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How Wells Fargo's Targeted Business Services Help Minority Small Business Entrepreneurs

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Moises Reyna is the owner of the tortilleria, Tienda Reyna, in San Antonio, Texas. Moises received a micro-loan from ACCION Texas which is supported by Wells Fargo's small business unit.

A one-stop entrepreneur center in San Jose, CA, where small business owners can go to get the training and tools they need. A church-sponsored equity fund that offers capital to minority entrepreneurs in the church's low- to moderate-income Los Angeles neighborhoods. A small-business incubator for the Latino community of Los Angeles. An entrepreneur learning program for the Hmong community of Minneapolis.

What do these pioneering community-based initiatives have in common? They've all been launched — and sustained — with the support of Wells Fargo Bank, partnering with community development organizations serving minority communities and the small businesses so important to their well-being.

Wells Fargo has been a committed partner and supporter of small businesses for more than 150 years. Today, with more than a million small business customers across the country — representing a wide range of backgrounds, skills, and needs — Wells Fargo is doing more than ever before to reach out to these diverse entrepreneurs and their communities.

A fast-growing sector

The more than 20 million small businesses in the U.S. account for over half of our GDP, half of our private workforce, and three quarters of new net job growth. And minority-owned small businesses are the fastest-growing segment of the small business sphere. The Small Business Administration (SBA) estimates that 15 percent of small businesses are owned by minorities, with 1.2 million owned by Latino business owners, 1 million owned by Asian, and 1 million by African-American business owners.

As the nation's leading small business lender, Wells Fargo uses a community-first approach: We're the number-one lender to businesses in low- and moderate-income neighborhoods. Our goal is to pro-

vide the most comprehensive, innovative, and convenient financial services through our local presence — when, where and how our customers want.

In 1989 we established a division dedicated to small business banking. Since then, working within the overall framework of our small business program, we have launched initiatives to address the specific needs of Latino, Asian and African-American small businesses and to fuel their continuing growth:

- *Latino Business Services*, established in 1997 with a goal to lend \$3 billion over 10 years;
- *African-American Business Services*, established in 1998 with a goal to lend \$1 billion over 12 years; and
- *Asian Business Services*, established in 2001 with a goal to lend \$2 billion over 10 years.

Access to capital is crucial, but Wells Fargo's targeted business services programs are also focused on raising awareness of all the financial products and services that can help a small business thrive at every stage of development. We pursue four broad strategies to help us deliver on our commitment to promote minority small business lending.

First, we offer tips on financial wellness for small businesses. We share advice on management of small businesses at educational seminars, on our business-assistance Web site (www.wellsfargo.com/biz), and through a variety of communication media.

Second, we develop a wide range of marketing materials tailored to the interests and expectations of our varied audiences. Third, we have an extensive and innovative service and delivery network that maximizes the chances we will reach minority-owned businesses, and offer the products that best meet their needs. Our network includes about 3,000 retail stores serving minority communities and some 2,000 specialized business bankers.

Finally, we initiate, develop, and nurture a wide range of community alliances that strengthen our ties to key partners, facilitating our access to minority-owned businesses that we might not otherwise find through our standard channels.

Toward this end we have built important partnerships with several national and regional minority business organizations. Our main objectives are to develop advocates, to reach out through them to their members and communities, and to generate the kind of feedback that helps us refine and improve our outreach efforts. With the help of these kinds of alliances around the country, we can form relationships with businesses in local communities through local events and conferences that help promote access to capital, financial products and services, and financial literacy.

Through our strong relationships with groups like the United States Hispanic Chamber of Commerce (USHCC), the Asian Business Association (ABA), and Turning Point Communications, Wells Fargo connects with leading industry groups. Important industry events such as the USHCC National Conference, Turning Point's African American Business Summit, or ABA Northern California's annual business events, provide us with excellent opportunities for direct interaction with small business owners and potential customers. At many of these events, we offer financial literacy seminars for small business owners seeking insights on how to improve their management skills. We also host live loan pavilions, where we can process loan applications and often provide on-the-spot lending.

The Business Resource Group (BRG) represents yet another way in which we are able to reach out to minority entrepreneurs. BRG is a 501(c) multi-ethnic nonprofit that delivers business sup-

port, training, advocacy, education, and capital access programs to minority-owned small businesses, and other non-profit agencies in underserved markets (see the article entitled “Business Assistance Partnerships Help Minority Entrepreneurs — and Boost Bank Profits”). Working with BRG, we are promoting SBA’s CommunityExpress pilot program, which combines flexible, fast-track lending to minority entrepreneurs in low- to moderate-income areas with provision of ongoing training and support (see CommunityExpress sidebar in the article entitled “Business Assistance Partnerships Help Minority Entrepreneurs — and Boost Bank Profits”).

The importance of strategic advisors

In addition to events and partnerships, each of our targeted business services programs has a Strategic Advisory Board comprised of internal team members, members from our alliance partners, community members, and customers. Within Wells Fargo are a number of employee resource groups that focus on building and strengthening relationships with minority community leaders, organizations, businesses and individuals.

The efforts of our advisory boards and employee resource groups are crucial in educating us about the services needed by minority entrepreneurs and maximizing the effectiveness of our partnerships. We rely on our board members to serve as steering committees for our targeted business services programs, and we look to them for insight and guidance in shaping the program to ensure its continued growth and success.

With \$370 billion in assets and 139,000 team members nationwide, Wells Fargo is definitely a big business — but one built on unending awareness of the importance of small business. Since 1995 we have lent more than \$17 billion to women and minority business owners. Our commitment to serving minority-owned small businesses is reflected company-wide — in our stores, in our targeted programs, and in our support for community initiatives. Going forward, our pledge is simple: to do all we can to ensure that minority-owned businesses have the financial products and services they need to build and grow their businesses.

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