

The meteoric growth of Hispanic businesses

By: Veronica Cool July 8, 2016



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Across the U.S., there are more than 4 million Hispanic businesses, 23 percent more than the last count, per the Hispanic Business Study, a recent collaboration from Geoscape and the US Hispanic Chamber of Commerce. This growth is more than 15 times the national average of non-Hispanic businesses.

Fifteen times.

"As we've conducted this study over the years, we're finding that Hispanic businesses continue to grow dramatically, as this is the single largest jump we've seen since we started studying the data," said Cesar M. Melgoza, CEO and founder of Geoscape. "The more you do the math, the more you realize that Hispanic business are not just part of the future, they're also a huge component of our present economy. Our leaders need to understand their importance in driving the American economy, and they will only grow in importance in the future."

These businesses are generating over \$661 billion in revenues. This is happening not just in Miami and Dallas and Los Angeles but in places like Nebraska, Missouri and North and South Dakota. These are all areas that are enjoying significant economic activity, creating jobs, drawing Latinos and experiencing the trickle-down effect of entrepreneurs establishing business to support the growing Latino population.

Every region in the U.S., including Maryland has experienced growth greater than 20 percent in the Hispanic Businesses Enterprises, HBEs, segment over the past 3 years. Maryland has over 54,000 Hispanic Businesses, a 35 percent lift from the last U.S. Census. But who cares? These are all small restaurants and one-person landscapers or dry-wallers, right?

Wrong.

They include multimillion-dollar enterprises with a presence across the country. Like Respira Medical, a Linthicum-based company specializing in home care, health and medical equipment services. Respira just opened a retail store in El Paso, Texas, the first one of an expansion plan across the country.

The company was established in 2001 by Yolanda Maria Martinez, a Latina community leader with Costa Rican and Columbia roots. Today Respira has over 100 employees and several divisions, including Respira Medical, which provides sleep, respiratory and home medical equipment services to civilians; Respira Medical Military, which provides care to the Armed Forces and Department of Defense; and Respira Technical Services, which develops and manages safety and health planning for the U.S. Strategic Petroleum Reserves for the Department of Energy.

Although the numbers are impressive there are tremendous hurdles as well, such as access to capital and the inability to scale or navigate procurement processes. Depending on the level of acculturation, Latino businesses struggle with effectively navigating and leveraging existing resources. By definition, acculturation is the adoption of the behavior patterns of the surrounding culture. Simply stated, acculturation is the time between arrival to a new culture and assimilation into that culture.

The acculturation process takes an estimated 10-15 years and varies from person to person. Hispanics have longer acculturation periods because they keep their values, celebrate their heritage, and pass those values and that heritage from generation to generation. Acculturation is measured on a scale — from unacculturated to fully acculturated — and where the immigrant lies on the acculturation spectrum impacts language use, place of residence, media preferences, traditions and how they conduct business.

I recently discussed acculturation and business challenges and successes with David Rosario, president of the Latino Providers Network and also owner of his own State Farm Insurance agency. According to David, "At a local level, these businesses struggle with immigration status, and how to educate others (non-Hispanics) on the legalities of having DACA and DAPA status. Latinos have a willingness to work hard and thrive and are very, very loyal consumers, but the systems, HR department and partners are not easy to navigate."

David leverages education as tool to empower the Latino community, focusing on financial literacy. The benefit? His practice continues to grow; he is up to seven employees and considering additional expansion.

This is a client segment that should be courted and engaged, especially if you are seeking more business-to-business sales. Remember that there are 54,000-plus Latino businesses in the state! On Oct. 3, this community will gather for the 15th Annual Maryland Hispanic Business Conference, the largest Hispanic business event in the region, focusing on providing workshops, matchmaking sessions, awards and networking. My very own brainchild, The Latino Innovator's Pitch, will showcase the Hispanic businesses in a competition for a cash prize and 12 months of advisory and mentoring support.

Although the hurdles do exist, the Latino community is simply treating them as bumps on the road and continues to thrive, albeit a little circuitously and with a longer learning curve, eagerly seeking solutions like the Maryland Hispanic Business Conference. But we need to

continue to cross over. The business case is clear: This is an untapped market with needs for your services. To win them over as clients, I recommend you invest in learning more about the various cultures, be visible in the community (like participating in the Hispanic Business Conference) and be invested for the long term.
Amigos, stay cool!

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