Entrepreneurship Success: A Hispanic Point of View

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Hispanic Entrepreneurship

- Hispanics are the largest ethnic minority (over 17%).
- Hispanics own 4.3 million companies which account for $660 billion in revenue.
- Important to the health of the U.S. economy.
- El Paso, Texas: Largest group of Hispanic business owners in the US, over 73% of businesses are owned by Hispanics.
Purpose of Paper

• Identify factors contributing to success of Hispanic Entrepreneurs.
• Gain insights from Hispanic entrepreneurs.
• Conduct qualitative study for insight to develop a survey.
Research is in early stages.

Entrepreneurship is bridge for minorities to integrate and succeed.

According to the Survey of Texas Hispanic-Owned Businesses with Paid Employees by UT Austin, Hispanics still face many challenges:

- Lower levels of education
- Lack of financial resources
- Lack of business networks

Females have a harder time surviving than males.

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• Hispanics also tend to lag behind in financial indicators:
  • Sales/Receipts
  • Number of employees
  • Payroll
  • Scalability
Type of Sample
• Convenience

WHO?
• 8 Local
• El Paso business owners
• 1 SBS officer

HOW?
• 6 interviews in person
• 2 through email
• 1 through phone

Research Methodology
Interviewee Profile

GENDER
5 females
4 males

AGE
40s, 50s,
only one in
20s

INDUSTRY
Various

REVENUE
From
$200k-over
$500M

OWNER
7
developed
their
business
1 bought it
Findings
Top four factors of success:

- **Networks/Mentorship**
- **Education/Experience**
- **Access to capital**
- **Family support/Job creation/Give back to community**
Networks/Support/Mentorship

• “It’s all about using leverage when needed, business relations, joint ventures that help you do better. Mentorship is important to success, who you know. I receive the majority of help from Non-Hispanic Whites. [There’s] a lack of mentorship here.”
Education/Experience

• “[Having] education, knowledge, and working smart are important for success. [I] didn’t finish college. Needed some business courses at the SBA. Management, marketing, customer service, and financial courses”.

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Access to Capital

• “Our business plan was rejected by the bank. We had to go out of town. A small business bank on the East coast.”

• “Right now I am lacking good staff. It’s hard to find good people and how to finance that.”
Family/Give back to Community

• “I define success as attainment of ones goals at least to a degree that enables us to provide adequately for our families, to be fair with our employees and generous with our community.”

• “Being able to serve your customers, a service to people, profit, giving back to the community.”
Conclusion and Future Research

• Most business owners interviewed agree with these key success factors: *Networks, education, and access to capital.*
  • However, there's also a dimension of *family* and *community*.
  • Tendency towards collectivism.
  • Future research can uncover additional *cultural* and *gender* dimensions.
Continuation of Study

• Developed 2 surveys to test differences
  • Community/family minded
  • Individual achievement

• Contacted them through phone and online

• In process of analyzing data to uncover more information about Hispanic business owners
Any Questions?

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