHAPTER 4: RESULTS

The results of the qualitative, phenomenological approach to this study entitled *Strategies for Success: A Study of Minority Small Business Owners Seeking Government Contracts* are presented in this chapter. The qualitative phenomenological research design selected for this study permitted a natural interaction between the researcher and participant (Schwandt, 2000; Patton, 1990). The design provided for an expanded range of knowledge and understanding of the environment beyond the researcher, including both how and why issues and opportunities are perceived to occur (CSU, 2008).

The purpose of this study was to gain a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. A secondary purpose of the study was to acquire a better understanding of problems faced by these minority business owners in their attempts to procure government contracts. Procedures used in the study were guided by the problem statement and research question.

The problem investigated is that minorities comprise a large segment of the U.S. population; an examination of procurement applications demonstrated recipients of federal contract awards represent a small portion of small businesses (Clark & Moutray, 2004). This observation is further supported by the following statement:

Minority-owned businesses receive far fewer government contract dollars than would be expected based on their availability . . . [They] receive only 57 cents of each dollar they would be expected to receive based on the percentage of . . . firms that are minority-owned (Enchautegui et al., 1997, ¶ 1).

An understanding of issues, conditions, or environmental factors related to the problem was facilitated through seeking answers to the question, what are the experiences, strategies, and

decisions of minority small business owners that have led to the successful procurement of government contracts? This chapter contains the procedures used to collect and analyze the data. Additionally, the chapter presents results and findings based upon themes that emerged from the responses and observations of participants.

Data Collection and Instrumentation

As discussed in Chapter 3, data were collected in narrative form and were based on views, experiences, and behaviors of research participants (Creswell, 2003; Denzen & Lincoln, 1994, 2000; Fitzpatrick, Sanders, & Worthen, 2004). An interview protocol was used to record data (Creswell, 2005, p.221) and provided a means for communicating, structuring, and note-taking. Each of the 20 participants engaged in one interview for a period of no longer than one hour. In accordance with Creswell's recommendations, the researcher used the opportunity to audiotape the interview as well as to record hand written notes as a backup process. Transcription was used to convert data from the audio taped-recorded format into text, an acceptable method used in qualitative research according to Creswell.

The interview protocol consisted of 11 questions (see Appendix C). The interview questions developed for the protocol were field tested for content validity with a panel of five experts. Content validity refers to the degree that the instrument measures the intended content and is most appropriately assessed through expert judgment (Creswell, 2003; Gay, Mills, & Airasian, 2005). According to research methodology experts such as Creswell and Gay et al., the judgmental review includes assessing items to determine their appropriateness for measuring the content and assessing the instrument for its appropriateness in sampling the total content area.

The panel of experts was composed of individuals who had experience as minority business owners and had successfully procured government contracts. The experts included 4

Black men and 1 Black woman. These experts judged each item by responding to them to determine if the content included adequate information to achieve its purpose. Experts judged items as excellent, good, fair, poor, or inadequate and suggested changes to improve content and clarity. The questions were designed to elicit information regarding contract procurement processes followed, barriers experienced, and strategies employed. Results of the field test showed that all items were judged as excellent or good and the instrument was appropriate for sampling the procurement process, barriers experienced, and strategies employed among minority business owners.

However, based on recommendations of the experts, three questions were changed to improve content and clarity. The panel unanimously agreed that to ask for the amount of awards was unnecessary as some respondents may be reluctant to provide this information, although the information is available to the public. Additionally, it was suggested that this question be expanded to include city and state contracts. Question 7 originally was stated as follows: “Identify opportunities you have encountered that could assist in overcoming challenges, which possibly threaten the operational profitability of your organization.” Based on the judgment of the panel, the question was revised to read: “Identify the strategic steps you implemented to protect the profitability of your organization.” In addition, Question 8 was revised to reflect changes made in question 1 by including the terms city and state in reference to type of awards secured. The final version of the instrument incorporates the expertise of the panel and was used with participants in the study. The anticipated time frame of one hour for the interview remained the time required for each member of the panel of experts to complete the interview.

Data Analysis

The analysis relied on a thick description of experiences collected through interviews and content analysis (Schwandt, 2000). Content analysis was used with the data obtained through written and audio-taped interviews. Key words aligned with the research question were created to organize initially the responses to questions in families or thematic meanings. The content analysis involved identifying the frequency of words participants used to determine the specific thematic meanings and other themes that emerged. As Neuman (2003), Cooper and Schindler (2003), and other research methodology authors suggested, the analysis was done to identify emerging themes related to the research question.

Messages that participants communicated were analyzed to determine likenesses and differences in their perceptions for each question posed and associated with the key words experiences, strategies, and decisions. Through the systematic process of coding, searching for, and counting similar text, the validity for data analysis and interpretation was ensured. To ensure the validity of the process for data collection, analysis, and the interpretation of findings, and to eliminate potential discrepancies, the researcher implemented measures of triangulation.

Triangulation offers a validity method for addressing whether or not a finding is true in terms of the outcome relating to real conditions and meanings (Guion, 2002). The findings eliminate all elements of disbelief. The triangulation process takes into consideration several sources of data and each source agrees with the outcome (Guion, 2002). Measures employed in the study included comparing notes from interviews with two groups: administrators funding programs and individuals who received the contracts. A description of the participants is presented in the section to follow.

Participants

A purposive sample of 20 individuals representing minority business owners and administrators of awards programs for minority owners was selected for the study. The initial potential participants were identified through listings of minority business owners who had registered with the United States Federal Government's Central Contractor Registration (CCR) database (CCR, 2008) and through referrals from minority business owners. The minorities included in the study were African Americans, Hispanics, and women small business owners in Memphis, Tennessee, who had successfully received government procurement awards as small and minority business owners and embodied different social and ethical backgrounds.

Participants were selected based on their availability and willingness to share their knowledge and strategies relating to minority business owners successfully procuring government contracts. The participating administrators involved in awarding contracts to the minority business owners also represented diverse ethnic groups. The administrators of the awards program were interviewed to obtain knowledge relating to their expectations and experiences with the minority business owners.

The piloted interview questions were used to interview 20 participants who were representative of the population of minority business owners and small business administrators in Memphis, Tennessee. Fifteen small business owners interviewed included 11 Black males, 3 Black females, and 1 White female. Small business owners ranged in age from 28 to 66 years and had operated their businesses from 5 to 40 years. Participants operated a variety of types of businesses such as janitorial, construction, childcare, healthcare, security, and technical service companies. The participating administrators were 2 Black males, 1 White male, 1 Black female, and 1 Hispanic female. The roles of administrators included offering training for potential business owners, providing technical assistance, and awarding contracts. Data gathered from

these participants to address the research question are reported according to themes resulting from each item on the instrument in the section that follows.

Results and Findings

Although responses of participants to all 11 questions provided insight to the research question, data for components of the question, “what are the experiences, strategies, and decisions of minority small business owners that have led to the successful procurement of government contracts,” were primarily identified through responses to interview questions 1, 2, 3, and 4, the experiences of minority small business owners. Strategies that helped to facilitate successful procurement of government contracts were identified in responses to questions 5, 6, and 7. Decisions participants made that led to their successful procurement of contracts were discussed in questions 8, 9, and 10. Additional remarks requested in Question 11 supported statements made throughout the interview. The results of their responses to each question provided documentation for the themes identified.

Themes were derived from patterns of experiences that were related to a group, individuals, or structural. Group themes are defined as those patterns that emerge based on the experiences of the participants that describe those peculiar to the group as minority business owners. Individual themes are those that emerge as patterns peculiar to an individual or individuals within the group of participants. Structural themes emerge from experiences that demonstrate patterns that may be identified for business owners in general, seeking contract procurement. The discussion of emerging themes is derived from issues owners experienced that then are addressed in thematic strategies found to assist them in efforts to procure contracts successfully. The issues and strategies that participants identified constitute the results of this

study reported in themes, which mirror the experiences of minority business owners as individuals and as a group within the structure of the small business enterprise.

Themes

Nine significant themes were identified from interviews with 15 minority business owners and 5 administrators who either administered awards or provided technical assistance to owners. Themes and sub themes were either identified as strategies minority business owners used successfully to procure and implement contracts or issues that owners perceived needed to be resolved. The nine themes resulting from the study were (a) the minority share of total contract distribution is relatively small and requires selective and competitive solicitation practices, (b) the process is difficult and knowledge is needed for success, (c) acquiring knowledge and experience is key to success, (d) leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business, (e) capital limitations require alternative strategies, (f) fear of communication leads to creative actions, (g) joint venturing is a necessity, (h) relationship development is required, and (i) achieving success requires a multi-faceted strategy.

Two sub themes were found to support the capital limitation theme. They were that a lengthy waiting period exists before receiving the initial payment, and credit worthiness affects the ability to secure bonding. Participants often used the same words and expressions in response to interview items. As these expressions were cross-referenced to different themes, the nine themes were interrelated to a large extent. The responses of administrators and observations of the body language of participants were used to triangulate findings resulting from minority owners' responses. Explanations of the themes and sub themes follow.

Theme One: The minority share of total contract distribution is relatively small and requires selective and competitive solicitation practices. According to one minority business owner, “We are 60% Black; to have Blacks with only eight tenths of a percent of the contracts that’s terrible. . . . The contracts I get from the city . . . is [sic] nothing compared to my White counterpart.” Regarding contract funding, one administrator explained that the revenue is spread out even more because the number of minority businesses has increased, but the pie for funding is the same. The administrator suggested the importance of minority business owners finding a business with fewer players.

One business owner’s view of differences made in the awards’ process was that, “Minority businesses are held at a different standard than regular businesses.” Other responses of minority business owners to receiving a small share of contracts included the following:

On the set aside they give you a fraction of the project and then they take the fraction [and] split that up among 10 or 15 . . . when you have one White big company getting all of that, then why can’t I [as a Black company] have all that? That’s my philosophy.

Minority businesses get less than an eighth of a percent of all money spent in Tennessee . . . an average small business makes less than \$80,000 a year while the majority has 99.2% of all the business . . . small businesses should be dealt with in the same measure as large businesses . . . we should have the ability to go to banks and do just as large businesses.

The reason people are not applying for the contracts is the thought that they can’t get them. . . . If I heard the statistics only one eighth of a percent . . . in the beginning, I would never have strived for that, never. I got minority certified in Memphis, but when I heard that I did not even reapply for certification the next year.

All 15 minority business owners used one or more of the following terms or expressions to describe the inequities of the procurement process that limited their access to awards: difficult; discriminatory; racism; challenging; terrible; frustrating; “ [they] keep on just passing and not even consider;” “why strive;” and “something is wrong with that.”

Theme Two: The process is difficult and knowledge is needed for success. Six business owners and one administrator used the term “difficult” in response to their experiences in procuring contracts. Other expressions of nine owners and four administrators associated with this meaning included “tedious,” “time consuming,” and “assistance is needed.” The difficulty aspect of the theme emerged from the procurement process because the process requires more steps, more paper work and is longer. The following comments were among those that supported this theme: (a) “It is a tremendous amount of documentation”; (b) “It is extremely difficult and political;” (c) “A lot of paper work [is needed] with being certified . . . A lot of times you have to go outside of your company to get somebody to help you to fill out all the paperwork because it is so lengthy;” and (d) “[It] Definitely is harder, more departments to go through, more steps, and more people to talk to.”

Statements supporting the difficulty of contract procurement were often linked to difficulties experienced with the heavy paper work required. Eleven of 15 business owners gave advice that included reading and completing contract application. The majority of participants expressed that applicants who do not read the paper work in detail and interpret it correctly would likely receive fewer contract awards.

Although minority business owners expressed different types of difficulties in procuring contracts, they often associated difficulties with not knowing how to bid, the need for assistance with the paper load, and in identifying appropriate information to complete the application

process. All business owners commented on the challenge of paperwork and having appropriate documentation. Knowledge learned through experience prompted the business owners to use the strategy of ensuring that “I’s are dotted and T’s crossed.”

The theme that *the process is difficult and knowledge is needed for success* was triangulated with comments by administrators. These administrators viewed that difficulties or challenges were associated with minority business owners being able to locate information to find contracts, not having experience with government contracts and not being familiar with how to respond to the information required in a solicitation for contracts. The interview summaries (see Appendix D) provide extended explanations related to difficulties minority business owners as a group experienced in their attempts to procure contracts.

Associated with the theme of difficulty were strategies for successfully procuring contracts. Significant to the theme *the process is difficult and knowledge is needed for success* was that knowledge needed for a successful process can be acquired in different ways. Five minority business owners used training and education to enhance knowledge as strategies for overcoming specific challenges. Four owners enhanced knowledge needed for acquiring and implementing contracts by employing the services of consultants, attorneys or forming relationships with other experienced companies.

The administrators agreed that research, education, working with other people will help individuals deal with obstacles that can not be controlled. Three of them cited strategies associated with communication and presentation skills. These skills were cited for ensuring that attention to providing enough details to meet requirements related to services that would be provided, proficiencies in basic areas required in the solicitation would be developed, and techniques to market services would be demonstrated through the power of the communicator.

The comments from administrators that follow provided an overall view of strategies they had observed were needed and employed by some minority business owners to address challenges and successfully secure contract awards. Administrators suggested that, “They need to find out ways they can circumvent or work through those obstacles; frequently through education, working with other people”; “having good contractors to provide quality service [to build a good reputation];” and “*prove* you and personnel are qualified; [they] developed partnerships with other companies; aligned [their] company with organizations that provide in-kind services.” Other comments were the following:

[Owners need] Knowledge via training as to where a contract or potential contract may be secured, how to bid on a contract, how to market services, how to handle funds, what to look for in a financial statement and how to read it.

I work for the government; based on what I’ve seen from contractors who have not been selected, often they are not proficient in basic areas required in the solicitation and [are] not providing enough details to meet requirements related to services.

Strategies of 14 business owners associated with this theme varied. Examples of strategies included acquiring an education or training, developing partnerships with other financially sound companies, and infusing knowledgeable individuals in the daily operations of the business.

Theme Three: Acquiring knowledge and experience is key to success. The term “knowledge” or related terms implying knowledge such as “education,” “training,” and “understanding” were used 25 times in comments of both owners and administrators. Nine of 15 business owners cited knowledge of the business area as an expected characteristic. Closely tied to knowledge was the expectation that owners would have training for their business areas. The prevailing message that the demonstration of knowledge as an expectation was evident in the

statement that, “As long as a person has gone through all the channels of passing the diversity certification through the state, [is] licensed, and insured . . . show they [sic] are ready to lead and take on whatever contract the state had to give.”

That knowledge is associated with experience was supported by the previous citation and in the following: “Once a company becomes minority owned or a certified business where they are going to have knowledge of their business requires training, education, and the experiences that you have to go through;” and “They have to have experience in their field.” Another position cited was that,

Experiences are a number one key in terms of evaluating a contractor. Past performances are the key in terms of trying to sell your services . . . most federal agencies would like to see some history. History of success, history in performing a service in a particular area . . . based on the area you identified your business as being qualified to perform.

A comment from Question 4 related to challenges in securing contracts was cross referenced to also demonstrate the experience theme.

An administrator commented that, “The challenges of securing a government contract are minority businesses not understanding the value in having previous experience in having government contracts.” Not having previous experience in government contracts was also cited as a challenge by two administrators. This challenge was also identified by another administrator from the perspective that familiarity with how to respond to the information required in the solicitation is key in the acquisition process.

A review of participants’ comments revealed that awards are competitive and appropriate knowledge is needed for bidding. Specific strategies of five minority business owners were

engaging in training and education to enhance knowledge. Four owners employed the services of consultants, attorneys or formed relationships with other experienced companies to acquire knowledge and experience.

These strategies are illustrated in the following comment from a business owner:

“Experience and familiarity with the agency-customer and procedures on how to bid, being able to recognize if the proposal is too high or low, or if the bidding should be pursued for a certain contract [were helpful].” Another owner commented as follows:

I continuously viewed the State of Tennessee website, asked people who had done business with the state about their experiences, viewed pricing on the procurement pages to compare charges with my charges to determine if I could make more money and if I could do a quality job for that amount of money; I bided on jobs after researching websites.

Other experiences or acquired knowledge cited were (a) “Familiarity with paper work and pricing system,” (b) “[Having] Years of experience to know the right bid amount,” and (c) “[My] Track record has allowed [me to receive] invitations for bidding; I took advantage of opportunities to bid on lots of contracts instead of just going for a contract being the lowest price.” Many of these strategies were those minority business owners identified as helpful in responding to the small share of awards they received.

Theme Four: Leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business. Of the 20 participants interviewed, 19 expressed the opinion that leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business. This training was linked to leadership abilities or developing qualities and skills of

a good leader such as decision making, managing, and organizing. One owner provided a summary statement of this theme as follows:

Leadership will come in on the front end; training is needed in dealing with managers, public relations because managers have attitudes about how they want their service done; the state needs to have training in teaching people how to bid jobs; this was my downfall in the beginning—not knowing how to price my jobs.

Patterns supporting training and leadership abilities were reflected in the following recommendations by business owners: (a) Continuous leadership education, (b) Education - obtaining knowledge in contract bidding, (c) “Present yourself as a small business first that happens to be a woman-owned minority company and that you are capable of performing,” and (d) Practice excellent performance at all times. Statements of administrators confirmed the need for leadership training. One administrator described characteristics of the leader as those “[demonstrating] leadership quality by asking for help; [being able to] assess one’s own abilities; make sound decisions; [being] responsible.”

Given the comments of minority business owners that appear in the interview summaries (see Appendix D), leadership characteristics and qualities resulted from such training strategies as (a) participating in education/training in the form of workshops, seminars, or courses to understand how the business works and for information that identifies the types of contracts to seek to ensure that the business sustains after the contract period expires; (b) remaining abreast of policies and procedures of state and federal governments; and (c) acquiring information that identifies the types of contracts to seek to ensure that the business sustains. The strands of the theme related to continuous education and providing excellent performance were evident in statements of both owners and administrators.

The following statements of minority business owners are reflective of management practices and leadership qualities acquired through training and experience that enabled them to experience success:

“Practiced quality control; [Employed] overall project management system through a procedure or systematic way of doing business;” “ Provided good service; put customer first and then employees—paid them well;” “[Practiced] professionalism;” “ Projected a positive image with the [type of] vehicle [that has a company sign on it];” “Hired knowledgeable individuals with experience to manage projects which protected profitability;” “Provided bonus incentives to employees;” “ Used formulas to determine cash (income/output);” “ Hired a notary for notarizing contracts which improved image;” and “[Gained] understanding [of] what the government wants and the contract to be able to follow it explicitly.” All owners used similar terminology to describe opportunities that helped them overcome challenges. Three expressions heard throughout interviews were “know the business,” “be willing to take chances,” and “have a plan.”

The message of leadership abilities or developing qualities and skills of a good leader such as decision making, managing, and organizing was also evident in administrators’ statements. Similar to comments of owners, strategies administrators observed were “having a strategic plan—marketing or business; ensuring that you can reach an attorney, accountant (a business accountant), an insurance person, and a banker.” One of the administrators captured the sentiments of all participants regarding this strategic theme as follows:

Leadership has to start at the beginning; leadership is equal to stepping out, establishing relationships, and being aggressive; [the person has to] understand the federal

government: how it operates, its trends, laws; educate the workforce and better understand how to prepare your quote and solicitation package.

Theme Five: Capital limitations require alternative strategies. Experiences supporting this theme can be categorized in two sub themes: (a) A lengthy waiting period exists before receiving the initial payment, and (b) Credit worthiness affects the ability to secure bonding. Support that financing business operations was viewed as a leading challenge was provided through comments of seven business owners and an administrator. Financing was most often described in terms of owners being able to demonstrate financial strength of the business to secure the contract and the ability of the business to implement contracts.

Both minority business owners and administrators said that payment from the federal government is a delayed process, which may not occur for a minimum of 60 days. Therefore, the business would need to finance contract operations for an undetermined amount of time before being reimbursed. According to one owner,

The negative part that I did not mention is that it may take longer than you are used to. It goes back to having a stronger financial statement where you can either get a loan or you can have the financial wherewithal to hold out 15, 30, 60, 90 days –whatever the contract stipulates or whatever just typically happens.

Delays in receiving payments as promised according to one minority business, “basically kills [sic] the company after waiting up to 10 months to get my last \$439,000. That’s how it is done in the construction industry; the minority businesses get the short end of the stick.” One administrator referred to money as a need to start and sustain the business. Another administrator said, “They [minority owners] have to be able to show responsibilities in making sure they have the money; they have to be able to utilize it well.”

Challenges presented to minority business owners were in securing loans to cover the cost of a contract and waiting long periods for receipt of payment from the federal government. According to one of the owners, “I hear what a lot of minority companies are saying that their biggest challenge is obtaining a bond.” An administrator added that, “A huge deterrent in minority business getting government contracts is because they don’t understand how important it is to having your financials in place prior to you even pursuing a government contract.”

Both owners and administrators stressed the need for adequate resources to support a contract that may require credit worthiness for a bank loan. Most owners referred to acquiring the necessary funds as problematic. One owner who did not find securing financing a problem provided a detailed overview of the financial needs and problems securing financing.

The only thing about getting contracts, if you got a contract over \$50 thousand dollars, you had to get a performance bond . . . getting a bank to put up enough money to cover that contract. . . . They are not going to do that; they won’t take that chance. But so far, we were about the only one who didn’t have any problems with that. We were lucky. I have a very rich friend . . . if I didn’t have all the money, the bank would meet payroll for me.

Opportunities that eight minority business owners encountered were related to overcoming challenges threatening their business operation were associated with finances.

Alternative strategies for generating revenue to assist with meeting the payroll resulted from working hard, securing personal and business loans, paying taxes and creditors on time to enhance credit worthiness, and planning to ensure payments were received for each job. One owner said that the minority business owners “rob Peter to pay Paul or borrow funds from different individuals they personally know, if you don’t have a bank to stand for you, which most

minority businesses don't." Fifteen participants advised the use of federal contract procurement as an alternative revenue source. These strategies were augmented by owners monitoring time spent on a job, monitoring the payroll, and eliminating waste by reducing personnel or materials.

Theme Six: Fear of communication leads to creative actions. The patterns of experiences associated with this theme demonstrated fear in a variety of forms. According to some of the participants, fear of sharing information about contracts received resulted from minority business owners being advised by other owners and persons in various leadership positions not to tell anyone about his or her contracts. Fear was also evident in practices owners used to ensure appropriate maintenance of revenue and financial records, and in marketing the business. Experiences related to the political nature of the procurement process, racism, competition, and non-acceptance of minorities were those included in this significant theme.

The following comments from business owners demonstrated the fear of sharing information about the business in both soliciting and implementing a contract:

Don't divulge everything, only enough to let them know you know what you are talking about . . . because I promise you if they think it's good they are going to turn it down. . . .

The next thing you know [your plan is given to someone else] you see that plan you had in action.

People get government contracts but when they get them, they hide them because they do not want anybody else to know what they are making. There are 26 Black millionaires in the city getting government contracts. . . but the 26 people, whoever they are, do not want anybody to know they are making that type of money for whatever reason, I got a big contract and one of the things the person first told me [was] don't tell anybody. That's sad. If I am making money don't tell anybody. . . people [are] making

[money] but they don't help each other. We could tell the person who we need to talk with . . . we got to stop not helping each other.

Because when we first got our contract we went to an association meeting in Nashville and I was just sharing information with other operators and other people. It was mostly predominately Black. A lot of them were fearful. I would tell them, it is not going to kill you to try to do it and they were in disbelief that they could even do it. So I guess a lot of Black people have been beaten down so much in trying until they have lost their energy to even try anything.

One owner ensured that the financial accomplishments of the company were not published because of fear of ill effects of wide spread knowledge of a successful business, The position of this owner demonstrates the opinion that information is not shared.

The less noticeable you are in being successful . . . the more you can make it in the business world. There are too many people that know that the company is completely Black owned . . . with sales over \$2 million dollars a year or better, but if I put that into the paper and everyone should know it, I am going to cut you off . . . I'm going to knock you out of the box. So if I'm quiet, I can continue to make money until I reach a certain point where I can't bother you because I have become so big.

These views were different from those of administrators who provided assistance in securing contracts. An administrator explained that, "We're ethically bound. . . We sign an annual statement that says whomever we speak with we won't share that information with someone else . . . we don't tell somebody that John Jones is trying to get a government contract." Other administrators' responses to business owners seeking government contracts revealed an element of fear in competing for contracts from different perspectives. An administrator said,

“There is terrific competition for many government contracts. . . . If I were starting a business today, I don’t think I would try to lean entirely on . . . seeking only government contracts.” In reference to competition because of gender, one administrator observed that “a young lady stands a much better chance of finding a grant being a lady than I would as a man. Things are sometimes more in their favor, but it is very difficult.”

Comments from seven of the minority owners described challenges related to the political nature of the procurement process, racism, and non-acceptance of minorities. According to an owner, “The contract often is already identified for a particular company even though you present the best technical proposal; company presented to is mostly White.” Challenges seen as racism were described from the perspective of “the culture [and the] difficulty [of] breaking into it as a minority; [the] prime contractors [are] resistant—unwilling to do business with a minority and [they are] not recognizing minorities.” Other comments related to non-accepting practices included that (a) “contractors find ways to get around minority criteria;” (b) “non acceptance of minority vendors--resistance to award contracts to minorities;” (c) “favoritism to Whites; company already identified to get bid despite the bid;” (d) “racism; contracts [are awarded] to women as a minority over African Americans;” and (e) “being an African American” [makes it a challenge to secure contracts].

Strategies for success in light of perceived discriminatory practices often were related to employment practices. Some of these strategies were also in response to the fear of poor management that would hinder success. Some of these strategies are revealed in the following experiences cited by three business owners:

Make sure that you yourself do your contracts and be sure that you keep up with the money that comes into your office. Because if not, you are going to go broke unless you

do it yourself . . . we end up losing a lot of money . . . sometimes you don't mean to take it; you just steal it you know with the intent to use it and put it back. . . So that's something I always say especially when you are fooling with a government contract. I had to go out across the line and not have an office full of minorities . . . but try to have a mix that kind of resembles the face of our country. What I discovered was the Black CPA I was using they were always questioning. This man was a licensed CPA but they wouldn't accept his stuff. They had their own people they wanted . . . I hired a certified bookkeeper and a licensed CPA . . . one Black and one is White . . . Because of the amount of scrutiny I was under I had to go out and try to make sure that there were no questions asked about the integrity of my financials and the financial strength of my company.

You say okay, you are a minority business so Black folk will work for you. No, that's not true. . . . They don't trust you; they think you are harder on everything and that you can't afford to miss a payroll the first time.

Theme Seven: Joint venturing is a necessity. Joint venturing was a strategy that two administrators suggested would assist minority business owners in becoming successful in their businesses. One administrator stated that “joint venture has almost become necessary for all small minority businesses. Joint venturing allows companies to put resources and collective capabilities together, which help first generation minority businesses.” Another administrator advised to “position yourself to be more competitive, market your capabilities to the government, and partner with another company if you feel you have an area of weakness.” This administrator continued to explain benefits of the joint venture strategy indicating that,

You could also partner with a large business to better understand the actual acquisition process in dealing with the federal government. Team up with a much larger company that worked with the federal government and who has a lot more to share. That would be a good way to gain a little bit more insight of how you need to position yourself to be more competitive in being more responsive to a particular solicitation.

However, from the perspective of the minority business owner, “Sometimes a joint venture—a White company teaming with a small Black company – results in only the White company winning because the Black company is not recognized for strength in completing the job on its own.” Another opposing view from a minority business owner was the following:

A minority business that’s not ready and [then enters into a] joint venture with a majority White company will never grow. . . . The only person that wins in that scenario is the majority White company because you don’t learn the skill sets. For instance, building a school; all they want to do is give you your money. You don’t learn anything to help your company grow.

Although there were opposing views to joint venturing as a strategy, the strategy was closely akin to the individual theme of developing relationships as a strategy for success practiced by several of the minority business owners.

Theme Eight: Relationship development is required. The individual experiences of several minority owners supported the strategy of building relationships for successfully procuring and implementing contracts. Four owners employed the services of consultants, attorneys or formed relationships with other experienced companies. Six owners acquired volunteers and other in-kind services through developing relationships, contacting and conferring with governmental and other individuals, and by aligning their businesses with other companies.

One administrator said its organization assists minority business owners through partnering or aligning with corporations. “We provide them with the networking opportunities for them to meet with business owners to get into the community, the events.” This administrator stressed that the minority business owner seeking contracts should talk to as many people as possible and be cognizant of the “networking that goes on.” One other administrator recommended that minority business partner with corporations that supported comments of minority business owners who experienced success through developing partnerships with other companies.

Theme Nine: Achieving success is a multi-faceted process. Similar concepts were used throughout participants’ responses to interview questions that suggested different approaches were required to both secure and effectively administer contracts. As identified in other themes the multi-faceted process first addresses the preparedness of the minority business owner to secure contracts, which is related to the emphases placed on education, training to include bidding strategies, networking, and developing financial security. Having secured contracts, the emphasis is then on leadership abilities to organize for the delivery of services, market, and manage the business. Variations of expressions related to providing assistance, developing partnerships, and sharing information were found in all interviews, which supported strategies that led to success.

For example, that preparation of owners to secure contracts involves individuals in sharing information and providing assistance was visible in comments about the limited portion of awards that minorities receive. In addressing practices of distributing awards, one minority business owner suggested that “all persons in leadership roles should meet and work to share

basic information with people.” This view is consistent with emphases in the literature for partnering and collaborating to enhance procurement efforts (Beslin & Reddin, 2004).

Patterns of experiences supporting the benefits of education, training, and experience in both securing and implementing contracts were found in remarks related to bidding strategies. As a result of knowledge, training, and experience business owners were better able to forecast needs of agencies and select the type of personnel needed to complete contracts. The following comments from owners demonstrate the application of this knowledge and experience for success: (a) “Recognized if the proposal is too high or low and if the bidding should be pursued for a certain contract;” (b) “Experience and familiarity with the agency-customer and procedures on how to bid; familiarity with paper work and pricing system;” (c) “Capability of personnel to complete contract as a business profit;” (d) “Ensured every entity of business was understood; track record has allowed invitations for bidding;” and (e) “Constantly provide good service; advertise business; have technicians in place;” and (d) “Years of experience to know the right bid amount.”

Among competitive and selective solicitation strategies minority business owners used were the following: (a) “Being selective in type jobs to go after; going after project as prime and subbing out services; getting a feel for what agency, customers where we have the best chance;” (b) “Moved to private sector because the bids [minorities] were so low with the city and county that to bid would make my business lose money; and (c) “Took advantage of opportunities to bid on lots of contracts instead of just going for a contract being the lowest price.”

Administrators also supported some of the strategies owners identified. The position of one administrator was that, “Small business is key to the economy—it creates more jobs, more income; new ideas come from these businesses.” The administrator suggested of the minority

business owner, “Position yourself; frustration leads to incomplete applications; show tenacity to stick with it.” Regarding preparing oneself to be selective, an administrator said that information should be used to identify “the types of contracts to seek to ensure that the business sustains after the contract period expires [and] remain abreast of policies and procedures of state and federal governments.”

Summary

Nine significant themes were identified from interviews with 15 minority business owners and 5 administrators who either administered awards or provided technical assistance to owners. All themes addressed issues or concerns that owners perceived influenced their ability to acquire contracts or limited their profitability. Themes included strategies minority business owners used to procure successfully and implement contracts. Strategies were outcomes based on the experiences of minority business owners with issues associated with securing and implementing city, state, and federal contracts. The responses of administrators and observations of the body language of participants were used to triangulate findings resulting from minority owners’ responses.

The themes identified resulted from patterns found in participants’ responses to 11 interview questions. The themes were (a) the minority share of total contract distribution is relatively small and requires selective and competitive solicitation practices, (b) the process is difficult and knowledge is needed for success, (c) acquiring knowledge and experience is key to success, (d) leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business, (e) capital limitations require alternative strategies, (f) fear of communication leads to creative actions, (g) joint venturing is a necessity, (h) relationship development is required, and (i) achieving success

requires a multi-faceted strategy. Two sub themes were found to support the capital limitation theme. They were that a lengthy waiting period exists before receiving the initial payment, and credit worthiness affects the ability to secure bonding.

All themes resulted from the frequency of like words and expressions used in all interviews. The themes reflect significant terms used to describe issues and strategies such as (a) fear, (b) difficult, (c) money, (d) leadership and leadership qualities, (e) volumes of paperwork, (f) bidding, (g) knowledge, (h) training, and (i) experience. Further documentation of themes is presented in the interview summaries found in Appendix D. These summaries are organized according to responses to each interview question. Interpretations of responses resulting from the study are detailed in Chapter 5.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

The purpose of the study was to gain a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. According to Groenewald (2004), the knowledge acquired may “describe as accurately as possible the phenomenon” (¶ 1) to assist future minority business owners in the successful procurement of government contracts to reduce unemployment and to offer training and long-term educational resources for small business owners. The secondary purpose of the study was to acquire a better understanding of problems faced by minority business owners in attempts to procure government contracts to identify ways in which other minority business owners might successfully procure government contracts. The study was guided by the following research question: What are the experiences, strategies, and decisions of minority small business owners that have led to the successful procurement of government contracts?

The qualitative, phenomenological approach was used to allow for an in-depth study of the lived individual experiences of participants regarding his or her procurement of federal contracts. Schwandt (2000) and Patton (1990) are among authors who described phenomenology as an inquiry of perspectives of participants to understand their world or their lived experiences and how they experienced them. The design is appropriate for the incorporation of interviews of successful, minority small business owners to elucidate potential challenges faced and strategies employed in procuring government contracts.

Individual interviews with 20 individuals from the Memphis, Tennessee area were conducted. These individuals represented successful minority business owners and administrators who grant the awards and they provided information that included contract

procurement processes followed, barriers experienced, and strategies employed to procure contracts. Findings from an analysis of their comments are discussed in the section to follow.

Findings and Interpretations

Data obtained through written and audio-taped interviews were analyzed using content analysis. Messages that participants communicated were reviewed to determine likenesses and differences in their perceptions for each question posed. As Neuman (2003), Cooper and Schindler (2003), and other research methodology authors suggested, the analysis was done to identify emerging themes related to the experiences, strategies, and decisions of minority small business owners that have led to the successful procurement of government contracts. The content analysis involved identifying the frequency of words used and points participants emphasized to determine thematic meanings. Responses from minority business owners who received contracts were compared to those of administrators who funded awards or provided technical assistance to minority business owners.

Interpretations drawn from the thick descriptions of the participants' experiences have been organized according to nine themes identified through content analysis. The themes were outcomes of issues and concerns related to procuring and implementing contracts and are suggestive of being identified in the following categories: contract awards, experiences, strategies, and decisions. The nine themes resulting from the study were (a) the minority share of total contract distribution is relatively small and requires selective and competitive solicitation practices, (b) the process is difficult and knowledge is needed for success, (c) acquiring knowledge and experience is key to success, (d) leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business, (e) capital limitations require alternative strategies, (f) fear of communication leads to

creative actions, (g) joint venturing is a necessity, (h) relationship development is required, and (i) achieving success requires a multi-faceted strategy. Interpretations of these themes and their relevance to the procurement literature are discussed in the section to follow.

Theme One: The Minority Share of Total Contract Distribution is Relatively Small and Requires Selective and Competitive Solicitation Practices

Inferred from participants' experiences was that the minority share of contract distribution becomes smaller as the number of minority businesses increases. The number of awards minority owners receive is consistent with views cited in the procurement literature of the limited number of awards made to minority business owners. Two views cited in the literature are implied in the number and time periods of awards participants in this study reported. These views are (a) that small and minority businesses have consistently experienced a decline in receiving contracts made available through the federal contract procurement program (Clark & Mourtray, 2004) and (b) that although the federal marketplace from which contracts originate has demonstrated annual gains for a period of 5 or more years, the small disadvantaged business goal of 5% for contract awards has not been achieved (Gruber, 2005).

A publication by the Associated Press (Solis, 2005) contained belief statements from minority business persons who indicated that the majority of Katrina-related contracts were being awarded to non-minority businesses with an existing government relationship. Furthermore reported in the publication was that less than a third of the 5% normal contract award requirement was given to minority businesses, equaling approximately 1.5 percent of the \$1.6 billion awarded by the Federal Emergency Management Agency. According to the source, larger companies were in control of the awards and most small minority businesses would need to subcontract with them in order to secure contracts.

A comparison of the findings from the study and the literature can also be made relative to the limits placed on types of awards. According to Castelli (2007), minority media and advertising firms have limited access to federal advertising contracts. Castelli reported that less than 2% of the marketing activities contracted out by the Departments of Defense and Treasury are awarded to minority-owned advertising firms. There were no reports found that refuted limited awards were made to minority-owned businesses.

Interpretations from data analysis suggested some reasons and circumstances supportive of why a small minority share of contracts had been received. Findings revealed that in general, the longer the owner had been in business the more contracts had been received. All owners participating in this study had been in business for five or more years and received contracts of one or more types (city, state, federal). An owner of a 40 or more year business had received over 100 contracts and a 20 year or older business received numerous awards. Comparably, a company in business for 18 or more years received 15 awards; however, a company in business for 25 or more years had only received three awards.

The leadership literature makes clear that the survival of an organization is predicated on its ability to become flexible, innovative, and adaptable to cultural diversity (Chowdhury, 2003; Gilkey, 1999). Evidence of whether or not minority business owners recognized this supposition through institutionalizing practices that would likely lead to the survival of the business was among objectives of the analyses. The success of minority owners who had been in business longer implies that strategies for success were reflective of the factors cited.

Differences in past and current procedures for identifying and bidding on a contract suggested that fewer contracts are secured by minority business owners now than in the past.

Past procedures allowed the applicant to have personal contact regarding the commodity up for

bid and to view, for example, the facility that was subject of the bid. In this way firsthand information provided a better understanding of how the owner needed to bid in relation to the resources available. According to comments of participating administrators of awards, announcements of commodities are now made through the Internet and by email.

Associated with current and past award procedures was the interpretation that information on the availability and requirements of awards was limited and difficult to secure. The interviews revealed that a company in business for nine years had received multiple city and state awards and one federal contract. Two companies that ranged from five to seven years in business had received three awards. Five businesses where the years in operation were not identified varied in the number of awards received with a maximum of 20 contracts for any one business. Three other businesses in operation from five to seven years had received an undisclosed number of city, state, and federal contracts. The position of owners that knowledge, organizing business for best use of its resources, and selective and competitive bidding led to success is descriptive of the contingency theory (Jones, 2004) which suggests the minority owner would recognize its internal and external environments and make needed adjustments to ensure sustainability of the business.

Minority business owners identifying the number of city, state, and federal awards received during their business tenure collectively identified 161 awards. For the category of awards specified, there were 19 city and federal, 22 city, state, and federal, 4 city, and 1 federal. The 161 awards were representative of a period of business operation from 5 to 40 years. Interpreted from findings of the number of awards received was that although the procurement process is difficult, selective and competitive bidding has improved the chance of some owners to secure awards.

Theme Two: The Process is Difficult and Knowledge is Needed for Success

Inferences were drawn from examples cited of difficult struggles owners encountered and their strategies and decisions made to address the need for knowledge and experience. Inferred were the following: (a) that knowledge and experience for successfully securing and implementing contracts can be acquired through engaging in training, receiving assistance and technical support from agencies and hiring knowledgeable personnel; and, (b) that familiarity with bidding is gained through on-the-job experience. The procurement literature contains many instances of difficulties minority owners face in seeking and implementing contracts to provide that needed experience.

The term difficult appears in the procurement literature as expressed in the statement,

The majority firms are all over the place . . . we just want an equal opportunity. But it's been very difficult. They seem to be more interested in taking care of their own while we try to just get a foot in the door. (Solis, 2005, Bush section ¶ 4).

Although the literature defines the term difficult with respect to procurement challenges related to the small distribution of awards to minority business owners, the term is also used in conjunction with leadership practices. The term, difficult, is also used in the literature to suggest that the leadership strategies of owners needed to sustain the company's competitive advantages must ensure that their product or service is unique and difficult to replicate (*Sustainable Competitive Advantage*, 2006). Participants saw the provision of customer service in practicing "Black Excellence" as a unique feature of their success. However, the uniqueness of the service that would discourage replication was not stressed.

Knowledge and leadership qualities are themes that prevail throughout discussions in the literature of procurement practices in general with emphases for minority owners. These themes

were also visible in the majority of experiences to which the participants responded and support the suggestion of Abramowicz and Sparks (2007) that minority owners' knowledge of the 8(a) program is limited although the program is designed to increase the number of awards made available to them. Programs to assist minority businesses exist; conversely according to Young (2002), the indifference in the program services created minimal participation of minority business owners in government programs; the perception of impediments related to acquiring capital access existed in the social structure. An inference from participants' responses was that assistance from agencies was limited in providing information needed about available programs and strategies to procure awards.

Two themes emerged from this study related to knowledge: (a) *Acquiring knowledge and experience is key to success*, and (b) *The process is difficult and knowledge is needed for success*. Participants associated knowledge and decision-making with demonstrating the ability to bid on contracts. In terms of what was required of the minority owner to bid appropriately or to maintain a successful business, the stress participants placed on knowledge and leadership skills can be inferred to mean that participants were in agreement with Dowsett (2006) who wrote, "In today's competitive business environment, the difference between a company succeeding or failing often comes down to the quality and effectiveness of its leadership" (p. 25).

Theme Three: Acquiring Knowledge and Experience is Key to Success

An inference supported by participants' experiences was related to how knowledge and experience are defined. The results support that the meaning of knowledge and experience goes beyond common understandings of the terms to include the ability to demonstrate proficiencies associated with a product or using appropriate strategies to procure and implement a contract. For the minority business owner, these terms were also interpreted to mean the following: (a)

resourceful and cleverly aware; (b) visionary; (c) being in the right place at the right time; (d) chance taking; and (e) engaging knowledgeable and experienced individuals. Thus, new connotations for common terms minority owners use were inferred from this study.

Some of the participants' connotations of the terms, knowledge and experience, can be associated with descriptions of leadership abilities. Cohen (2008) noted that among the core values within the behavior of a leader include the ability to stand alone, live fearlessly, and to face everything and avoid nothing. Related to the recognition that learning from the environment can result from owners being in the right place at the right time, Pech (2003) suggested that a leader should model learning behavior by inquiring knowledge from its interior and exterior organizational environment.

Participants' comments related to challenges in securing contracts also demonstrated the experience theme. An administrator commented that, "The challenges of securing a government contract are minority businesses not understanding the value in having previous experience in having government contracts." A publication of the Associated Press (Solis, 2005) contained a description of procedures resulting in the awarding of Katrina-related contracts to non-minority businesses with an existing relationship with the government. This was inferred to mean that small minority-owned businesses without this experience or relationship were not recipients of the large contracts. Related to this type situation, Kouzes (2003) postulated that the ability to relate to dissimilar contexts requires different leadership strategies, diagnostic ability, and adaptability. Therefore, that minority owners facing such situations would need to call upon those leadership skills incorporated in their connotations of knowledge and experience, particularly being visionary, resourceful, and cleverly aware, is also implied.

Theme Four: Leadership Training is a Core Component for Minority Business Owners That Should Appear Either Before or at the Beginning of Establishing the Business

Inferred from responses to expectations of business owners was the need for demonstrating leadership qualities and skills for decision making, managing, and organizing the business. Leadership training and knowledge are implied in the research literature as needed for identifying best avenues to secure contracts. For example, Chu (2008) found that more opportunities for government contracts are in information technology, construction, and manufacturing. However, according to Chu, it would appear that often businesses that would qualify for procuring contracts through set-asides do not apply for them.

Making decisions about the most likely areas for procuring government contracts is directly linked to Chu's findings. In response to Chu's observation related to applications for set-asides, minority business owners revealed that discriminatory practices factored in application decisions. Thus, other creative strategies were employed to seek these contracts, which suggested the use of decision-making and leadership skills.

Johnson (2006) posited the realization of organizational attributes occurs through the ability of the leadership to communicate effectively the organization's vision, goal, and operational strategy. The unprecedented challenge for leadership is to supply the strategy and decision-making directives necessary to catalyze the appropriate services in the pursuit of new opportunities. In this regard, minority owners demonstrated such abilities by being students of the industries they represented. Accordingly, some owners identified trends to determine the direction the market was taking, identified some of the strengths, business opportunities, and threats, and developed strategic plans to guide employees.

Adjustments of owners based on studying the market were supportive of expectations of the entrepreneurial and small business owner's ability to compete in the marketplace as Scott (2003) suggested. Scott concluded that the entrepreneurial and small business owner's ability to compete requires leadership integrity and quality to ensure that the contingency theory of the organizational internal features best fit the exigencies of the environment, thereby permitting needed adjustments in order to respond to the demands of the environment which then ensures that profits are sustained. According to the literature (Liao, 2007; Riege, 2005), the implementation of strategies to identify and leverage the challenges or opportunities incurred helps to ensure the organization sustains its profitability and continues to operate as a viable entity. One such strategy requires the organizational leader to capture the market share to increase revenue. Participants' responses revealed how leadership training and experience enabled them to capture some contracts and to protect their profitability. Responses also supported the importance of knowledge from such training and their experiences.

Participants identified opportunities that assisted in overcoming challenges that could have threatened the profitability of their business. Many of these opportunities were directly associated with developing the characteristics they identified as expected of minority owners and factors that had led to success in their procurement efforts; knowledge of the business, for example. Implied from the responses was that effective leadership and management skills were needed to develop and implement a strategic management plan that would address revenue and other threatening situations.

Implications of the benefits of a management system or business plan were that it led to owners monitoring revenue input and output, becoming more diligent about cutting costs, and staying within their budgetary means. Practices for achieving these benefits are related to the

concept of the contingency theory, which connects the leader's behavior to a given situation (Foster, 2006). Through employing the management system minority owners were able to identify variables that would require different actions for each situation as proposed. It was inferred that leadership training would enhance efforts of owners to plan more effectively for events that may threaten their profitability. The research on authentic and entrepreneurial leadership models (Jensen & Luthans, 2006; Vecchio, 2003) offers support for owners recognizing the need for leadership training and infusing it in their businesses.

Theme Five: Capital Limitations Require Alternative Strategies

The experiences discussed supportive of this theme resulted in the inference that a good financial structure can result by employing creative and good management practices, bidding competitively, and networking with experienced companies. The position that the lack of sufficient revenue has presented difficulties to minority businesses in procuring and implementing awards is evident in the research literature. Enchautegui et al. (1997) found that despite legislation, the prime contracts are not broken into smaller segments to allow the smaller businesses to compete. The practice of contract bundling or consolidating several federal contracts into a single large contract places small businesses at a disadvantage to bid on a contract of this magnitude because of the size of the project.

Associated with financial challenges some minority owners experience, Fairlie and Robb (2003) found that lower levels of startup capital among Black-owned firms were associated with less successful businesses. A challenge for most participants in this study was securing loans to cover the cost of a contract. Both owners and administrators stressed the need for adequate resources to support a contract that may require credit worthiness in order to secure a bank loan. The financial burdens placed on some minority business owners resulted in their employing

various strategies to enable their businesses to sustain. Strategies included owners making personal and business loans, limiting the number of employees, becoming laborers to complete projects, and practicing selective bidding.

Theme Six: Fear of Communication Leads to Creative Actions

Information regarding challenges minority business owners experienced in attempts to secure contracts, and advice or recommendations owners would offer for those seeking contracts led to three major inferences about challenges captured in Theme Six. These inferences were that (a) secrecy is thought to promote the ability of minority business owners to procure awards; (b) discriminatory practices pose problems to both securing and implementing city, state, and federal contracts; and (c) discriminatory practices can be addressed through using appropriate knowledge and leadership skills. Strategies to address these fear strands included owners securing appropriate information to prepare bids, aligning the business with other successful companies, employing experienced staff representative ethnic groups that were different from that of the minority owner, and working together in support of minority businesses. Each inference also required other creative actions.

Discriminatory practices associated with opportunities of women-owned businesses to bid on contracts have been addressed in the procurement research literature. According to Galuszka (2008), the U.S. Small Business Administration created a set-aside program in response to the small share of contracts made available to women. However, Galuszka found that the portion of federal contracts set aside to increase contract opportunities for women were for the following areas: (a) national security and international affairs; (b) furniture building and kitchen-cabinet making; (c) printing and engraving plates for money; and (d) sales of motorcycles, boats, and aircraft. Similar to participants' views and subsequent actions, Galuszka

concluded that contract opportunities through private sources yield better results for women than their attempts to procure federal contracts.

The fear theme was implied from hesitations of owners to share information with other owners about contracts received, the practice of not advertising as a 100% Black-owned business, and discriminatory practices encountered that would hinder successfully procuring and implementing contracts. Participants were of the opinion that to break into federal procurement as a minority was difficult as many prime contractors are unwilling to do business with a minority and do not recognize minorities. Globalization and use of a technology-based infrastructure have been emphasized in the literature in discussions related to building relations due to cultural differences.

Gupta and Govindarajan (2004) suggested that in order for organizations to increase their market opportunities in this rapidly changing global environment, leadership should take advantage of emerging prospects and develop a global mind-set which opens awareness to diversity of cultures and markets. The implementation of information technology is required to increase both local and global business opportunities. Participants in this study revealed that information needed to procure contracts was stored on the Internet.

McFarlan (2005) found that the use of the Internet opened new strategies for organizations to expand production and suggested that the communication structure includes a cost-effective mechanism for global training programs and information sharing relating to business practices. Therefore, use of the Internet operation is thought to assist in the development of the infrastructure to support the information technology required for global expansion. Related to a strategy for participants to address breaking into different cultures, the literature suggests that information technology allows organizations to create an international brand image

(McFarlan, 2005; Thompson & Strickland, 2003). However, it could not be inferred that participants relied on information technology as a strategy to address fears associated with limitations related to cultural diversity, communicating information about the receipt of awards, or to enhance procurement efforts.

Theme Seven: Joint Venturing is a Necessity

Factors identified as leading to successfully procuring and implementing contracts were used to support the inference that small minority-owned businesses combine their resources with businesses that have similar interests. Although the inference was more reflective of the views of administrators participating in the study, the experiences of several minority business owners showed that they followed the practice of joint venturing on some projects. Joint venturing was used in order for owners to initiate the building of a strong foundation.

Joint venturing was also employed for other reasons. Among reasons were license and financial limitations. Participants also experienced that often businesses were not established well enough to permit them to perform the project. Being established included having employees with the necessary skills to perform the work on their own. Not having the licenses for a particular contract or finances needed for some large projects required some of these owners to engage in joint venturing. Partnering was a term some business owners used to mean joint venturing as in the phrase, partnering and aligning with other corporations. However, partnering also had a different connotation as explained in the next subtopic, Theme Eight.

Joint venturing practices are evident in the procurement literature. Some consulting companies assist with the procurement process on major projects and use networking, joint venturing, and partnering to ensure that minority businesses have opportunities to experience greater success. Gutierrez (2007) described a major construction project in Maryland where a

minority-owned consulting company ensured that at least 15% of minority business participation existed through networking and joint venturing.

Theme Eight: Relationship Development is Required

Participants' responses to interview items suggested that the successful contract procurement and implementation process was an interdependent one. In order that most minority business owners procure contracts required assistance from individuals in identifying available contracts, in completing the application process, or in networking to present bids. Assistance was received through developing relationships and contacting and conferring with governmental and other individuals.

Building relationships that afford assistance to business owners is a recommended practice. Agencies and other services have been established to provide assistance to entrepreneurs. SCORE (SCORE Services, 2006), a training tool available to assist leaders in effectively operating their organizations, is one such assistance service. Authors have recognized the needs of entrepreneurs and that operating a business requires certain skills (Growthink, 2006; Kipp, 2001). Growthink (2006) concluded that few people have all the skills needed to run a business, but they can compensate for their weaknesses by hiring staff or consultants and by becoming more knowledgeable through education or training. Participating owners in this study used these practices as recommended in the leadership literature.

Strategies found to be successful for implementing contracts involved forming various types of relationships. For example, the completion of contracts was also facilitated through minority business owners developing partnerships with other financially sound companies. Additionally, owners developed relationships with organizations whereby they were able to receive in-kind services such as volunteers. Interdependence was also evident through owners

engaging the services of consultants, hiring knowledgeable staff, receiving counseling on business questions, and partnering and aligning with other corporations. Finally, the need to develop relationships was frequently described in securing appropriate finances to support the contract until payments from the federal government were received. Developing relationships with lending institutions and individuals was an important factor to the success of the business.

Theme Nine: Achieving Success is a Multi-Faceted Process

The inference that the multi-faceted process to success involves education or training, good leadership skills, and partnership development was evident in participants' lived experiences. The successful multi-faceted strategies employed in procuring and implementing contracts mirrored advice from the leadership literature that the realization of organizational attributes occurs through the ability of the leadership to communicate effectively the organization's vision, goal, and operational strategy (Johnson, 2006). The major facets contain all strands of experiences included in the strategies and decisions that minority business owners identified in the study. These facets also permit the identification of issues and concerns that led to strategies owners used and recommended for minority business owners in procuring and implementing contract awards.

According to Brouthers, Gelderman, and Arens (2007), the procurement of contracts represents a decision-making strategy used to increase revenues to improve operational performance and develop a successful organization. The components of the inference statement involving education or training and leadership skills were linked to most of the factors leading to the success of owners in acquiring and implementing contract awards. In addition to bidding and appropriately completing the paper work, strategies related to marketing and managing the business, identifying appropriate information, and making decisions result from education,

training, and leadership skills. Among decisions business owners used as a result of education was to infuse knowledgeable individuals in the daily operations of the business. They also took appropriate steps to become credit worthy or secure financial backing.

Owners described experiences in learning how to bid and receiving assistance from individuals as factors. Opinions cited supported the inference that acquiring knowledge and experience, networking, bidding, and completing the paper work accurately were important success factors. Developing relationships was another major component of the inference related to this theme. Relationship building was needed in joint venturing, forming partnerships, networking, and other avenues participants used for assistance. Relationship building was important for communications to occur between owners, agencies, and individuals who enabled owners to identify opportunities for contract awards. Training and assistance also allowed owners to acquire information that would allow them to bid selectively for awards that they could manage based upon their resources.

Decisions of owners in the form of advice to minorities who would aspire to procure federal contracts were evident through experiences shared. Decisions referenced the role of leadership training and the use of government contracting as an alternative source of revenue. The prevailing advice to individuals who would pursue procurement opportunities was related to securing the business financially and presenting bids for contracts that the business could afford. A conclusion found in the leadership literature that leaders' behaviors motivate the direction of organizations through their vision and business strategy practices (Chaganti, Cook, & Smeltz, 2002), is related to the owners' advice. Recommendations from the findings and inferences identified are discussed in the next section.

Recommendations

The recommendations are presented based on the researcher's reflective analysis of the lived experiences participants shared in interviews; observations of participants' body language, facial expressions, and voice tone; documents of business ventures shared by some participants; and the literature applicable to small and minority-owned business. The researcher acknowledges that findings from this qualitative study are applicable to participating minority business owners in Memphis and are not intended to be transferable to minority business owners as a whole in the United States. However, the researcher found that many of the experiences uncovered in this study are likened to issues, concerns, and practices found in the research literature.

These likenesses have been addressed in the discussion of findings and interpretations found in this chapter. The researcher suggests that where relationships exist between the study's findings and the literature, these relationships can serve as a part of futuristic planning and possible changes in the procurement process for minority business owners. In this regard, the researcher recommends that individuals involved in the receipt and award of city, state, and federal contracts view this study as an addition to the procurement and leadership literature designed to enhance the awareness of the lived experiences of an important segment of U.S. society.

Recommendations consider leadership practices minority business owners may employ and practices that awarding agencies and those providing assistance in the procurement application process may consider. All participants cited the importance of acquiring timely and accurate information to adequately prepare bids. Therefore, to enhance possible increases in contract procurement, the researcher recommends that minority business owners develop a communication network or list serve whereby lessons learned and other information can be

shared. According to the majority of business owners, some agencies designed to provide information and assistance to minorities were not effective. Similar findings exist in the procurement literature.

In an effort to increase information sharing and contract procurement opportunities, the researcher recommends that minority owners establish a minority assistance program within the community. The assistance program would feature minority owners networking to identify the special needs of the community served, offer leadership training focused on how to deal with practices that limit their ability to secure and service contracts, and serve as a clearinghouse for innovative business strategies. A possible benefit of the program is that it may decrease any negative perceptions of minority business owners about sharing information.

Although joint venturing was recommended by participating administrators and practiced by several business owners, joint venturing was perceived to be a negative strategy for some of the minority business owners in the study. To make more informed decisions regarding best practices for increasing and maintaining the profitability of the business, the researcher recommends that policy making bodies or contract awarding and assistance agencies such as the SBA and SCORE provide minority businesses the opportunity to perform a performance survey regarding the knowledge and skills obtained from joint venture programs. The results of the survey will permit minority owners to determine the advantages and disadvantages of the strategy in relation to other strategies that may accomplish the same objectives. Finally, the survey will provide SBA and SCORE the ability to identify those organizations that are not following their guidance in the joint venturing procedures.

Additionally, the researcher recommends that these agencies examine their assistance procedures for areas where successful strategies may be incorporated that are based on the lived

experiences of minority business owners. By incorporating strategies known to be effective for other minority business owners may increase the level of confidence of new contract applicants. This study also illuminated a need for methods by which minority owners may reduce fear associated with procuring and implementing contracts. Therefore, the researcher recommends that awarding and assisting agencies stress ways potential contract recipients can approach competition and discriminatory practices that exist among minority owners and other businesses. By the SBA and other agencies incorporating both known successful procurement strategies and methods to approach competition and discriminatory practices, the fear minority business owners have associated with procuring and implementing contract awards may be reduced.

Given experiences of the benefits of leadership training to the success of establishing and maintaining a business, the researcher recommends that minority business owners engage in leadership training prior to establishing their businesses. This training along with continuing training periodically will likely provide owners with the necessary tools for creating and implementing a management plan designed to ensure success. Reports in the leadership literature support that the use of effective leadership skills enables the owner to build a foundation that will help the business to sustain.

The lived experiences of all minority business owners in the study included the finding that they received a small share of awards. Further, participants perceived that they were held to standards different from non-minority business owners. In order for minority owners to address these experiences, the researcher recommends that they collectively and individually participate in activities that can influence policy making. These activities may include communicating with their congressional representatives and legislative bodies and requesting seats on procurement advisory bodies.

All minority business owners found the paper work, financing contracts, and maintaining financial records difficult. The researcher recommends that minority business owners seek avenues by which they may identify strategies that permit better management of the excessive administrative paperwork and maintenance of financial records. The researcher recommends that the SBA or other appropriate procurement agency establish a lending institution with a contract underwriting program to assist the minority business owner in ensuring the profitability of the company. This program would provide financial assistance within the first 90 days of the contract award using the contract as collateral. Therefore, the creditworthiness of the company will not affect the owner's ability to receive a loan. This process would abolish the indignity of securing funding through family and friends and the potential of failure to honor the contract.

These recommendations support that the experiences of minority business owners can contribute to establishing a more positive view of the federal procurement process. Experiences imbedded in the recommendations for awarding and assisting agencies raise questions beyond the fairness of contract distribution and other issues; they also suggest ways that these agencies can be more accountable to a large segment of the business population upon which the U.S. economic society depends (Clark & Moutray, 2004). Suggestions that may assist these agencies and other interested parties in discovering rich information related to small and minority-owned businesses appear next. These suggestions are presented as guides for researchers to further examine how experience supports theory.

Suggestions for Further Research

In addition to recommendations made for business owners, awarding, and assisting agencies to improve procuring and implementing contracts, additional research related to the lived experiences of minority owners may prove helpful in this regard. An objective of the

researcher is to add to the body of literature that may yield new understandings and confirm best practices. The findings of this study may be compared with those of similar studies to add to knowledge of minority procurement issues and successes. The researcher recommends that a similar study be repeated comparing experiences of minority business owners in rural, suburban, or urban settings. Because literature exists which suggests that the three settings are very different, important for the research literature is to determine if the experiences of minority owners in procuring contracts differ based on their settings and if the location directly impacts the needs and concerns of the minority owners (Cromartie, & Bucholtz, 2008; Isserman, 2005).

Based on the literature addressing procurement efforts of minority owners and the results of this study, additional research may be required with a larger population of different minority groups including women to gain additional insight of issues that need to be resolved. Additional leadership strategies employed by these groups to successfully procure and implement government contracts may also be revealed. Because there were too few women and Hispanic participants, this study should be repeated with a deliberate over-sampling of these minorities.

A study designed to investigate the leadership strategies included in assistance programs for minority business owners is recommended. The study may determine the viability of those strategies in attempts of minorities to procure contracts. Additionally, the study could aim to determine differences in strategies agencies recommend and those minority owners employed which resulted in success.

A study designed to investigate the leadership strategies included in assistance programs for minority business owners is recommended. The study may determine the viability of those strategies in attempts of minorities to procure contracts. Additionally, the study could aim to determine differences in strategies agencies recommend and those minority owners employed

which resulted in success. Associated with the suggestion for conducting similar research to identify strategies used in different settings, a study of other states with higher minority awards may identify best practices to help minority business owners and agencies in increasing awards for Tennessee and other states with low award levels.

Conclusion

This study was designed to identify strategies of minority business owners that permitted them to successfully procure federal and other contracts. As was the position of other researchers who engaged in procurement studies, anticipated from completion of the research study was that the results may influence and promote the growth of small, minority-owned businesses to compete successfully for government contract procurement (Abramowicz & Sparks, 2007). The experiences of participants and inferences drawn from their comments demonstrate that the significance of this study to leadership is in the uncovering of information that can enhance minority business entrepreneurs' management and leadership strategies.

The results of this study supported the procurement literature related to the small percentage of awards received by minority business owners. In addition, many of the lived experiences of minority business owners were found to appear in the literature that addressed issues in contract procurement. Among issues similar in other research findings was the financial hardship caused by contract bundling and delays in reimbursements from awarding agencies.

The results also provided interest and direction for additional investigations such as the long and short-term effects of joint venturing on the sustainability of minority-owned businesses. The sample was relatively small and the research was qualitative; therefore, the results were not expected to be generalized. However, implications from the study are very meaningful for the participants and for the procuring agencies. Implications from the lived experiences of the

participants may warrant other examinations of the federal procurement process in general with specific attention to strategies leading to minority business owners successfully procuring awards.

Summary

The procurement of federal contracts by small and minority-owned businesses has long been problematic. Historically, the breakdown of U.S. monetary allocation of federal contract procurement to small businesses indicated that the small business share is disproportionately small compared with the pool of potential contracts (Clark & Moutray, 2004; Office of Advocacy, 1999). Several federal legislative and regulatory actions addressed factors that contribute to the limited number of contracts awarded to small and minority-owned businesses (Fautroy, 2002). However, Velázquez (2005) recognized that “small businesses continue to lag behind in receiving valuable contracting opportunities” (¶ 2). This study focused on successful strategies that enabled minority business owners to achieve government procurement awards.

An analysis of the responses of participants supported that the overarching finding drawn from participants’ experiences is that the minority share of total contract distribution is relatively small. This finding was based on a sample of participants in Tennessee and is similar to findings from other examinations of the procurement awards. According to Kaiser (2004), the Tennessee businesses specifically targeted by the Federal Acquisition Streamlining Act of 1994 are not receiving the designated government funds. In response to this situation that demonstrates a continuing issue among minority business owners, participants determined that the minority share of total contract distribution is relatively small and inferred that selective and competitive solicitation practices were required.

Major findings that addressed the strategies participants identified as successful were reflective of the following themes: (a) leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business, (b) acquiring knowledge and experience is key to success, (c) joint venturing is a necessity, (d) relationship development is required, and (e) achieving success requires a multi-faceted strategy. These strategies were related to inferences drawn regarding issues and actions that owners thought were required to address them as visible in the following: (a) the process is difficult and knowledge is needed for success, (b) capital limitations require alternative strategies, and (c) fear of communication leads to creative actions. Findings from the literature reviewed were used to compare findings from the experiences of participants.

In addition to findings stated as themes, other important inferences were associated with some of the themes. Additional inferences drawn from experiences inherent in Theme One were that “minority businesses are held at a different standard than regular businesses” and “the reason people are not applying for the contracts is the thought that they can’t get them.” Findings from the experiences of minority business owners in their attempts to secure Hurricane Katrina-related contract (Solis, 2005) were among those cross-referenced to these inferences.

Associated with Theme Two were that (a) knowledge and experience for successfully securing and implementing contracts can be acquired through engaging in training, receiving assistance and technical support from agencies, and hiring knowledgeable personnel; and (b) “the single biggest thing is to have that type of experience with that first job with that agency . . . with that agency or customer, just the experience of familiarity with that procedure on how they do their bid.” Similarly, experiences imbedded in Theme Three led to the inference that a minority business owner having knowledge and experience would be described as (a) resourceful

and cleverly aware, (b) visionary, (c) being in the right place at the right time, (d) chance taker, and (e) engaging knowledgeable and experienced individuals. Inferences related to Theme Four provided specific reasons why leadership training is important.

Participants' responses revealed that training was based on (a) the need for demonstrating leadership qualities and skills for decision making, managing, and organizing the business; and (b) that effective leadership and management skills were needed to develop and implement a strategic management plan that would address revenue and other threatening situations. An inference related to Theme Five was that a good financial structure can result by employing creative and good management practices, bidding competitively, and networking with experienced companies. Theme Six comprised three major inferences: (a) secrecy is thought to promote the ability of minority business owners to procure awards; (b) discriminatory practices pose problems to both securing and implementing city, state, and federal contracts; and (c) discriminatory practices can be addressed through securing appropriate information to prepare bids, aligning the business with other successful companies, employing experienced staff who represent ethnic groups that are different from that of the minority owner, and working together in support of minority businesses.

Theme Seven resulted in the recommendation for small minority-owned businesses to combine their resources with businesses that have similar interests. In Theme Eight participants' responses to interview items suggested that the successful contract procurement and implementation process was an interdependent one. Finally, the inference that the multi-faceted process to success involves education or training, good leadership skills, and partnership development was drawn from Theme Nine. These three themes suggest that interdependent efforts on the behalf of minority business owners, consultants, agencies, and other businesses

offer greater chances for minority business owners to procure and implement federal and other contracts.

Findings of this study are significant to the importance of leadership. In concert with the views of Chaganti, Cook, and Smeltz (2002), findings of this study support their conclusion that leaders' behaviors motivate the direction of organizations through their vision and business strategy practices. The nine themes and the related literature lay the foundation for future directions that may encourage the type leadership practices required of minority business owners to procure successfully city, state, and federal contracts. Significant aspects of this study have been included in the recommendations applicable to minority business and in suggestions for further study cited in a previous section. Significance of the study and its relevance to the literature is also described in the concluding remarks that follow.

REFERENCES

- Abbott, G. N., White, F. A., & Charles, M. A. (2005). Linking values and organizational commitment: A correlational and experimental investigation in two organizations. *Journal of Occupational and Organizational Psychology*, 78, (part 4), 531-552.
- Abramowicz, K., & Sparks, H. C. (2007). The small business administration's 8(a) business development program. *The CPA Journal*, 77(2), 60-63.
- Acquisition*. (n.d.) Retrieved October 25, 2006, from http://acquisition.gov/faqs_whatIs.cfm
- Adetimirin, A. G. (2006). Supplier diversity goes global. *Network Journal*, 13(7), 22-24.
- Advantages of qualitative observational research*. (2008). Retrieved May 2, 2008, from <http://writing.colostate.edu/guides/research/observe/com2d1.cfm>
- Alvillar-Speake, T. (2004). A brave new world in federal procurement. *Small Business Success*, pp. 54-56. Retrieved October 26, 2006, from <http://smallbusiness.doe.gov/FederalProcurement.pdf>
- Badiru, A. B., & Pulat, P. S. (1995). *Comprehensive project management: Integrating optimization models, management principles, and computers*. Upper Saddle River, NJ: Prentice Hall.
- Banerji, P., & Krishnan, V. (2000). Management, ethics, leadership, employees' development, studies. *Leadership & Organization Development Journal*, 21(8), 405-413.
- Baron, D. P. (2003). *Business and its environment* (4th ed.). Upper Saddle River, NJ: Prentice Hall.
- Barreto, H. V. (2007). *Small business administration*. Retrieved December 3, 2007, from http://www.sba.gov/idc/groups/public/documents/sba_program_office/gc_13cfr125.pdf

- Beslin, R., & Reddin, C. (2004, November/December). How leaders can communicate to build trust. *Ivey Business Journal Online*, 1-7.
- Blankertz, L. (1998). The value and practicality of deliberate sampling for heterogeneity: a critical multiplist perspective. *American Journal of Evaluation*, 19, 307-324.
- Bounds, G. M., Dobbins, G. H., & Fowler, O. S. (1995). *Management: A total quality perspective*. Cincinnati, OH: South-Western College.
- Bowditch, J. L. & Buono, A. F. (2005). *A primer on organizational behavior (6th ed.)*. Hoboken, NJ: Wiley.
- Bretschneider, S., Marc-Aurele, F. J., Jr., & Wu, J. (2005). "Best practices" research: A methodological guide for the perplexed (methods and epistemology). *Journal of Public Administration Research and Theory*, 15, 307-324.
- Broussard, L. (2006). Understanding qualitative research: A school nurse perspective. *The Journal of School Nursing*, 22, 212-219.
- Brouthers, K. D., Gelderman, M., & Arens, P. (2007). The influence of ownership on performance: Stakeholder and strategic contingency perspectives. *Schmalenback Business Review: ZFBF*, 59, 225-243.
- Cashman, K. (1997). Authentic leadership. *Innovative Leader*, 6(11), Article 305.
- Castelli, E. (2007, August 14). Democrats urge more contracts with minority-owned advertising companies. *Federal Times*. Retrieved January 30, 2009, from <http://www.federaltimes.com/index.php?S=2965790>
- Center for Women's Business Research. (2005). *Capturing the impact: Women-owned businesses in the United States*. Retrieved October 26, 2006, from <http://www.bizjournals.com/bizwomen/facts/impact.html>

- Central Contractor Registration (CCR)*. (2008). Retrieved July 23, 2008, from <http://www.ccr.gov/>
- Chaganti, R., Cook, R. G., & Smeltz, W. J. (2002). Effects of styles, strategies, and systems on the growth of small businesses. *Journal of Development Entrepreneurship*, 7, 175-193.
- Chowdhury, S. (2003). *Organization 21c: Someday all organizations will lead this way*. Upper Saddle River, NJ: Pearson Education.
- Chu, L. (2008, March 14). Preferential contracting made easy. *Fortune Small Business*. Retrieved January 30, 2009, from http://money.cnn.com/2008/03/14/smbusiness/sba_set_asides.fsb/index.htm
- Clark, M., & Moutray, C. (2004). The future of small businesses in the U.S. federal government marketplace. *Journal of Public Procurement*, 4, 450-470.
- Clark, M., Moutray, C., & Saade, R. (2006). *The government's role in aiding small business federal subcontracting programs in the United States*. Retrieved September 21, 2006, from <http://www.sba.gov/advo>
- Code of Federal Regulations. (2006). *Part 125_government contracting programs, 1*, 422-445. (Title 13-business credit and assistance No. 13CFR125). Retrieved November 2, 2006, from http://www.sba.gov/idc/groups/public/documents/sba_program_office/gc_wais_d oc.htm
- Cohen, A. (2008). *What is authentic leadership?* Retrieved March 25, 2008, from <http://www.andrewcohen.org/andrew/authentic-leadership.asp>
- Concepcion, G. J. (2003). Dynamic entrepreneur leadership, between anti management and pro management. *Annual Quality Congress Proceedings*, 57, 411-417.

- Contracting with the U.S. government.* (2006). Retrieved October 11, 2006, from <http://usgovinfo.about.com/blfedbid.htm>
- Cooper, D. R., & Schindler, P. S. (2003). *Business research methods* (8th ed.). Boston: McGraw-Hill.
- Covey, S. R. & Gullledge, K. A. (1994). Principle-centered leadership and change. *The Journal for Quality and Participation*, 17, (2), 12-22.
- Creswell, J. W. (2005). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research* (2nd ed.). Upper Saddle River, NJ: Merrill Prentice-Hall.
- Cromartie, J., & Bucholtz, S. (2008). Defining the “rural” in rural America. *Amber Waves*, 16(3), 28-35.
- CSU. (2008). *Conducting observational research – Overview: Ethnography observational research, and narrative inquiry*. Retrieved February 12, 2008, from <http://writing.colostate.edu/guides/research/observe/index.cfm>
- Denes, T. A. (1997). Do small business set-asides increase the cost of government contracting? *Public Administration Review*, 57, 441-445.
- Denzin, N., & Lincoln, Y. (1994). Introduction: Entering the field of qualitative research. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research* (pp. 1-17). Thousand Oaks, CA: Sage.
- Denzin, N., & Lincoln, Y. (2000). *Handbook of qualitative research* (2nd ed.). Thousand Oaks, CA: Sage.
- Dewhurst, S., & Fitzpatrick, L. (2007). Bringing out the excellent communicator in managers. *Strategic Communication*, 11(5), 20-24.

D'Intino, R. S., Goldsby, M. G., & Houghton, J. D., & Neck, C. P. (2007). Self-leadership: A process for entrepreneurial success. *Journal of Leadership & Organizational Studies*, 13(4), 105-121.

Dowsett, C. (2006). Effective leadership. *Strategic Finance*, 88(6), 25-27.

8 (a) *Certification versus SDB Certification*. (2006). Retrieved October 18, 2006, from <http://www.scoreknox.org/library/certification.htm>

ElBodhdady, D. (2005, February 28). Set-aside programs fall short of goals: Disabled veterans entitled to contracts. *Washington Post*, p. E01. Retrieved October 30, 2006, <http://www.ezgsa.com/images/setasidearticle.pdf>

Enchautegui, M. E., Fix, M., Loprest, P., von der Lippe, S. C., & Wissoker, D. (1997, December). *Do minority-owned businesses get a fair share of government contracts?* Washington, DC: The Urban Institute. Retrieved September 29, 2006, from <http://www.urban.org/uploadedpdf/DMOBGFSGC.pdf>

Ethnography, observational research, and narrative inquiry: Introduction. (2008). Retrieved February 04, 2008, from <http://writing.colostate.edu/guides/research/observe/com2d3.cfm>

Fairlie, R. W., & Robb, A. M. (2003). *Why are Black-owned businesses less successful than White-owned businesses?* Paper presented at the Winter Meetings of the American Economic Association. Retrieved February 1, 2009, from http://www.northwestern.edu/ipr/jcpr/workingpapers/wpfiles/fairlie_business.pdf

- Family Health International. (2008). *Qualitative research methods: A data collector's field guide*. Durham, NC: Author. <http://www.fhi.org/NR/rdonlyres/etl7vogszehu5s4stpzb3tyqlpp7roju4waq37elpbyei3tgmc4ty6dunbccfzxtaj2rvbaubzmz4f/overview1.pdf>
- Faucett, J. (2006, August). *Impact of government-wide acquisition contracts on small business*. Fairfax, VA: Eagle Eye.
- Fauntroy, M. K. (2002). *Disadvantaged businesses: A review of federal assistance*. Washington, DC: Congressional Research Service, U.S. Library of Congress.
- Fecikova, I. (2004). An index method for measurement of customer satisfaction. *The TQM Magazine*, 16, 57.
- FedBizOpps. (2006). *Federal Business Opportunity*. (2006). Retrieved October 18, 2006, from <http://www.fedbizopps.gov/>
- Federal Access. (2007). *The 8(a) BD program*. Retrieved December 3, 2007, from [http://www.fedaccess.com/8\(a\)program.htm](http://www.fedaccess.com/8(a)program.htm)
- Federal Access. (2008). *8(a) and SDB certification*. Retrieved March 28, 2008, from [http://www.fedaccess.com/8\(a\)-sdb-redirect-menu.htm](http://www.fedaccess.com/8(a)-sdb-redirect-menu.htm)
- Federal Procurement. (2006). *Resources for minority-and woman-owned businesses*. Retrieved October 20, 2006, from http://www.fairfaxcountyeda.org/publications/minority_procurement.pdf
- Fernald, L. W., Solomon, G. T., & Tarabishy, A. (2005). A new paradigm: Entrepreneurial leadership. *Southern Business Review*, 30(2), 1-11.
- 50 years of service to America's small business*. (2006). Retrieved October 18, 2006, from <http://www.sba.gov/aboutsba/history/index.html>

- Fitzpatrick, J. L., Sanders, J. R., & Worthen, B. R. (2004). *Program evaluation: Alternative approaches and practical guidelines* (3rd ed.). Boston: Pearson.
- Foster, S. T. (2006). One size does not fit all. *Quality Progress*, 39(7), 54-62.
- Fredric, K. & Zolin, R. (2005). Technological entrepreneurship and small business innovation research programs. *Academy of Marketing Science Review*, (2005), p.1.
- Fullenbaum, R. F., & McNeill, M. A. (1993). *Impact of federal procurement on small business development*. Retrieved November 11, 2006, from <http://www.sba.gov/advo/research/rs132.html>
- Galuszka, P. (2008, March 11). Are women still 'disadvantaged'? *Fortune Small Business*. Retrieved January 30, 2009, from http://money.cnn.com/2008/03/10/smbusiness/sba_set_asides.fsb/index.htm?postversion=2008031415
- Gay, L. R., Mills, G. E., & Airasian. P. (2005). *Educational research. Competencies for analysis and application* (8th ed.). Upper Saddle River , NJ : Pearson Prentice-Hall, Inc.
- Gerin, R. (2005). Small business: 'We need to play on this field'. Small business battlegrounds: Size standards, bundling, women-owned firms still buzz among industry issues. *Washington Technology*, 20(19). Retrieved November 9, 2006, from http://www.washingtontechnology.com/news/20_19/special-report/27027-5.html
- Gilkey, R. W. (1999). *The 21st century health care leader*. San Francisco: Wiley.
- Groenewald, T. (2004). A phenomenological research design illustrated. *International Journal of Qualitative Methods*, 3, Article 4. Retrieved March 18, 2008, from http://www.ualberta.ca/~iiqm/backissues/3_1/pdf/groenewald.pdf

- Growthink. (2006). *Entrepreneurial leadership*. Retrieved November 8, 2006, from http://www.growthink.com/businessplan/Entrepreneurial_Leadership.html
- Gruber, A. (2005). *Share of federal contract dollars awarded to small businesses falls slightly*. Retrieved December 17, 2007, from <http://www.govexecom/dailyfed/0805/082605al.htm>
- Guion, L. A. (2002). *Triangulation; establishing the validity of qualitative studies*. Gainesville: Florida Cooperative Extension Service.
- Gupta, A. K., & Govindarajan, V. (2004). *Global strategy and organization*. Hoboken, NJ: Wiley.
- Hatcher, T. (2003). New world ethics. *Business Enterprises*, 57 (8), 42-48.
- Hirschowitz, A. (2001). Closing the CRM loop: The 21st century marketer's challenge: Transforming customer insight into customer value. *Journal of Targeting, Measurement and Analysis for Marketing*, 10, 168-179.
- Hunt, S. D., & Morgan, R. (1996). The resource-advantage theory of competition: dynamics, path dependencies, and evolutionary dimensions. *Journal of Marketing*, 60(4), 107-115.
- Hoover, K. (2001). *Kinks Exist in Minority Aid Program*. Retrieved on April 29, 2005, from http://web2.infotrac.galegroup.com/itw/infomark/407/356/66955067w2/purl=rcl_ITOF_0
- Isserman, A. (2005). In the national interest: Defining rural and urban correctly in research and public policy. *Regional Science Review*, 28(4), 465-499.
- Jensen, S. M., & Luthans, F. (2006). Entrepreneurs as authentic leaders: Impact on employees' attitudes. *Leadership & Organization Development Journal*, 27(8), 646.

- Jewell, M. L. (2007). What does mentoring mean to experienced teachers? A phenomenological interview study. *The Teacher Educator*, 42, 289-304.
- Johnson, R. L. (2006). Strategy, success, a dynamic economy and the 21st century manager. *The Business Review, Cambridge*, 5(2), 23-30.
- Jones, G. R. (2004). *Organization theory, design, and change: Text and cases* (4th ed.). Upper Saddle River, NJ: Pearson Education.
- Kaiser, R. (2004, October). Small firms losing out on defense contracts. *Middle Tennessee News and Information*. Retrieved October 6, 2006, from <http://www.tennessean.com/business/archives/04/09/59761566.shtml?>
- Kipp, M. (2001). Mapping the business innovation process. *Strategy & Leadership*, 29(4), 37-40.
- Knerly, V. W. (2007). Contracting with the U.S. government: A small business perspective. *Journal of Contract Management*, 74-93. Retrieved March 3, 2007, from http://www.ncmahq.org/publications/docs/JCM07_73-93.pdf
- Kouzes, J. (2003). *Business leadership*. Hoboken, NJ: Wiley.
- Kumar, M. (2007). Mixed methodology research design in educational technology. *Alberta Journal of Education Research*, 53, 34-45.
- Lane, M. J. (2001). Free small companies from contract bundling. Chicago, IL, Crain Communications. Retrieved March 27, 2008, from <http://www.marclane.com/article/freecompanies.html>
- LaNoe, G. R. (2000). To the “disadvantaged” go the spoils? *Public Interest*, 138, 91-99.
- Liao, Y. S. (2007). The effects of knowledge management strategy and organization structure on innovation. *International Journal of Management*, 24, 53.

- Llewellyn, L. B. (2003). *Methodology section of a qualitative research proposal*. Retrieved May 4, 2008, from <http://www.und.nodak.edu/instruct/wstevens/PROPOSALCLASS/LLEWELLYN.html>
- MacArthur, J. D. & MacArthur, C. T. (2000). *Research network on socioeconomic status and health*. Retrieved May 1, 2008, from <http://www.macses.ucsf.edu/Research/Social%20Environment/notebook/capital.html>
- Mandel, J. (2006). *SBA: Small business contracting picture improving*. Retrieved June 26, 2007, from http://www.govexec.com/story_page.cfm?articleid=33104&dcn=e_gvet
- Manen, M. V. (2008). *Phenomenological inquiry*. Retrieved February 4, 2008, from <http://www.phenomenologyonline.com/IIPP/inquiry.htm>
- Mapunda, G. (2007). Entrepreneurial leadership and indigenous enterprise development. *Journal of Asia Entrepreneurship and Sustainability*, 3(3), 1-27.
- Markkula Center for Applied Ethics, (2006). *A framework for thinking ethically*. Retrieved November, 20, 2007, from <http://www.scu.edu/ethics/practicing/decision/framework.html>
- Marshall, M. I., & Oliver, W. N. (2004). *The effects of human, financial, and social capital on the entrepreneurial process for entrepreneurs in Indiana*. Retrieved May 1, 2008, from http://www.aeaweb.org/annual_mtg_papers/2005/0107_0800_0404.pdf
- Marti, J. M. V. (2004). Strategic knowledge benchmarking system (SKBS): A knowledge-based strategic management information system for firms. *Journal of Knowledge Management*, 8(6), 31.
- McCune, J. T. (1989). Customer satisfaction as a strategic weapon: The implications for performance management. *HR Human Resource Planning*, 12(3), 195.

- McFarlan, F. W. (2005). Globalization of it-enabled services: An irreversible trend. *Journal of Information Technology*, 7(3), 1-3.
- MEGAWEGA, Inc. (2006). *What is the 8(a) Program and what advantages does it offer to potential businesses certified under this program?* Retrieved October 27, 2006, from <http://www.megawega.com/needtoknow.htm>
- Meznar, M. b. & Johnson, J. H. (2005). Business-government relations within a contingency theory framework: strategy, structure, fit, and performance. *Business and Society*, 44, (2), 119-144.
- Michel, L. (2007). Understanding decision making in organizations to focus its practices where it matters. *Measuring Business Excellence*, 11, (1), 33-45.
- Miller, K. (2001). *Shelby County Companies Have Mixed Feelings for 8(a) Program*. Retrieved on April 29, 2005, from http://web2.infotrac.galegroup.com/itw/infomark/762/223/66943932w2/purl=rc1_ITOF_0
- Minority business enterprise: Penetrating the defense subcontracting market. (1986). *Journal of Small Business Management*, 67.
- Molla, A., & Bhalla, A. (2006). Business transformation through ERP: A case study of an Asian company. *Journal of Information Technology Case and Application Research*, 8, 34-53.
- Murray, K. (2003). Reputation—Managing the single greatest risk facing business today. *Journal of Communication Management*, 8(2), 142-150.
- Nair, K. G. K., & Prasad, P. N. (2004). Offshore outsourcing: A SWOT analysis of a state in India. *Information Systems Management*, 21(3), 34-41.

- National Defense University (n. d.). *Strategic Leadership and Decision Making 15 Values and Ethics*. Retrieved May 29, 2008, from <http://www.au.af.mil/au/awc/awcgate/ndu/strat-ldr-dm/pt4ch15.html>
- Neuman, W. L. (2003). *Social research methods: Qualitative and quantitative approaches* (5th ed). New York: Pearson Education.
- Newstrom, J. W., & Davis, K. (2002). *Organizational behavior* (11th ed.). New York: McGraw-Hill/Irwin.
- Novicevic, M. M., Harvey, M., Autry, C. W., & Bond, E. U. (2004). Dual-perspective SWOT: A synthesis of marketing intelligence and planning. *Marketing Intelligence & Planning*, 22, 84.
- Office of Advocacy. (1999). Federal procurement from small firms. Retrieved September 21, 2006, from http://www.sba.gov/advo/stats/pr_sb99.pdf
- Office of Advocacy, (2002). The impact of contract bundling on small businesses. *Eagle Eye Publishers, Inc*. Retrieved November 17, 2006, from <http://www.sba.gov/advo/research/rs221tot.pdf>
- Office of Advocacy, (2003). Impact of purchase card activity on small businesses. *Eagle Eye Publishers, Inc*. Retrieved November 17, 2006, from <http://www.sba.gov/advo/research/rs226tot.pdf>
- Office of Advocacy, (2005). *The Small Business Economy: A Report to the President*. Retrieved June 20, 2007, from http://www.sba.gov/advo/research/sb_econ2005.pdf

- Policy Directive 02-01 (2002). *Subcontracting with small business, hubzone small business, small disadvantaged business, disabled veteran-owned small business, veteran-owned small business and women-owned small business concerns*. Retrieved March 24, 2008, from <http://nitaac.nih.gov/textonlyversion/SubcontractingPolicyDirective11-02.htm>
- Ponder, R. D. (2005). *Determine your leadership style*. Retrieved November 6, 2006, from <http://www.entrepreneur.com/management/leadership/learningtolead/article80104.html>
- Prabhu, G. N. (1999). Social entrepreneurial leadership. *Career Development International*, 4(30), 140.
- Reich, B. H. (2007). Managing knowledge and learning in it projects: A conceptual framework and guidelines for practice. *Project Management Journal*, 38(2), 5-18.
- Reponen. T. (2003). *Information technology-enabled global customer service*. Idea Group Publishing: Turku, Finland. Retrieved October 17, 2007, from <http://books.google.com/books>
- Richert, E., & Rush, D. (2005). How new infrastructure provided flexibility, controlled cost and empowered workers at Sun Microsystems. *Journal of Corporate Real Estate*, 7, 271-280.
- Riege, A. (2005). Three-dozen knowledge-sharing barriers managers must consider. *Journal of Knowledge Management*, 9(3), 18-36.
- Rigsby, J. A., & Greco, G. (2003). *Mastering strategy: Insights from the world's greatest leaders and thinkers*. New York: McGraw-Hill.
- Rij, V., & Binstock, J. (1996). Trends, symbols and brand power in global markets: The business anthropology approach. *Strategy & Leadership*, 24(6), 18-25.

- Robbins, S. P. (2003). *Organizational behavior* (10th ed.). Upper Saddle River, NJ: Prentice Hall.
- Romano, C., & Ratnatunga, J. (1995). The role of marketing: Its impact on small enterprise research. *European Journal of Marketing*, 29(7), 9-31.
- Salkind, N. J. (2003). *Exploring research* (5th ed.). New York: Pearson Education.
- Sandelands, E. (1997). Utilizing the Internet for marketing success. *Pricing Strategy & Practice*, 5, 7.
- SBA's faith-based and community initiatives help make small business dreams come true.* (2006). Retrieved October 13, 2006 from <http://www.whitehouse.gov/government/fbci/mission.html>
- Schermerhorn, J. R., Hunt, J. G., & Osborn, R. N. (2004). *Core concepts of organizational behavior*. Hoboken, NJ: Wiley.
- Schwandt, T. A. (2000). Three epistemological stances for qualitative inquiry: Interpretivism, hermenutics, and social construction. In N. Denzin & Y. Lincoln (Eds.), *Handbook of qualitative research* (pp. 189-213). Thousand Oaks, CA: Sage.
- SCORE Services. (2006). *Memphis SCORE chapter 68*. Retrieved October 20, 2006, from <http://www.scorememphis.org/>
- SCORE. (2006). Survival and longevity in the business employment dynamics database, monthly labor review. *U.S. Small Business Administration*. Retrieved April 30, 2008, from http://www.score.org/small_biz_stats.html
- Scott, R. W. (2003). *Organizations rational, natural, and open systems* (5th ed.) Upper Saddle River, NJ: Prentice-Hall.

- Shields, L., & Twycross, A. (2003). The difference between quantitative and qualitative research. *Medline*, 15(9), 24.
- Shriberg, A., Shriberg, D. L., & Lloyd, C. L. (2002). *Practicing leadership principles and applications* (2nd ed.). New York: Wiley.
- Space Island Group. (2006). *Vehicles & launch systems*. Retrieved October 26, 2006, from <http://www.spaceislandgroup.com/vehicles-systems.html>
- Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *Journal of Marketing*, 59(3), 63-72.
- Slizyte, A., & Bakanauskiene, I. (2007). Designing performance measurement system in organization. *Organizacijø Vadyba: Sisteminiai Tyrimai*, 43, 135.
- Small business & diversity program*. (n.d.) Retrieved May 29, 2009, from <http://www.asu.edu/purchasing/admin/sbdp.html>
- Small business resource guide*. (2008). Retrieved April 10, 2008, from <http://www.inc-it-now.com/business-startup-kit.pdf>
- Solis, R. (2005, October 4). Minority firms getting few Katrina contracts. *Associated Press*. Retrieved January 30, 2009, from <http://www.msnbc.msn.com/id/9590752/>
- Sorber, K. (1998). Buying Research and Development Commercially. *The Public Manager: The New Bureaucrat*. Retrieved April 25, 2005, from http://web1.infotrac.galegroup.com/itw/infomark/844/535/62417529w1/purl=rc1_ITOF_0_A21015870&dyn=26!ar_fmt?sw_aep=uphoenix
- Sourcetec. (2004). *Personalized 8(a) and SDB certification assistance services*. Retrieved April 29, 2005, from <http://www.sourcetec.org/index.htm>

- Soy, S. K. (2006). *The case study as a research method*. Retrieved February 4, 2008, from <http://www.gslis.utexas.edu/~ssoy/usesusers/l391d1b.htm>
- Storr, L. (2004). Leading with integrity: A qualitative research study. *Journal of Health Organization and Management*, 18(6), 415.
- Strong, K. C., Ringer, R. C., & Taylor, S. A. (2001). The* rules of stakeholder satisfaction (*Timeliness, honesty, empathy). *Journal of Business Ethics*, 32(3 Part I), 219-231.
- Styles, A. B. (2002). *Contract bundling a strategy for increasing federal contracting opportunities for small business*. Retrieved February 28, 2006, from <http://www.osdbu.gov/Assets/PDF/contractbundlingreport2002.pdf>
- Subcontracting (2002). *Subcontracting with small business, hubzone small business, small disadvantaged business, disabled veteran-owned small business, veteran-owned small business and women-owned small business concerns*. Retrieved May 29, 2008, from http://nitaac.nih.gov/downloads/news/nitaac_news_policy.pdf
- Sustainable competitive advantage*. (2006). Retrieved October 5, 2006, from http://www.1000ventures.com/business_guide/crosscuttings/sca_main.html
- Tanner, J. (1995). Secrets of entrepreneurial leadership: Building top perform. *The Journal of Personal Selling & Sales Management*, 15, 75-76.
- Teddlie, C., & Yu, F. (2007). Mixed methods sampling: A typology with examples. *Journal of Mixed Methods Research* 2007, 1, 77.
- TEL 598 research methods triangulation in research*, (2006). Electronically Retrieved October 02, 2006, from <http://www.tele.sunyit.edu/traingulation.htm>
- Thompson, A. A., & Strickland, A. J. (2003). *Strategic management concepts and cases* (13th ed.). New York: McGraw-Hill Irwin.

- Trahant, B., Steckler, F., & Sonnesyn, C. (2007). Elements of successful strategic human capital planning. *Public Manager*, 36(2), 45-51.
- Tyler, C. F. & Erickson, A. (2005). Have you got the business nous to become a leader? *Strategic Communication Management*, 11, (4), 15-16.
- U.S. Bureau of the Census. (2008). *Department of Commerce, Bureau of Census*. Retrieved March 31, 2008, from http://www.census.gov/csd/mwb/1992/view/s_pr2.txt
- U. S. Department (1992). U.S. department of commerce, bureau of the census. *Minority-Owned Firms--Comparison Of Business Ownership By Minority Group and Gender*. Retrieved March 31, 2008, from http://www.census.gov/csd/mwb/1992/view/s_pr.txt
- U.S. SBA, (2006a). *Programs and services to help you start, grow and succeed*. Retrieved September 21, 2006, from <http://www.sba.gov/GC/goals/>
- U.S. SBA, (2006b). *Overview & history*. Retrieved October 27, 2006, from <http://www.sba.gov/aboutsba/history/>
- U.S. SBA, (2006c). *SBA 8(a) business development*. Retrieved November 1, 2006, from <http://www.sba.gov/8abd/indexfaqs.html>
- U.S. SBA, (2006d). *So you're ready to apply for 8(a)/SDB certification?* Retrieved October 27, 2006, from <https://sba8a.symplicity.com/applicants/guide>
- U.S. Small Business Administration. (2007). *U S. small business administration*. Retrieved December 3, 2007, from http://www.sba.gov/aboutsba/sbaprograms/gc/gc_bundling.html
- Vatne, S., & Fagermoen, M. S. (2008). Event-oriented data integration: A qualitative strategy in studying professional practice. *Research and Theory for Nursing Practice*, 22, 38-56.

- Vecchio, R. P. (2003). Entrepreneurship and leadership: Common trends and common threads. *Human Resource Management Review*, 13, 303-327.
- Velázquez, N. M. (2004). Dramatic gains in the federal marketplace fail to result in small business contracts. Retrieved January 4, 2008, from <http://www.house.gov/smbiz/Reports/scorecardV.pdf>
- Velázquez, N. M. (2005). *History unchanged: Year capped with more contracting losses for small firms*. Retrieved January 3, 2008, from <http://www.house.gov/smbiz/Reports/scorecardVI.pdf>
- Verschoor, C. C. (2006). Strong ethics is a critical quality of leadership. (Ethics). *Strategic Finance*, 19-21.
- Vickers, M. H., & Parris, M. A. (2007). "Your job no longer exists!" From experiences of alienation to expectations of resilience - A phenomenological study. *Employee Responsibilities and Rights Journal*, 19(2), 113-126.
- Wade, M. & Tomasevic, S. (2006). *Contingency theory*. Retrieved December, 20, 2007, from <http://www.istheory.yorku.ca/contingencytheory.htm>
- Walters, M. (1999). Performance measurement systems - A case study of customer satisfaction. *Facilities*, 17(3/4), 97.
- Weldon, E., & Yun, S. (2000). The effects of proximal and distal goals on goal level, strategy development, and group performance. *The Journal of Applied Behavioral Science*, 36, 336-345.
- Wenstop, F., & Myrmel, A. (2006). Structuring organizational value statements. *Management Research News*, 29(11), 673.

- Wolff, J. A., & Pett, T. L. (2006). Small-Firm performance: Modeling the role of product and process improvements. *Journal of Small Business Management*, 44, 268-285.
- Women's Business Exclusive, (1998). Federal Procurement from women: Some progress, says news NWBC report. *Women's Business Exclusive*, 6 (6), 1.
- Women's History. (2006). *Affirmative Action Review Part 9: Federal Procurement Policies and Practices*. Retrieved September 27, 2006, from http://womenshistory.about.com/library/etext/gov/bl_gov_aa_09.htm
- Wu, E. (2007). A balanced scorecard for the people development function. *Organization Development Journal*, 25(2), 113-118.
- Young, M. (2002). An examination of information sources and assistance programs available to minority-owned small businesses. *Journal of Development Entrepreneurship*, 7, 429-445.
- Yu, T. F. (2001). An entrepreneurial perspective of institutional change. *Constitutional Political Economy*, 12(3), 217.
- Zablow, R. J. (2006). Creating and sustaining an ethical workplace. *Risk Management*, 53(9), 26-30.
- Zhang, Y. (2006). *Content analysis (qualitative, thematic)*. Retrieved May 4, 2008, from <http://ils.unc.edu/~yanz/Content%20analysis.pdf>

APPENDIX A: INTRODUCTORY LETTER

Hello XXXX,

My name is XXXX, a doctoral candidate at the University of Phoenix. I am conducting a study entitled Strategies for Success: A Study of Minority Small Business Owners Seeking Government Contracts. This research study is designed to acquire information to provide a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. I am requesting your participation in the study by engaging in an interview. You were selected as a possible participant because you are a successful minority business owner contract procurer or your position as an administrator assists minority business owners in their procurement efforts.

Please respond to the letter regarding your available dates and times for an interview or I will contact you by email or telephone to schedule the interview; however, the interview will occur outside of your work environment to a mutually agreed upon location. The anticipated length of the interview will be for one hour and a half. Please read the inform consent form and ask any questions you may have before agreeing to participate in the study. You may choose not to participate or suspend participation without penalty at any time.

Thank you.

Sincerely,

XXXX, Student

University of Phoenix

APPENDIX B: INFORMED CONSENT

Strategies for Success: A Study of Minority Small Business Owners Seeking Government

Contracts

You are invited to participate in a research study designed for acquire information intended to provide a deeper insight into the strategies used by minority small business owners who were successful in procuring government contracts. You were selected as a possible participant because you are a successful minority business owner contract procurer. You are requested to read this form and ask any questions you may have before agreeing to participate in the study. You may choose not to participate or suspend participation without penalty at any time.

The study is being conducted by XXXX, a doctoral candidate at the University of Phoenix, for partial completion of degree requirements.

The purpose of the study is to acquire knowledge that might be useful to assist future minority business owners to successfully procure government contracts, to reduce unemployment, and to offer training and long-term educational resources for small business owners. Thus, a secondary purpose of the study will be to acquire a better understanding of problems faced by minority business owners in their attempts to procure government contracts. The information will permit the identification of ways that suggest how other minority business owners might successfully complete government-procured contracts.

If you agree to participate in the study, you will be asked to participate in a face-to-face audio tape-recorded interview to ensure accuracy of the data collected, including handwritten field notes.

The study does not have direct or implied risks to you personally or to your business. Although you will not directly benefit from participation in the study, your responses may assist other minority business owners to obtain government contracts, which could have the potential of reducing unemployment, offering training, and providing long-term educational resources.

The records of this study will be kept private. In any sort of report that might be published, information included will not make it possible to identify you or your business as a participant. You will be given a copy of this form to keep for your records.

The University of Phoenix student, XXXX, who may be reached by e-mail at XXXX, conducts the research; the researcher's mentor is XXXX, who can also be contacted by e-mail at XXXX.

By signing this form in ink, I acknowledge that I understand the nature of the study, any potential risks to me as a participant, and the means by which my identity will be kept confidential. I also understand that the interviews conducted by the researcher will be audio tape-recorded. My signature on this form also indicates I am over the age of 18.

I am not a member of any protected category of participants (minor, pregnant woman when considered part of a designated research group of women, prisoner, or cognitively impaired), and I give my permission to voluntarily serve as a participant in the study described by XXXX in the Introductory Letter.

Inked Signature of Participant

Date

APPENDIX C: INTERVIEW PROTOCOL

Hello, I am XXXX, a doctoral candidate at the University of Phoenix. I received the consent form mailed earlier that indicated your consent to participate in this study and subsequent communication establishing the time and location of the interview. I appreciate your willingness to engage in this interview. As a reminder of the contents of the communication, the purpose of this study is to gain a deeper insight into the strategies you as a successful minority small business owner used to successfully procure government contracts. Knowledge gained from your participation may assist future minority business owners to successfully procure government contracts, to reduce unemployment, and to offer training and long-term educational resources for small business owners. In essence, the purpose of the study is to acquire a better understanding of problems you faced in attempts to procure government contracts and to identify ways that suggest how other minority business owners might successfully complete government procured contracts.

Do you have any questions regarding the research before the interview begins?

Let me take this opportunity to review the form you signed and provide you with a copy. Now, we will proceed with the interview where I will ask 11 questions and others as needed to clarify your response. As you respond, I will be making notes and recording your comments to ensure I have accurately captured your comments. I anticipate the interview to take no more than 1 hour.

Do you have any questions? Then, the first question is:

1. Have you been awarded federal contracts? If so, how many and for how much?
2. What are your experiences in the procurement of government contracts?
3. What leadership characteristics are expected to be present as a minority business owner?

4. Have you encountered challenges in attempting to secure contracts? If so, please describe.
5. What strategies have you successfully employed to overcome those challenges? Give examples.
6. From your lived experiences, discuss other factors that led to the successful acquisition and implementation of contract awards.
7. Identify opportunities you have encountered that could assist in overcoming challenges that possibly threaten the operational profitability of your organization.
8. What advice do you offer for minority and female small business owners seeking to attain federal contract awards?
9. Discuss if leadership training is a core component for minority business owners. If so, please explain why and in what phase of ownership leadership training should be implemented?
10. Please advise if you would recommend government contracting as an alternative revenue source. If so, please explain why?
11. Is there anything else you would like to add?

May I have permission to contact you at a later date if a need exists to ask additional questions?

Thank you for your assistance with this research.

APPENDIX D: INTERVIEW SUMMARIES

Interview Question 1

Participants responded to the following question: Have you been awarded city, state, or federal contracts: If so, how many have you been awarded? All 15-business owners had been awarded city, state, or federal contracts. Three minority business owners had received one state contract and one had received three state contracts. Another minority business owner received two city contracts. One owner received three contracts but did not identify the type of contracts and two other owners had received city, state, and federal awards but did not identify the number received. The remaining seven minority business owners either identified the number of contracts as a composite of city and federal or city, state, and federal. Among these seven owners the following were reported: (a) one owner had been awarded 15 city and federal contracts; (b) one owner was awarded 20+ city, state, and federal contracts; (c) one owner received four city and federal awards; (d) an owner received 10 in last 3 years; (e) one owner received multiple state and city awards and one federal contract; (f) an owner received over 100 contracts; and (g) an owner received numerous awards over 20 years. This question was not appropriate for the five administrators.

Interview Question 2

Interview Question 2 was stated as what are your experiences in the procurement of government contracts. Most frequently the experiences of minority business owners were described as difficult, political, and required a lot of paper work. Additional experiences were that procurement required an adequate cash flow, “lower pricing does not always ensure winning contract,” and one needs to be competitive. In referring to the political experience, some minority business owners remarked that, “some programs don’t actually exist—they find a way

around [the minority] requirements” and in working on federal contracts “you work with a prime contractor who basically does not allow you to make any money on these projects . . . in the construction industry, the minority businesses get the short end of the stick.” Although minority business owners expressed different types of difficulties in procuring contracts, they often associated difficulties with not knowing how to bid and the need for assistance with the paper load and in identifying appropriate information to complete the application process. One owner did not experience difficulties “because I knew how to bid.”

Administrators who provided awards, advice, and or technical assistance to minority business owners identified the procurement process as competitive. Their experiences in working with minority business owners included that ample time was needed to prepare bids and resources and financing needed to be in place. One administrator described the process as difficult. Two administrators cited training and information delivery as experiences in developing minority business persons to become competitive, to prepare quotes in pre-award solicitation, and to acquire contracts and awards.

Interview Question 3

In response to the question, what characteristics are expected to be presented as a minority business owner, nine of 15 business owners cited knowledge of the business area as an expected characteristic. Closely allied to knowledge was the expectation that owners would have training for their business areas. Other expectations business owners collectively identified were leadership qualities and skills for decision making, managing, and organizing. One business owner cited confidence in procedures used and the ability to follow processes as expectations. Two minority business owners expressed that characteristics expected were those “just like everyone else --honest, straight forward, implement effectively; don’t expect somebody to give

you something just because of your skin color or your race.” One owner held the position that, “a minority is expected to be better—can’t act like everyone else.”

Additionally minority business owners indicated that they were expected to demonstrate the following: (a) vision, (b) resilience, (c) motivation, (d) confidence, (e) excellence, (f) experience, (g) persistence, and (h) a good attitude. One business owner said that “you have to almost be like an attorney by asking leading questions to get where you want to go.” Minority business owners frequently expressed the opinion that “you have to practice excellence. You have dotted all I’s and crossed your T’s in your business. You have to be ready and have your structure there.”

Likewise, the five administrators cited knowledge as an expectation. Experience and past performance were also identified as “key in selling services.” Other descriptors administrators cited were (a) organization, (b) determination, (c) trust, (d) commitment, (e) worthiness, (f) [being] responsible, (g) initiative, and (h) leadership qualities. A comment from one administrator captured the expressions of other administrations in the statement that the expectation would be the “same as in any business—personal initiative, personal drive, general knowledge, special knowledge in type of contracting; education, training; understanding business scope; [demonstrating] leadership quality by asking for help; [*being able to*] assess one’s own abilities; make sound decisions; [being] responsible; [having] money to start.” Both minority business owners and administrators cited the characteristic of knowledge in terms of the business market and knowledge of contract procurement.

Interview Question 4

Interview Question 4 required participants to respond to the following: Have you encountered challenges in attempting to secure contracts? If so, please describe them. Racism,

political, and non-acceptance of minorities were descriptors often used among minority business owners to respond to challenges encountered in attempting to secure contracts. The following comments from seven of the minority owners described challenges related to these descriptors: “the contract often is already identified for a particular company even though you present the best technical proposal; company presented to is mostly white;” “the culture—difficulty breaking into it as a minority; prime contractors resistant—unwilling to do business with a minority and not recognizing minorities;” “contractors find ways to get around minority criteria;” “non acceptance of minority vendors--resistance to award contracts to minorities;” “favoritism to whites; company already identified to get bid despite the bid;” “racism; contracts [are awarded] to women as a minority over African Americans;” and “being an African American” makes it a challenge to secure contracts.

Other challenges cited by seven minority business owners were funding and securing a license and insurance. Funding was identified as having “finance in place to withstand until the contract is paid.” One owner said that the challenge of “obtaining a bond or performance bond is based on credit worthiness.” Another owner connected the challenge of funding with “funding-bonds and licensing requirements.” Other owners explained that “funding or adequate capital for contracts” was a challenge and associated it with “competing with other companies” and with the challenge of low bidding. Also related to adequate capital for implementing a contract was the following comment: “I have not been successful in getting any type advancement on the contract as far as getting a raise—had to stick with the bid submitted; changes in the market for a 4-5 year period caused increased costs in buying materials.”

In addition to concurring with minority business owners on challenges related to funding and non-acceptance of minority vendors, difficulty in locating information was identified as a

challenge for individuals trying to find contracts by one of the administrators. Not having previous experience in government contracts was also cited as a challenge by two administrators. Another administrator from the perspective that familiarity with how to respond to the information required in the solicitation is the key in the acquisition process also identified this challenge.

One administrator cited acceptance of minority business owners as challenging in attempts to secure contract awards. This observation referred to both African Americans and Hispanics. An administrator explained that often there is a desire to “take it [a program] from a minority vendor and put it out on the open market where only the big companies can get it.” Another administrator commented that, “We have gotten a lot of problems with bidding and with securing different types of grants because we are not of that particular . . . designation, as the minority.”

Interview Question 5.

Question 5 was cited as follows: What strategies have you successfully employed to overcome those challenges? Give examples. As strategies for overcoming specific challenges five minority business owners used training and education to enhance knowledge. Four owners employed the services of consultants, attorneys or formed relationships with other experienced companies. Six owners addressed the finance challenge by securing bonding and license; eliminated the capital problem through securing loans from friends, family, and forgoing from paying certain bills to make the business happen; paying creditors timely, engaging in re-bids of contracts to increase revenue, and aligning the company with organizations that provided in-kind services. One business owner addressed the non-acceptance of minorities concern by “hired [hiring] experienced individuals who represented ethnic groups other than minorities;” and

worked “to create a certain level of degree of comfort for my client . . . to combat stereotypes associated with a minority contractor.”

Comments from owners revealed other strategies that included (a) competitive marketing; (b) having something to offer; (c) staying on course; (d) demonstrating “that you can do as good or better than anybody out there;” (e) constantly provide good service; (f) advertising the business; (g) having technicians in place; (h) moving to the “private sector because the bids [minorities] were so low with the city and county that to bid would make my business lose money.” All business owners commented on the challenge of paperwork, having appropriate documentation, and using the strategy of ensuring that “I’s are dotted and T’s crossed.” A strategy employed by one owner was “to continue bidding and hope to slip through cracks and get an award;” while another owner used the strategy of “being selective in the type jobs to go after; going after a project as prime and subbing out services.”

The administrators agreed that research, education, working with other people, and perseverance will help individuals deal with obstacles that cannot be controlled. Three of them cited strategies associated with communication and presentation skills. These skills were cited for ensuring that attention to providing enough details to meet requirements related to services would be provided, proficiencies in basic areas required in the solicitation would be developed, and techniques to market services would be demonstrated through “the power if the communicator.”

The comments from administrators that follow provided an overall view of strategies they had observed were employed by some minority business owners to address challenges and successfully secure contract awards. Referring to minority business owners’ one administrator suggested, “They need to find out ways they can circumvent or work through those obstacles;

frequently through education, working with other people.” Another administrator said the business owner should, “Prove you and personnel are qualified; [owners have] developed partnerships with other companies; aligned company with organizations that provide in-kind services.” Other observations of strategies owners had employed or needed to employ included the following:

Having good contractors to provide quality service; developed financial resources through taking advantage of programs already in place for assistance; knowledge via training as to where a contract or potential contract may be secured, how to bid on a contract, how to market services, how to handle funds, what to look for in a financial statement and how to read it.

I work for the government; based on what I’ve seen from contractors who have not been selected often they are not proficient in basic areas required in the solicitation and not providing enough details to meet requirements related to services.

Interview Question 6

Based on the statement, from your lived experiences discuss other factors that led to the successful acquisition and implementation of contract awards, *knowledge* of how to bid was among factors that six minority business owners cited. The following comments summarize experiences associated with bidding as a factor.

I continuously viewed the State of Tennessee website, asked people who had done business with the state about their experiences, viewed pricing on the procurement pages to compare charges with my charges to determine if I could make more money and if I could do a quality job for that amount of money; I bid on jobs after researching websites.

Other factors cited were, “With the timely submission of our information, there wasn’t enough wiggle room for them to use any trickery, so we got our data back and our pricing was better than anybody else. They awarded it to us;” “ Experience and familiarity with the agency-customer and procedures on how to bid, being able to recognize if the proposal is too high or low, or if the bidding should be pursued for a certain contract;” “Familiarity with paper work and pricing system;” “Years of experience to know the right bid amount;” and “ Track record has allowed invitations for bidding; took advantage of opportunities to bid on lots of contracts instead of just going for a contract being the lowest price.”

Knowledge of and assistance from influential persons such as senators, representatives who can speak for the people, and others who play a role on committees such as the apportion committee that can provide information were identified as factors that led to successful contract procurement for three owners. Assistance was received through developing relationships and contacting and conferring with governmental and other individuals.

The majority of minority business owners cited the quality of services provided, word-of-mouth advertising, and the ability to confer with prime contractors to demonstrate that, “I was capable of doing the job”-- to market myself as contributing factors. Other experiences leading to success were (a) relying on a progression of learned experiences; (b) demonstrating confidence; (c) documenting experience and knowledge of how a job was to be completed to include providing reference letters from previous customers; and (d) having experience in working with private companies prior to seeking government contracts. In terms of factors that prepare minority groups to be successful, one owner stated that, “struggles faced as a minority woman prepare you to meet the different standards that are presented.”

Selective contract bidding and information sources were also factors administrators cited for successful contract procurement and implementation. An explanation of these factors is evident in the comments of one administrator that follow.

Contractors have to be very aggressive in having connections to the public information where types of solicitations are posted; responsive to requirements outlined; those who have been successful have spent more time, asked questions including in the procurement office to gain greater understanding; be on time; present innovative ways of doing or executing the business that would save the government money; produce quality product and ways you plan to stay on schedule.

Other factors cited were (a) forming joint ventures with other companies to pool resources with those that deliver similar services; (b) receiving counseling on business questions; (c) participating in education/training in the form of workshops, seminars, or courses to understand how the business works and for information that identifies the types of contracts to seek to ensure that the business sustains after the contract period expires; (d) remaining abreast of policies and procedures of state and federal governments; and (e) acquiring information that identifies the types of contracts to seek to ensure that business sustains; and (f) seeking in-kind services.

Interview Question 7

Participants were asked to respond to the following statement: Identify the strategic steps you implemented to protect the profitability of your organization. Strategic steps that eight minority business owners implemented to protect the profitability of their business operation were associated with finances. Success for generating revenue to assist with meeting the payroll resulted from hard work, securing personal and business loans, and through strategies that

ensured payments were received for each job. These processes were augmented by monitoring time spent on a job, monitoring the payroll, and eliminating waste—personnel or materials.

A review of responses showed that business owners took advantage of opportunities that allowed them to be vigilant with the payroll by keeping costs low, finding supplies at low costs, buying certain materials in bulk quantities, and cutting back on some labor. One owner became a laborer to complete a project to cut costs. Another owner used services of volunteers.

The following or similar comments were expressed by the business owners in the study to describe opportunities that assisted in overcoming challenges as a minority business owner: (a) “Identified strategic steps to protect profitability, paid taxes, watched perks to employees including having a person in place for employees on vacation, sick, etc;” (b) “Lived within means, monitored finances through an accountant;” (c) “Set a budget, cut costs, received assistance from organizations via donations;” (d) “Practiced quality control; [employed] overall project management system through a procedure or systematic way of doing business;” (e) “Provided good service; put customer first and then employee—paid them well;” (f) “[practiced] professionalism; projected a positive image with the vehicle.” The rationale for a strategy that one owner employed was that, “Information provided by the Black CPA was not being accepted; [it was] always scrutinized; so I hired a certified bookkeeper and a licensed CPA (one Black/one white) for office record keeping.” Other experiences owners described were (a) “Hired knowledgeable individuals with experience to manage projects which protected profitability; provided bonus incentives to employees;” (b) “Used formulas to determine cash (income/output); hired a notary for notarizing contracts which improved image;” (c) “[Gained] understanding [of] what the government wants and the contract to be able to follow it explicitly;” and (d) “[Recognized that] minority businesses are held at a different standard than regular

businesses; recognizing the misperception that you are a minority just to be able to get a contract; you are looked at as one without experience.”

All owners used similar terminology to describe strategies that helped them meet challenges and to protect their profitability. Three expressions heard throughout interviews were know the business, be willing to take chances, and have a plan. Similarly, efforts administrators observed were having a strategic plan—marketing or business; ensuring that you can reach an attorney, accountant- a business accountant, an insurance person, and a banker; and partnering and aligning [the company] with other corporations.

Interview Question 8

Question 8 was cited as, What advice do you offer for minority and female small business owners seeking to attain city, state, and federal contract awards? The advice from three business owners was to confer with people who could assist such as political leaders and individuals who had gone through the process. Two owners recommended getting certified. Knowledge necessary for bidding and of the business through research using the Internet, attending workshops, and using other sources to acquire information was recommended. Two minority business owners provided this advice. Associated with this question was advice provided for successfully preparing for and implementing contracts. Eleven business owners gave advice that included reading and completing contract application and implementing the contract while proceeding very carefully with the business venture ($n = 5$); paying taxes and monitoring records, finances and credit worthiness ($n = 7$); ensuring seed money to sustain until contract is paid and that good service is provided ($n = 3$).

The following comments summarize advice given by several minority business owners:

(a) Build a strong foundation; sometimes a joint venture—a White company teaming with a

small Black company – results in only the White company winning because the Black company is not recognized for strength in completing the job on its own; (b) Government contracts do not pay on time; (c) Create a business plan; be able to substantiate information; (d) Don't tell all your ideas when applying—they are often stolen, passed to someone else and your application is denied; (e) Don't advertise as a 100% Black owned until well established to prevent being “knocked out of the box;” (f) Be patient, stay focus; and (g) It's a long waiting period and it's hard work.

The administrators advised that individuals seeking contracts should know bonding requirements and become informed through using the Internet, library, and other sources ($n = 4$). One administrator recommended that individuals should persevere and stated, “a young lady stands a much better chance of finding a grant being a lady than . . . a man . . . things are sometimes more in their favor, but it is very difficult.” Another administrator recommended that one needed to “determine what is the best contract to go after based on capital, resources; paper work is extensive and reporting requirements; consider the number of employers and their nationalities; in summary: understanding bonding; understanding payment cycle and government reporting” [are needed].

Similar to the advice recorded from some minority business owners, one administrator advised to “position yourself to be more competitive, market your capabilities to the government, and partner with another company if you feel you have an area of weakness.” Two administrators provided advice regarding the importance of completing the paper work correctly and presenting oneself. One of the comments was to “present yourself as a small business first that happens to be a woman-owned minority company and that you are capable of performing.” Another administrator said that the applicant should “obtain correct clarification as a small business—

type 8a, HubZone, women owned, disabled vet, Historical Black University and complete the necessary documentation and contract registration for the federal government.”

Interview Question 9

Participants responded to the following: Discuss if leadership training is a core component for minority business owners. If so, please explain why and what phase of the ownership should leadership training be implemented. All minority identified leadership training as a core component for minority business owners that should be implemented at the beginning of the business venture. Minority business owners saw that leadership was needed in “managing staff, setting up the organization, personnel policies and procedures.” One owner expressed the position on leadership training by stating, “leadership training should be implemented before going into business --as early as possible; [it] ensures you have the appropriate leadership skills to chart business in the right direction.” Another owner related the importance of leadership training to difficulties experienced in operating a business. This owner said, “ Leadership will come in on the front end; training is needed in dealing with managers, public relations because managers have attitudes about how they want their service done; the state needs to have training in teaching people how to bid jobs; this was my downfall in the beginning—not knowing how to price my jobs.”

Four of the administrators also noted the importance of leadership training for minority business owners. The statement of one administrator was very representative of ideas of the other administrators. This administrator said, “Yes, a core component; leadership is key to opening business; it is important in all phases but particularly at the beginning of establishing business; it has to be a continuing situation.”

Conversely, one administrator took the position that, “Leadership training is not a necessity for minority business owners; understanding economics is needed more than leadership; leadership is important in governing and working with employees, but in the form of leadership training [it] is not essential.” The other administrators cited time and money saved as benefits of leadership training. One of the administrators summarized responses to this question as follows:

Leadership has to start at the beginning; leadership is equal to stepping out, establishing relationships, and being aggressive; [the person has to] understand the federal government: how it operates, its trends, laws; educate the workforce and better understand how to prepare your quote and solicitation package.

Interview Question 10

The statement, Please advise if you would recommend government contracting as an alternative revenue source. If so, please explain why was the last interview item that was directed to a specific experience. Twelve minority business owners responded “yes” to this question and three individuals gave a “no” response. Among most reasons given for recommending government contracting as an alternative revenue source was the need for diversity. One owner said, “It’s good to be diversified—to have a mix of public and private work so that you are not too dependent on one or the other.”

This view was supported by statements of other owners such as, “ It’s a good source but a mixture of private and government is needed” and ” Yes, because most minority businesses are successful because of government contracts; I would make it secondary; if you make it the main all the jurisprudence, the politics . . . can kill [sic]

you.” A cautionary statement to this funding alternative from one owner was the following:

An alternative that is high on my list; lucrative business; I recommend it as an alternative revenue source for minority because certification does not last forever—if it is a main source, when certification is over then you have to start all over again looking for business.

Business owners opposing the practice as an alternative explained their position as follows:

(a) “I don’t have to have one. I draw up my own contract; it did not make a difference—I had more government contracts than private;” (b) “I would suggest that people would find businesses that really need services or their product and form relationships with a business as opposed to trying to deal with government and building up by doing contracts with the government;” and (c) “I wouldn’t want it to be my main source because you never know when the source is going to go out; I wouldn’t necessarily use it as an alternative revenue source.”

Three of the administrators advised the source as an alternative. One administrator said that, “It should be part of the business but not the total business.” Another administrator cited that this alternative, government contracting, can be extremely lucrative for the small minority business. This administrator explained that, “In the beginning I would recommend it as an alternative, then I would do the main sourcing and then go back to pick up others because you never put all your eggs in one basket. The federal government buys everything that you as a consumer buy, but you have to know where to look.”

The third administrator explained that, “It would be nice to have a government grant instead of trying to find your funds from some alternative sources—getting a good contract beats trying to find your own funding.” The other two administrators opposing the alternative said, “I

wouldn't advise it as an alternative—it depends on what industry you are in and what particular niche business can be beneficial to those government entities; it's your primary business to go after government contracts.” Another explanation for opposing governmental contracting as an alternative revenue source was the following:

Access to a geographical area is needed; I would not limit myself to the federal government. If you are going to have a government contract you must be serious about it; it requires enthusiasm in administering the contract services; bad performances are kept in a repository.

Interview Question 11

Participants were asked, Is there anything else you would like to add? May I have permission to contact you at a later date if a need exists to ask additional questions? Three minority business owners reiterated the importance of capital. Providing good customer service and knowledge of customers and products were added remarks of five owners. Three owners did not have additional remarks. The comments that follow captured the explanations of four business owners who expressed that often owners and would-be-owners are fearful and that the questions posed in the study and information forthcoming would assist minority business owners. The comments were “Key is helping each other; I got a big contract and one of the things the person first told me [*was*] don't tell anybody” and that,

It is going to be a good study to help minority businesses with what you are doing. Because being Black is hard anyway and anything that helps, anything is good. Because when we first got our contract we went to an association meeting in Nashville and I was just sharing information with other operators and other people. It was mostly predominately Black. A lot of them were fearful. I would tell them, it is not going to kill

you to try to do it and they were in disbelief that they could even do it. So I guess a lot of Black people have been beaten down so much in trying until they have lost their energy to even try anything.

Added comments were also related to how minorities should approach the business venture, the importance of “sticking with the job,” and limitations of funding opportunities for minority business owners. The following comments of different owners resulted from these views:

On the set aside they give you a fraction of the project and then they take the fraction, slit that up among 10 or 15 . . . when you have one White big company getting all of that, then why can't I have all that? That's my philosophy.

Minority businesses get less than an eighth of a percent of all money spent in Tennessee . . . an average small business makes less than \$80,000 a year while the majority has 99.2% of all the business . . . small businesses should be dealt with in the same measure as large businesses . . . we should have the ability to go to banks and do just as large businesses.

Other comments were (a) “Be better than other companies that are not a part of the programs;” (b) “Don't quit when you start a job no matter how difficult it becomes; work at it regardless of how successful you may appear;” (c) “Be careful; keep up with paper work; the biggest problem with minorities has been taxes—pay taxes on time;” and (d) “Leadership should include discipline—doing the right thing.”

Three administrators said the study was a good one and presented the following additional comments: “The research on minority designation needs researching. There may be some amendments that allow certain contracts” and

I see two pieces in the study. It should be geared toward those trying to get in and seek government contracts and it's an opportunity to speak to management—the end that is receiving and accepting a small business to perform the work.

Related to funding opportunities and challenges to minorities, one administrator commented that, “The revenue is spread out even more because we have more minority businesses, but the pie for funding is the same. It is important to find a business with fewer players.” Another administrator said, “Small business is key to the economy. It creates more jobs, more income; new ideas come from these businesses.” In addressing challenges, an administrator commented that, “Minorities have to be aggressive, have sound leadership within their organization and themselves. They should seek various web pages offering information. Competition is the driving force—knowledge and understanding are needed.”

Summary

Results of the study were found through identifying responses of participants to 11 interview questions. Responses to Question 1 revealed that 15 minority business owners had received one or more city, state, and or federal contracts during the tenure of their business. The experiences of minority small business owners related to securing and implementing these contracts were found through interview Questions 2, 3, and 4. Responses to Question 2 showed that owners experienced the procurement process for government contracts as difficult, political, required an adequate cash flow, and a lot of paper work.

Experiences of minority business owners seeking contracts from the perspective of administrators were similar. Added to the observations of owners were that the process was competitive and required ample time to prepare bids. Experiences shared in Question 3 of characteristics expected to be present in minority business owners were most frequently cited as

qualities of a good leader, knowledge, and experience. Descriptors common to both administrators and business owners were determination, trust, and commitment. Administrators also identified worthiness, initiative, and being responsible as characteristics. Experiences related to challenges in Question 4 were identified as racism, political nature of the process, non-acceptance of minorities, and securing needed financial support. Administrators identified challenges of not having experience with government contracts and not being familiar with how to respond to the information required in a solicitation for contracts.

Strategies that helped to facilitate successful procurement of government contracts were identified in responses to Questions 5, 6, and 7. Strategies cited included securing funds through private and public sources, engaging in training and research to acquire knowledge of the market and bidding process, and using the services of experienced individuals. Forming partnerships with successful companies, practicing selective contract bidding based on resources available to complete the contract, developing a business plan, cutting costs, monitoring financial resources, and paying taxes timely were opportunities owners seized that could prevent a threat to the operational profitability of their business.

Decisions participants made that led to their successful procurement of contracts were discussed in Questions 8, 9, and 10. Advice to minority and female small business owners seeking federal contracts included developing business worthiness by paying taxes and the payroll on time, developing a business plan, positioning oneself to be more competitive, and marketing self and business capabilities. Of the 20 participants interviewed, 19 decided that leadership training is a core component for minority business owners that should appear either before or at the beginning of establishing the business. Similarly, the majority of participants ($n = 15$) advised the use of government contracting as an alternative revenue source.

Question 11 permitted participants to add comments. The additions supported experiences cited in responses to the previous questions. Responses to all questions were used to identify answers to the research question posed in the study. Interpretations of responses resulting from the study are detailed in Chapter 5.