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Putting advice to work

Small businesses can get a helping hand with loans, financial plans

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Fatou N'Diaye held both advantages and disadvantages when it came time to upgrade her business.

She had her mother's recipes, as well as some of her own. She had a restaurant to showcase them in called Fatou & Fama and a clientele that clearly wanted more of her West African soul food.

But her restaurant at 61st Street and Lansdowne Avenue in West Philadelphia didn't have a great location or enough space to grow. And she didn't have a clear notion what to do about it. So N'Diaye went to the Philadelphia Minority Business Development Center for advice. The PMBDC helped her make financial forecasts and apply for a Small Business Administration loan, which she received.

And N'Diaye now owns a busy restaurant at 4002 Chestnut St., amid thousands of hungry college students.

For the students, she has the flavors of Africa. For the PMBDC, she has a large serving of gratitude.

"It takes hard work to help somebody like me," N'Diaye said. "It's not easy for people like me to get credit, to get a loan. A lot of people want to open a business, but they don't have the right help to be able to put the documents and the business plan together. But PMBDC walks you through it for you to really understand what is what."

The PMBDC serves as the local headquarters of a network of business development centers organized and run by the Minority Business Development Agency of the U.S. Department of Commerce. The network contains many such centers located in metropolitan areas around the country. The centers provide management and technical assistance at modest fees to minority firms and individuals located or doing business in the region.

The Philadelphia center's jurisdiction includes Philadelphia, Montgomery, Chester, Bucks and Delaware counties in Pennsylvania; Camden, Burlington and Gloucester counties in New Jersey; and New Castle County, Del.

For the past 14 years, Milligan and Co. LLC has operated the PMBDC with a grant from the Commerce Department. The organization has helped more than 1,200 minority businesses obtain financing in excess of \$50 million and procurement contract opportunities topping \$136.7 million.

Another of those entrepreneurs receiving help was Noel Miles who, being an artist, doesn't seem like a typical client. Nevertheless, when he decided to open a gallery called Galerie Noël at 2100 Spring St., Miles went to the PMBDC for help. For four years now, he has received management and consulting services.

These days, Miles' business has begun to shift more from gallery operations to executing commissioned work. His most recent accomplishment, "The Splendors of City Hall: An Artist's View," is a book of 20 original paintings of City Hall; it was funded by the city to celebrate City Hall's 100th birthday.

While the business plan he has used has undergone changes, he still looks to the PMBDC for advice.

"I am a different kind of client," Miles said. "I was an artist with not a great deal of business experience, but they helped me put down a solid foundation to build on." Successes aside, the center faces challenges.

Since 2001, funding for programs like PMBDC's has diminished considerably as the federal government has sought to privatize many of the services once offered. The center has gone from five full-time employees to one, with help from two part-timers.

And the Commerce Department now requires that the firms that manage the individual centers for strategic business partnerships to assist in reaching and providing services to the target population.

The PMBDC went beyond that directive by joining its many existing partners together and making a nonprofit alliance out of them -- the Greater Philadelphia Minority Business Strategic Alliance.

So far, more than a score of businesses from around the area have joined, with aggregate budgets of more than \$30.5 million.

"We always had a relationship with many of these partners, but never a formal one," said Marjorie Anderson, program director for the PMBDC and alliance executive director. "So it was easy for us to go out and make a formal arrangement out of it."

The idea came from John Milligan, whose accounting firm manages the center.

The alliance holds quarterly meetings, at which members will network and discuss ideas. A Web site is scheduled to launch soon.

"We wanted to put all the partners together so it would be a meaningful gathering to all involved," Anderson said. "In order for us to serve our clientele, we will enlist help from our strategic partners" to provide some of the services the PMBDC can no longer afford to provide. "We are not attorneys, for example," Anderson said, "so we can't offer legal advice. But we can call one of our strategic business partners and ask them to do it."

The organization's mission is to serve as advocate in promoting the establishment and growth of minority businesses by using existing resources and assistance to the fullest. The alliance aims to provide technical assistance, financial resources and business opportunities to minority-owned businesses in the area.

Anderson serves on the board of directors and loan committee of the North Philadelphia Financial Partnership, the lending institution for the North Central Empowerment Zone. As a board member, Anderson works to combine the Empowerment Zone resources with the PMBDC resources to maximize minority business opportunities.

Milligan was an active board and loan committee member of the Philadelphia Industrial Development Corporation for more than 10 years. PIDC is the city's primary economic development agency and is the lender and administrator of several low-interest loan pools. Milligan also was appointed to the Business Advisory Council of the Federal Reserve Bank in Philadelphia.

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