

CHANGING THE FACE OF ENTREPRENEURSHIP

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By Tanya Isley

Each year, large numbers of minorities start down the path to entrepreneurship in search of wealth and success. For the past several years, business ownership among minorities has been on the rise. According to preliminary data from the 2012 U.S. Census, the number of minority business enterprises increased 39 percent between 2007 and 2012, from 5.8 million to 8 million. Employment at minority-owned firms increased 33 percent to 7.7 million jobs at the same time, and gross receipts grew 53 percent.

And the growth trend is expected to continue.

Although minority businesses are on the rise, they still face challenges—access to capital, the lingering effects of recession, and profitability. However, many minority business owners persevere to overcome the challenges they face, and achieve the financial independence and success that entrepreneurship offers. Such are the cases of **Robert Wallace**, **Sean Ono** and **Mario Stadlander**, and **Glenn Torrez**.

Overcoming Inequality

The history of the Cherry Hill neighborhood of south Baltimore dates to World War II, when it was established as a housing destination for African American veterans returning from war. In 1945, when desegregation in housing was still the norm, the United States War Housing Administration and the Housing Authority of Baltimore City built 600 housing units for African American War veterans and war workers. These units were later converted into low-income housing, and the area expanded to more than 1,700 units over the years. Cherry Hill became one of the largest public housing developments in the city, and with that status came huge pockets of poverty.

For Robert Wallace, growing up in tough, impoverished Cherry Hill was rough. His family often struggled to make ends meet for the eight boys in his family, five of whom were biological relatives, and the other three adopted. But it wasn't the roughness of the neighborhood that left an imprint on young Robert's consciousness; it was the racial disparities in business ownership he witnessed.

Although Cherry Hill was predominantly African American, the businesses owners who catered to its residents were not. When young Robert curiously presented this observation to his mother, she explained it in the pragmatic way that most African Americans explain racial inequalities to their children to shield them from the realities of race and privilege.

"She would tell me that some people had more opportunities than others," Wallace says. "Other people just took advantage of opportunities and things. And she said, 'Maybe one day, Robert, you would be able to change that.'"

His mother's words would prove prophetic, as Wallace has emerged as an accomplished entrepreneur, author, business consultant, and speaker. A mechanical engineer who earned his B.S. from the University of Pennsylvania and his M.B.A. from the Amos

Tuck School of Business at Dartmouth College, he is the founder of three companies, **BITHGROUP Technologies, Inc., Bithenergy, Inc., and Entreteach Learning Systems, LLC.**

He formed BITHGROUP Technologies, an information technology services company, "on paper" in the early 1990s, but admits that he didn't get serious about the business until the early 2000s. The company specializes in managed security services, health information systems, IT infrastructure services, wireless engineering, and biometrics. Wallace considers the company to be a "technology innovator."

"We use technology as a tool to solve business problems and help our clients to achieve their missions," he says. "And we are very open to acquiring new technologies if it will enable to help our clients to meet their business objectives."

Although BITHGROUP Technologies is the "innovator" Bithenergy is the business Wallace believes has the greatest scalability. An energy engineering and management company, Bithenergy develops and implements energy management, energy efficiency, and renewable energy solutions for government and commercial clients. Wallace started the company in 2007, and since then, it has become the eighth-largest solar developer in the United States, ranking Number 49 out of the 400 Top Solar Contractors in 2014.

"We went from installing zero solar panels when we started to installing over half a million panels last year," he says. "We've had a lot of success in the energy space, [and are] looking to do some even bigger things there."

Bithenergy has successfully devel-

oped, financed, and integrated more than 33 megawatts (MW) of solar projects nationally and internationally already. One of its major projects is a 10-MW solar plant that it's building in Howard County, Maryland. The com-

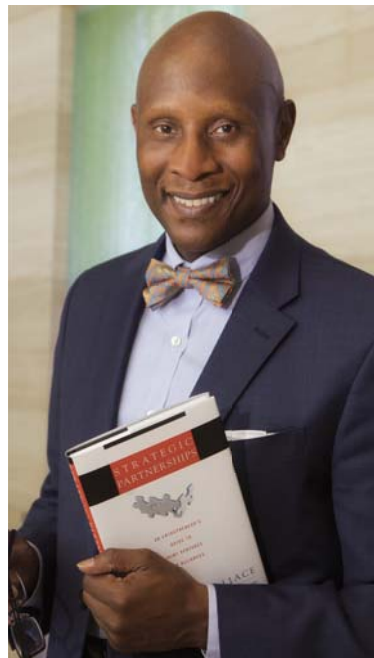
pany is the first and only company that has installed aggregate virtual net metering—a system that puts excess energy generated by solar panels back onto the grid and credits the customers that installed the panels for it—in the state.

Wallace also is the author of five top-selling books that offer solutions for addressing the unique challenges that small, women, and minority-owned enterprises face. He conducts economic and entrepreneurial research

through his third business, Entreteach Learning Systems. His groundbreaking research has provided the foundation for entrepreneurial training programs that have benefited entrepreneurs throughout the world.

Of course, the seeds for Wallace's foray into entrepreneurial training and authorship were planted in the lessons he learned as a child. "What it taught me was the importance of economics and the importance of entrepreneurship. That is, 'How do you change the economic equation in our society?'" he says.

Wallace's first book, *Black Wealth Through Black Entrepreneurship*, sought to answer that question. Written during the time he was starting his first company in 1993, the book presents 10 case studies of black entrepreneurs to provide object lessons for would-be entrepreneurs and business owners. Although Wallace didn't have a strong desire to be an author, he has gone on to add four more titles to his literary catalog since.



Wallace has written several books as guides for M/WBES.

Wallace wrote all of his books to provide guidance to M/WBEs as they work to achieve wealth and success, including *Black Wealth: Your Road to Small Business Success*, *Soul Food: 52 Principles for Black Entrepreneurial Success*, *Strategic Partnerships: An Entrepreneur's Guide to Joint Ventures and Alliances*, and the *Sese Principles: Guidelines for Creating Wealth Through Faith*.

"I just saw a problem that needed a solution, being a typical engineer. Then, I wanted to research it and find solutions that might help, and that's what I've been doing," he says. "To this day, I continue to study this matter, and I research and write on topics I think are applicable at this moment."

Giving Themselves a Promotion

While Wallace's path to entrepreneurship was rooted in the racial dynamics he witnessed as a boy, Sean Ono and Mario Stadtländer, co-owners of Las Vegas-based **Eagle Promotions and Eagle Design Group**, began their entrepreneurial journeys in family businesses.

Ono was working in his father's lumber company while attending classes at the **University of Nevada-Las Vegas** and "wanted to take over pretty much everything." Meanwhile, Stadtländer was learning the ropes of entrepreneurship in his family's motorcycle shop.

Promotional items were an extension of the shop's services. "At the motorcycle shop, we were putting names and numbers on the back of racing jerseys, which led to us printing shirts for other people," Stadtländer says. "The next thing we know, our clients are asking for pens and mugs, and we've got a whole new business opportunity on the promotional side, along with the T-shirts." A few years later, Stadtländer left the shop and opened his own office to focus on promotional items.

Similarly, Ono began his promotional products business in 1995, partnering with a vendor who sold promotional items to his father's lumber business. After a couple of years, Ono bought out his partner and ventured out on his own.

Both men's businesses were successful, and in 2001, the two competitors merged to create Eagle Promotions and take the company to a new level.



Ono

Today, Eagle Promotions is one of the fastest-growing promotional products and branded apparel companies in the United States. The company produces pins, keychains, hats, T-shirts, jackets, and other products to be used as promotional items or sold in retail stores.

The company has grown to 180 artists, designers, fashion/trend forecasters, production specialists, and import experts. Ono and Stadtländer expect the company to gross \$28 million to \$30 million in revenue this year. Eagle Promotions also has been selected as one of the top 25 screenprinters in the country, and is a member of the National Minority Supplier Development Council.

One of the keys to the company's significant growth has been diversification. In 2003, Ono and Stadtländer expanded into retail promotional products, offering corporate promotional prod-

ucts, online stores, uniform programs, merchandising, and full retail clothing production.

"As we've grown, our promotional division has grown, and our retail division has grown from zero to probably 60 percent of our business," Ono says. "Having those synergies of two separate divisions that can actually feed off of each other makes us a one-stop shop for clients. When you've got the **Walt Disney Company**, which buys tchotchkes and hard goods and also buys retail clothing, they can just deal with us instead of having to deal with three or four or five different vendors."

In addition to Disney, Eagle Promotions' current client list includes **Universal Studios, Ultimate Fighting Championship, The Hard Rock Cafés and Hotel, MGM Resorts**, and several **Major League Baseball** teams.

Stadtländer and Ono acknowledge the role employees play in the company's success. And although the company has grown tremendously in the past few years, it retains a small, familial atmosphere.

"We have some of the most amazing team members. One of the things that Sean and I do every year is hand-write anniversary notes—little cards—for our employees' anniversaries," Stadtländer says. "It always shocks me when



Stadtländer and Ono inside their production facility.

we have people who've been here for 10 years. The longevity of our team members and the strength of them really make us successful."

Las Vegas was one of the hardest-hit areas in the country during the recent recession and housing crisis; America's gaming and entertainment

capitol was shaken when the flow of gamblers slowed and conferences were cancelled. Unemployment in Vegas

peaked at 11.1 percent during the recession, compared with a national average of 9.4 percent, and the collapse of the local housing market left seven out of 10 homeowners with negative equity.

Eagle, however, was able to sustain its growth through solid investments and acquisitions. “Because Mario and I had continued to invest in the company, we were extremely strong, and we were able to acquire two or three of our largest competitors during those two to three years because of it,” Ono says. “Being able to have the financial ability to acquire these companies when basically they were most likely going to go out of business is another reason we grew so fast, and it’s just been such a win-win.”

Building Business

Like Ono and Stadlander, Glenn Torrez, president and CEO of **PRAVA Construction Services, Inc.** in San Diego, weathered the recession’s storm and came out unscathed. Torrez, whose full-service general contracting business specializes in commercial and industrial construction projects, considered pursuing government contracts when the recession began. But after attending a government contracting information session at Camp Pendleton, he realized that his company lacked the relevant experience to compete with the other contractors in the military sector.

As a result, he decided to try to increase the amount of business with current clients. “I talked to our client base, and was able to pick up additional work and service them, and continue that quality of service that they wanted. It just led to us getting more and more work,” he says. And, as a certified minority-owned company, PRAVA also secured additional clients through supplier diversity events.

Torrez has been in the construction business since 1986 when he started his first company, **GT Construction**, which specialized in concrete work and framing. After several years of foundation work and structural wood framing in oil refineries, Torrez grew tired of the

hazards and liabilities involved in the business and sold it.

He moved his family to San Diego County and took a job with **Nielsen Dillingham Builders**. When the company went out of business, Torrez went to work for **Erickson-Hall Construction**; there, a project for **Sempra Energy** led him to start PRAVA.

“I was approached by **San Diego Gas & Energy** to manage Sempra Energy’s corporate headquarters remodel. They asked me to do that project, and I asked them if they wanted me to do it as a construction manager,” he recounts. “I ended up getting the project, and that’s when I started my company. I started out as a construction manager, and when that project was almost over, I started doing general contracting—where I became the builder instead of the owner’s representative—and managing the projects.”

Since founding PRAVA in 2005, Torrez has grown the company into an industry leader in the utility, healthcare, manufacturing, industrial, car rental/sales, aviation, and food service sectors. In 2011, the company received the Supplier of the Year Award from the **Southern California Minority Supplier Development Council (SCMSDC)**. The company’s diverse portfolio also includes clients in markets such as education, retail, and biotech.

To Torrez, his clients’ diversity is one of the reasons the company has been successful. “A lot of contractors in our industry focus on certain arenas or vertical arenas. We decided to get involved with all types of projects, and

it has served us really well,” he says. “We found projects that were different; we became experts in them, or we found ways to become experts in them. And taking those projects on has just led us to new and more opportunities.”

Torrez, who says he’s been “an entrepreneur almost my entire life,” has owned four different businesses and sold them. However, he still owns an online business, **Ammie Enterprises**, with his wife, Denise. The company provides bilingual educational materials “to help every teacher, administrator, and parent

develop responsible students who possess the skills, attitudes, knowledge, and values to succeed in a changing world.”

When one considers the bilingual aspect of his other business, it’s tempting to think that the PRAVA company name has Spanish roots. Nothing could be further from the truth: Torrez initially named the company Building and Planning Services, but the name didn’t resonate with him. After consulting with a marketing company on branding ideas, PRAVA was one of the names suggested. Torrez was the only person in his company who liked the name, so he sought the advice of people outside of the company.

“I had a woman that used to cut my hair and she was from Slovakia. I showed her the list of names and she read the name ‘Prava’ and in Slovakian, it’s Prada with a ‘d’, and it means ‘truth,’” he says. “My mom is Czechoslovakian, and her mom and dad were from Czechoslovakia, and it had a real meaning for me with family heritage on my mom’s



Torrez



Torrez, Ono, and Wallace

challenges, each has found a way to chart his own course and move forward along the path to wealth and success. ◆

side.” The connection sealed it for Torrez, and PRAVA stuck.

Each of these entrepreneurs has faced challenges—Wallace had a rough upbringing that endowed him with a mission to help others overcome racial disparities in entrepreneurship; Ono, Stadtlander, and Torrez faced a devastating economy that forced them to find creative solutions. Despite these

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