

ILLINOIS INSTITUTE OF TECHNOLOGY

**I PRO 327 & 357 - Strategic Management System**

Illinois Institute of Technology

Strategic Management Team

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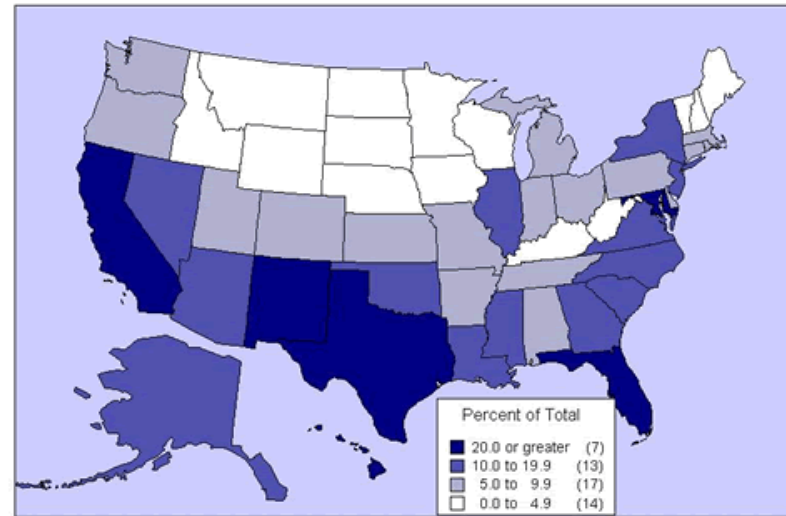
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# Minority Businesses

- Why are Minority Businesses Important?
  - 47,000 Minority Owned Firms (27% of all Businesses)
  - \$7.9 Trillion Revenue
  - 68,800 Employees

Minority-Owned Firms as a Percent of Total Firms in State: 1997



## Latin American Chamber of Commerce

- Why is LACC Important?
  - Minority Business Consulting Group
  - What services do they provide?
    - Business Financing
    - Contract Procurement
    - General Business Consulting
    - Management Development

# Our Team Objectives

- LACC Organization and Strategy
  - Access their strategy and company structure
- Problems and Solutions
  - Discover problems with LACC's strategy
  - Suggest Initiatives to solve problems
- Potential Revenue
  - Offer LACC an analysis of a potential service that can be used as an additional revenue stream

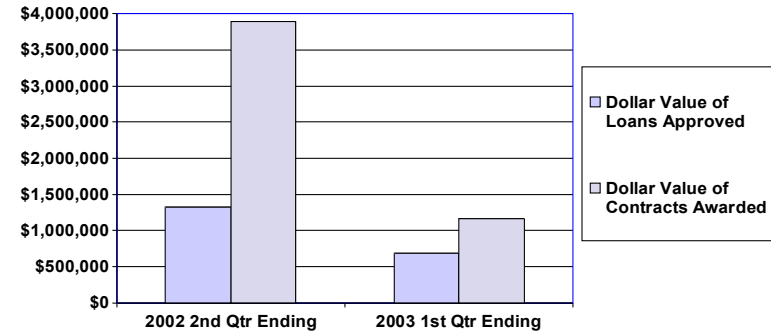
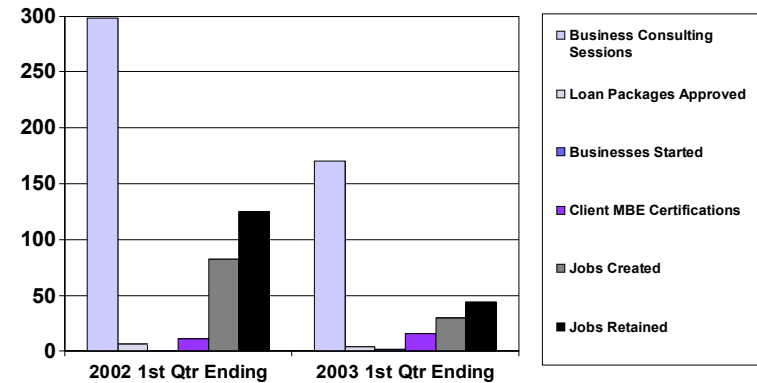
# Strategy Map

- **Development Process**
  - Interviews LACC staff and management
  - Analysis of public documents
  - Observational Analysis
- **Use**
  - Provides strategy analysis
  - Presented to LACC
  - Potential use to develop new strategy

STRATEGY			
Strategy Analysis	Strategy Planning	Operation	Support Strategy
<b>Sources Of Value Concept</b> <b>Current Customer</b> <ul style="list-style-type: none"> <li>• Minority Businesses, many Hispanic</li> <li>• Small to medium sized businesses</li> <li>• Big construction companies</li> </ul> <b>Contracts working under Business Finances</b> Writing loan packages and obtaining financing for its business clients: <ul style="list-style-type: none"> <li>• Loan Placement</li> <li>• U.S. Small Business Administration (SBA) Loan Guaranties</li> <li>• Surety Bonds and Business Insurance - Surety Bonds</li> <li>• Business Insurance</li> <li>• Specialty Insurance</li> <li>• Health Insurance</li> <li>• Financial Planning and Investment</li> </ul> <b>Certification</b> Preparing MBE/WBE certification packages <ul style="list-style-type: none"> <li>• MBE / WBE Certification Packages</li> </ul> <b>Contracts Procurement</b> Assisting companies in obtaining contracts with government agencies and prime contractors: <ul style="list-style-type: none"> <li>• Bid Matching Program</li> <li>• Business Referrals</li> <li>• Plans Room</li> <li>• Contract Discloser</li> <li>• Contract Procurement Round Tables</li> <li>• Monthly Business Luncheons</li> </ul>	<b>Managing Information Technologies</b> <ol style="list-style-type: none"> <li>1. Listing of members and what they do</li> <li>2. Tech tools on web related to SBA/SBDC</li> <li>3. All financial tools</li> <li>4. Direct calls to city department heads and resources</li> </ol> Sufficient technologies to provide services? Employee A: <ul style="list-style-type: none"> <li>• There are enough computers</li> <li>• More sources are needed for industry trends</li> <li>• Presentations need to be enhanced               <ul style="list-style-type: none"> <li>o Templates are 26 years old</li> </ul> </li> <li>• There are better products out there to use</li> </ul> Employee D: -Direct access to the city resources -Web tools -Quick Books used by the controller Needs: analyzing data for loans Employee I: -All needs met Employee J: -Analytical software: Finance, Projection, Marketing -more space -better furniture	<b>Enacting Strategy</b> <b>Strategy Marketing</b> How services are currently marketed Employee A: <ul style="list-style-type: none"> <li>• different events               <ul style="list-style-type: none"> <li>o college events</li> <li>o Latino business opportunity fair</li> </ul> </li> </ul> How can marketing of services be improved? Employee A: <ul style="list-style-type: none"> <li>• calling of clients should be more frequent</li> <li>• customers need to be better informed of the services provided</li> <li>• financing needs to be marketed stronger</li> </ul> Employee D: -Phone calls -Memberships -Advertisements -Direct forums with the community -Web site -Bank relationships -Mail Employee G: -Phone calls -Marketing letters on loans need to be pushed -more mailing -More events <b>Packaging Options</b>	<b>Control</b> <b>Financial</b> <b>Compliance</b> Employee D: -Monthly Audits -Weekly Audits -daily forms filing The LACC must be compliant with IRS in payroll and other taxes. LACC is under a 501C8 IRS tax filing status for non profit trade association. In the past, they had problems complying with the IRS. For several years, the previous accountant avoided paying payroll taxes. This problem was resolved by hiring a payroll service. The LACC must also comply with their four contracts. Each contract has a very specific set of rules which must be followed as well as a specific budget. Quarterly reports must be submitted to the appropriate government agency. A mid year review is done by the agency and each contract must be reviewed and renewed annually. <b>Authorization</b> Financial data is protected on a computer with only the CFO having access to the computer and then the financial data file. Employee files and other important data is

# Assessment Report

- Problems Identified
  - Environmental and Communication Issues
  - Inexperience and lack of motivation
  - Financial & Productivity Decline
  
- Suggested Solutions
  - New revenue streams
  - Stress Value bundles



# Revenue Model

- What is a Business Revenue Model?
- Contents
  - Target Market
  - Marketing and Promotional Information
  - Projected Finances
- Benefits
  - Education of BSC and SMS system
  - Business Plan

# Conclusions

- Deliverables Presented to LACC
  - Strategy Map
  - Assessment Report
  - Revenue Model
- What now?
  - LACC Management must work on strategy
  - Solve Problems
  - Improve Revenues
- Questions?