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Smart Answers

By Karen E. Klein

## Gals Going Global

### At a Las Vegas conference, female entrepreneurs shared solutions for staying afloat in the face of offshoring

Not long ago, going international was an idea most small business owners entertained only in their wildest imaginings. But over the past decade -- and particularly since 2000 -- technology has truly brought home the potential of the global marketplace.

With more and more female entrepreneurs setting their sights overseas, globalization emerged as a hot topic at the Women's Business Enterprise National Council (WBENC) conference in Las Vegas last month. "Women-owned businesses have to find a niche in this new international marketplace," says Susan Phillips Bari, the group's president. "Consolidation of the supply chain is here. It's not going to change, and we have to find a mechanism to deal with it and maintain our competitiveness."

**JUGGLING ACT.** The good news? Bari says women business owners possess inherent resourcefulness. "Women have traditionally had to balance a lot of balls in the air in their personal lives. We've taken that skill and brought it into running our businesses," she says. "Small...businesses are taking a fleet-of-foot mentality and using it to build size, scope, and strength."

Joan Kerr, executive director of supplier diversity programs for SBC Communications ([SBC](#)) and a WBENC board member, just helped the group launch a global business committee, in large part because of the strong demand. "We've recognized that pretty much no matter whether or not you have customers offshore, you're involved in the global supply chain," Kerr says. During last month's conference, "we found many small and medium-sized companies are already putting their arms around this issue."

There's certainly a downside to discovering that your business has a world full of competitors. Tales of companies that made the difficult decision to offshore portions of their operations, or outsource specific jobs, made the rounds at the conference, according to Kerr. But participants also shared silver-lining stories, like the one about a Wisconsin packaging company that found its niche receiving goods manufactured offshore and repackaging them to meet U.S. market demands. "Sometimes, crisis turns into opportunity," Kerr says.

**EXCLUSIVITY REIGNS.** Mercedes LaPorta, president of Mercedes Electric Supply in Miami, has seized the opportunity to partner with international suppliers and thus differentiate her business from its large competitors. LaPorta started selling Sylvania lamps 26 years ago, with \$15,000 in seed money and a 1,000-square-foot warehouse.

Now, she has 43 employees and \$30 million in revenue. Her contracts include the Treasure Island and New York, New York hotels in Las Vegas, the American Airlines ([AMR](#)) terminal at Miami International Airport, and American Airlines Arena, home of the National Basketball Assn.'s Miami Heat.

Rather than carry all the top electrical equipment manufactured domestically, as her competitors do, LaPorta signed distribution agreements with European companies. "I'm carrying exclusive brands," she says. "I'm the premier distributor of this French and German equipment in my part of the U.S., and I also do business in Central and South America and the Caribbean."

**RECOUPING LOST JOBS.** LaPorta's international alliances ensure that her company ranks as a key vendor for her overseas manufacturers. "I knew which manufacturers I wanted to partner up with, and I went after them," she says. "Because I'm sole-sourcing from them, my company is very important to these people, and they give me the support and pricing I need to be competitive."

Katherine Henson, chairman and CEO of Avail Workforce Management Solutions, a staffing firm based in Atlanta, has faced the issue of international outsourcing of jobs for several years. Her 29-employee firm encompasses national-level executive search, job recruiting, and payroll services.

Recently, Henson began a couple of pilot programs aimed at bringing back to the U.S. some offshored jobs. One of her programs will pair up U.S. corporate employers with women who want to work from home. "The idea has been tried before, but it's never been done in a measured way, where the results can be analyzed and measured," she says.

**TRIBAL VALUES.** Another pilot program will locate telecommunications call centers in Native American territories. Henson, of Cherokee origin, says she feels passionate about providing Native Americans with jobs beyond the gaming world. "Locating domestically is less expensive, there's no language or cultural barrier, and there is a high degree of long-term loyalty and generational ties in Native American culture," she says.

Kathy Benson, president of Office Remedies, based in Herndon, Va., launched her data-entry firm in 1988, shortly after the birth of her first child. As the company grew, she recruited moms to work for her. "People thought I was crazy," she recalls. "I was taking paper documents and 5.25-inch floppy disks into people's homes and shuttling them back and forth to clients."

Today, Office Remedies is a market-research firm that conducts surveys, focus groups, and quantitative studies. But Benson has stuck with her home-source model, employing 30 to 40 part-timers and four full-time staffers.

**CONTINUITY EDGE.** It hasn't been easy watching her competitors send much of their work overseas, Benson says. "I can't compete with the labor rates offshore," she concedes. "We live in an expensive area, and we pay industry average or a little more."

Keeping the bulk of her crew on part-time status (most rely on a spouse's benefits) has helped keep her costs down, as has minimizing her overhead. And she's capitalized on the expertise of her employees, most of whom have worked with her for a decade or more. "Our teams stay on the same project, so we provide continuity," she says. "Also, we're doing phone work and text processing, so the cultural and language expertise we deliver is important."

For instance, her staff can spot problems when survey responses seem "off." "Our people catch things, like maybe people aren't answering Question 5 in the way they should be," Benson says. "So they can alert the client, and we can tweak the process early on, saving them a lot of money. Those subtle things would probably not be picked up by an offshore team that is just recording information they're given without the expertise to examine it critically."

Bari, of the WBENC, says women are embracing the obstacles -- and advantages -- presented by the constantly changing global marketplace. "This is not the first challenge we've faced," she says. "Six or seven years ago, everyone was saying that the business-to-business trend would put women out of business, or bundling and supply-chain management were going to hurt. And yet, despite all the challenges that appear year after year, women business owners find solutions."

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