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As Hispanic Businesses Grow, Opportunities Beckon

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One of the areas that experienced the greatest rate of growth in 2012 is Hispanic small business. So much so that corporate America has begun to take greater notice of Hispanic-owned enterprise, aware of the huge opportunity that it represents.

"There has always been this notion of us as a sleeping giant," says Allen Gutierrez, national executive director of Irvine, Calif.-based The Latino Coalition, a trade organization for Hispanic small business. "We have always known of our power, but now corporate America is also starting to do much more in the community, really investing and reaching out to us even in an economic downturn."

Hispanics, it's well known, are the fastest growing demographic in the nation, and concurrent with that trend, the number of Hispanic-owned businesses is also on the rise.

"Corporate America has come to the realization that engaging in and being part of the community is a good investment for the long term," Gutierrez says.

The 60-member organization, which provides technical expertise and business know-how to its members, is keen to forge strategic links and partnerships for them with the broader business community. Founded a decade ago, The Latino Coalition has generated a good \$80 billion in contracts, Gutierrez says, but business matchmaking efforts continue strong.

But what Hispanic small businesses are really lacking are financial products and services that all businesses require but that are designed especially for them.

"Our community doesn't have a lot of property and casualty insurance products, for instance, and this is what we see as one of the biggest growth opportunities for anyone who can reach in and connect with the community," Gutierrez says.

While financial firms and insurance companies are aware of the need, many of them haven't been able to penetrate the world of Hispanic small business, "because they don't know how to connect," he says. "That's why we are going to be creating workshops across the country to let people know that this is a low-hanging fruit opportunity."

Insurance products and other financial services that are specific to Latino small business are an important link for this segment of the business community to get to the next level.

"One of the issues in our community is that many of us are first generation [Hispanics] and we don't trust banking and government," Gutierrez says.

Indeed, many Hispanic business owners still have fresh memories of the corrupt governments and inefficient financial systems they left behind in their native countries before they moved to the U.S., he says, "so we're bound to view people who tell us how to save or want to sell us a particular product, with suspicion."

Those companies that want to successfully penetrate the Hispanic small business market, then, have to be able to work around that mindset.

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