Challenges and Opportunities for Minority Owned Trucking Firms Under Affirmative Actions: A Case Study

by

Hokey Min*

James R. Good Chair in Global Supply Chain Strategy
Department of Management, BAA 3008C
College of Business Administration
Bowling Green State University
Bowling Green, Ohio 43403
Tel: 419-372-3442
Fax: 419-372-6057
E-mail: *hmin@bgsu.edu*

* Corresponding author

Abstract

Despite the steady growth and the introduction of "set-aside" programs/Affirmative Actions, minority owned firms often faced stiff business challenges. These challenges include a lack of business networking opportunities, limited financial resources, and prejudices against minority management styles. Some of these challenges led many minority-owned firms to focus on their own niches in the service sector including the trucking industry. In particular, the trucking industry characterized by a thin profit margin and cut-throat competition poses additional challenges for minority owned trucking firms. To help minority owned trucking firms remain competitive in the trucking industry, this paper investigates why they lag behind their white-owned counterparts in sales, profits, employments, and market shares, while assessing the impacts of community supports, Affirmative Actions, and supplier diversity programs on their business successes. In addition, this paper identifies best-case practices performed by successful minority owned trucking firms such as Trio Trucking, Rush Trucking, Three Star Trucking, Houston-Johnson Inc., and Logos Logistics. Furthermore, this paper proposes a viable business strategy which will create "win-win" situations for both minority owned trucking firms and their clients (e.g., shippers) in times of economic hardships.

Keywords: Minority Owned Trucking Firms; Supplier Diversity; Case Study

1. Background

To ensure the best value for U.S. taxpayers, the U.S. Department of Transportation (DOT) has attempted to open doors to minority and women-owned businesses. In general, a firm will have a designation of the minority owned business, if it is at least 51 % owned by a minority individual(s) such as an African-American, Hispanic, American Indian, and Asian who is/are socially and economically disadvantaged as defined by the federal government, and has its management and daily business controlled by such an individual or has at least 51% of its stocks controlled by such an individual. Encouraged by such a government-led attempt similar to the U.S. DOT, for instance, the number of African-American owned firms have grown by 45.5% between 1997 and 2002, a rate much higher than the national average for all businesses (10.3 %). This level of growth continues in the next five years. For example, there were 1.9 million African American-owned firms in 2007, up 63 % from 2002 in which African American owned a total of 1.2 million firms (http://www.missourieconomy.org/community/ethnic/black_owned.stm). Sales revenues and receipts from African American owned firms totaled $135.7 billion in 2007 as compared to $88.6 billion in 2002. African American-owned firms made up 7.1 % of all firms and 0.4 % of all sales and receipts in the U.S. (http://www.inc.com/encyclopedia/minority-owned-businesses.htm).

Despite this phenomenal growth over the last decade, minority business enterprises still thought to have limited opportunities for lucrative business and government contracts. The trucking industry is no exception to this pattern. In this time of severe economic crisis characterized by a high rate of business failures, additional disadvantages given to minority owned trucking firms can be a crucial blow to their survival. A continuous lack of minority representation in the trucking businesses will lead to a number of socio-economic problems for the minority group such as African Americans, Native Americans and Hispanic Americans who has a disproportionately high percentage of unemployment rates. For example, the unemployment rate of African Americans surged to an astounding 16.7 % in 2011, its highest level since 1984, whereas the unemployment rate for whites fell slightly to 8 %, as the U.S. Department of Labor reported (Censky, 2011). Given that minority owned firms tend to hire more minority employees than do their white counterparts, the failure of minority owned firms may have severe consequences on the economic well-being of minority populations. Indeed, African American owned businesses provided jobs for 6.8 % of the African American workforce and quality of employment given to African Americans tended to be higher than that provided by white-owned firms (Boston, 2005). Being aware of such consequences, the U.S. DOT, for instance, set aside its grant funds (e.g., federal stimulus money) for government contracts targeting minority owned firms in the areas of highway construction and cargo transportation. However, a meager 2.05 % ($986 million out of $48.1 billion) of the federal transportation stimulus dollar went to women- and minority-owned firms in 2009 (Olson, 2010). This example illustrates a lack of business opportunities given to minority owned firms. To address this concern and its related problems, this paper initiates the following research tasks:

a. Conduct the short questionnaire surveys and/or interviews of minority-owned trucking firms in the U.S. and then develop the specific profiles of minority owned trucking firms with respect to their gross receipts/sales revenues, number of paid and unpaid employees, operating expenditures including annual payroll, customer bases, and specific industry sectors (e.g., Truckload (TL) versus Less Than Truckload (LTL) carriers, regional versus national carriers, third-party logistics service providers);

b. Assess the various impacts of Affirmative Action and Supplier Diversity Programs on the increased business opportunities (e.g., increased market share, extended contract terms) for the minority owned trucking firms and the subsequent growth of their businesses;

c. Identify the best-case practices of one of the most successful minority-owned trucking firms such as Trio Trucking, Rush Trucking, Three Star Trucking, Houston-Johnson Inc., and Logos Logistics and then develop practical guidelines that can help the other minority owned trucking firms emulate their successes.

d. Examine whether the service quality and performances (e.g., ISO 9000 certification) of minority owned trucking firms lag behind their white-owned counterparts and, if so, identify the reasons why. Similarly, investigate why minority owned trucking firms lag behind their white-owned counterparts in sales, profits, employments, and market shares.

2. Relevant Literature

Today's trucking industry is often plagued by the increased competition resulting from a low cost of market entry, a gradual decline in traffic due to ongoing recession, a high rate of business failures, and significant driver shortages and turnovers. This tough business environment presents additional challenges for minority owned trucking firms with limited capitals and managerial experiences. The typical challenges faced by minority owned enterprises include: a difficulty in obtaining commercial bank loans, a lack of managerial training and education, limited business networking opportunities due to a lack of social connections, and invisible barriers to minority participation in lucrative consumer markets and competitive bidding for government contracts due in part to long-held prejudices against minorities (Hisrich and Brush, 1991; Enchautegui et al., 1997; Fairlie and Robb, 2007). The presence of such challenges may have contributed to the dwindling representation of minority owned enterprises in the trucking industry. For example, minorities account for 26.4 % of the population share in the Detroit Metropolitan Statistical Area (MSA), but the minority owned firms account only 13.73 % of the transportation and warehousing industries in that area. Similarly, although the minority population share in the Toledo MSA is 19.4%, the minority owned firms accounts for mere 4.74 % of the transportation and warehousing industries in the Toledo MSA, according to recently released U.S. census bureau data on race and ethnicity (http://www.census.gov/newsroom/releases/archives/2010_census/cb12-cn14.html).

To reverse this pattern and encourage a greater involvement of minority in the trucking businesses, both federal and state governments developed various set aside programs benefitting minority owned trucking firms. For instance, the U.S. Department of Transportation (DOT) has established its grant funds that are set aside to award procurement contracts to minority owned start-up trucking businesses. These funds allow the minority owned trucking firm to cover the outlay of start-up capitals for equipment and vehicles and help it obtain necessary training and certification (eHow Contributor, 2012). In addition, a growing number of high profile corporations such as Apple, AT&T, Xerox, Ford Motors, Chrysler, and Caterpillar have developed a supplier diversity program that aims to create more business opportunities for certified minority owned enterprises by diversifying their sources of supply among racial and ethnic minorities.

Despite these programs, the minority owned trucking firms still seem to lag behind their white owned trucking firms in terms of sales revenues and market shares. To address the concerns about a lack of minority participation and success in the trucking sector, Corsi et al. (1982) conducted a landmark study to identify all existing minority owned firms with the interstate authority, profile them, and then document the manner in which the Motor Carrier Act of 1980 affected their operations. The study conducted by Corsi et al. (1982), however, did not assess the impact of set aside (including the Affirmative Action) and supplier diversity programs on minority trucking operations. Similarly, Horn (1982) studied the pattern of minority participation in trucking and then developed a comprehensive profile of the management and marketing characteristics of minority-owned motor carriers, while assessing the existence of any entry barriers for minority-owned motor carriers. Ever since these two studies were published, another follow-up study on minority trucking has been absent in the published literature.

In contrast with the dearth of minority trucking literature, there exists relatively rich literature that examined the determinants influencing the success and failure of minority owned businesses. The examples of such literature include: Bates (1984) who examined the extent of black business opportunities in different geographical regions (e.g., Snow Belt vs. Sun Belt areas) and how the black businesses' performances affect urban economy; Robb and Fairlie (1993) investigated the performances of Asian owned businesses as compared to those of white owned businesses and identified the sources of their business success from resource based perspectives. Christopher (1997) who identified factors such as inadequate capital and discrimination affecting the performances of minority owned firms and then found that minority owned firm, as compared to white owned firms, suffered from a severe economic problem including a lower business formation rate and a higher dissolution rate. In the meantime, some important studies examining the impact of supplier diversity programs on the performances of minority owned businesses were conducted. For instance, Shah and Ram (2006) attempted to understand what constitutes the success of government induced supplier diversity initiatives based on the case studies of three firms. Later, Adobor and McMullen (2007) also attempted to identify what will make the supplier diversity program a success. They discovered that the incorporation of supplier diversity initiatives into overall corporate strategy along with top management commitment can better leverage the supplier diversity program. More recently, Min (2009) introduced the best case practices of supplier diversity initiatives performed by Caterpillar. These practices include corporate sponsorship of the supplier development councils, peer referrals, mentor-protégé programs, and performance goal settings.

Despite merits, none of these prior studies examines how minority owned trucking firms overcome their managerial barriers, how they survive in times of economic hardships, what challenges are ahead for minority owned trucking firms, and which opportunities they need to exploit to become more competitive in the rapidly changing trucking industry. To fill the void left by the existing literature, this paper closely looks into the best practices performed by four minority owned trucking firms with various locations and sizes and then summarizes lessons learned from those firms. These lessons may help other existing or start-up minority trucking firms to emulate and succeed.

3. Case Studies

Due to a perceived lack of rigor, a case study is often stereotyped as the weak sibling of scientific inquiry. Regardless, given the limited number of minority-owned trucking firms and a greater need for documenting their best practices in depth, this paper chose the case study as a key research methodology. Generally, a case study is defined as an intensive study of a single unit or a small number of units (the cases), for the purpose of understanding a larger class of similar unites (a population of cases) (Gerring, 2007). The case study is best suited to answer the questions of "how" or "why", when the investigator has little control over events, and when the focus is on a contemporary phenomenon with some real-life context (Yin, 2003). Since this paper aims to investigate how well minority owned trucking firms fare as compared to their white owned counterparts and then understand why they perform either poorly or better, the case study seems to be a right fit for this study. As the first step of the case study, we selected five minority owned trucking firms representing different sectors (e.g., national or regional, full truckload or less than truckload, well established or relatively new) but homogeneous groups (e.g., all owned by racial or ethnic minorities, while still competing in the market without serious financial troubles). The selected targets for the current case studies include: (1) Trio Trucking; (2) Rush Trucking; (3) Three Star Trucking; (4) Houston-Johnson, Inc.; (5) Logos Logistics. Detailed profiles (including business history and financial status) of these selected companies along with their best practices are summarized in the following subsections.

3.1 Trio Trucking (or Trio Enterprises or Trans-States Express, Inc.)

Founded in 1982, Trio Trucking (Trio hereafter) is an asset-based, regional truck load carrier based in Cincinnati which offers long haul, heavy haul, and door-to-door intermodal transportation services for general freight throughout the Midwest and Northeast U.S. (primarily states of Ohio, Indiana, Illinois, Michigan, West Virginia, Pennsylvania). Trio is owned and operated by an African American and its total annual revenue reached approximately $22 million with 18 full-time drivers. As of 2011, its total revenue miles are 316,967. Its major customers include: Wal-Mart, Procter and Gamble, Avon Products, Iams, and JM Smuckers. Trio is certified by the State of Ohio as a qualified Minority Business Enterprise (MBE). Under the Wal-Mart's supplier diversity program, Trio was recently recognized as the minority owned carrier of the year in 2011 by Wal-Mart.

3.2 Rush Trucking

Rush Trucking (Rush hereafter) is a minority owned full truckload (FTL) carrier founded in 1984 by Andra M. Rush, a Mohawk Native American. Head-quartered in Wayne, Michigan, Rush is currently offering truckload and milk-run transportation services for short-haul, long-haul and expedited (including just-in-time) deliveries. Due to a proximity to Detroit, its primary customer base is the auto makers such as Ford Motor, General Motor, Chrysler, Toyota, and Honda. Rush is an asset-based transportation service provider with more than to 700 tractors and 1,100 trailers. It has more than 500 full-time employees including drivers and its annual revenue exceeds $100 million with an annual sales growth rate of less than 5%. As a fully certified Minority Business Enterprise (MBE) and a member of the Michigan Business Council, Rush is the beneficiary of both the Minority Business Venture Capital Tax Credit Program and the Supplier Diversity Program. As is usually the case among the MBEs, its employee base includes a substantial portion of minorities ranging from 11 to 25%. Although its voluntary employee turnover ratio exceeds 50% and has become the source of concerns, it is not as high as many other trucking firms with more than 100% voluntary employee turnover ratio. Despite the continued growth, Rush Management's main concerns include: the limited access to capital, transportation regulation including controversial Hours of Service regulations, and rising insurance costs, according to a brief interview with its executives. However, Rush Management did not view racial/ethnic prejudices and a lack of business connections as any hindrance to their business opportunities.

3.3 Three Star Trucking

Founded in 1979 by Cesar and Ilene Rays, Three Star Trucking (Three Star hereafter) provides specialized, dry van, flatbed, less than truckload (LTL), and expedited freight services throughout Midwest, Northeast U.S., Canada, and Mexico. As one of the top 500 Hispanic owned companies in the U.S. and a certified MBE, Three Star's key customer base includes Ford Motor, Chrysler, Detroit Edison, J.B. Webb, and Moor Flame. This customer base generates annual sales revenue of more than $10 million. It also has approximately 40 to 50 employees.

3.4 Houston-Johnson, Inc.

Co-founded in 1987 and based in Louisville, Kentucky, by Alice and Wade Houston, Houston-Johnson, Inc. (HJI) has been providing trucking and other related logistics services (e.g., quality control and audits, product recalls, pre-packing and restacking, labeling, light assembly and re-working) primarily to leading automotive manufacturers such as Ford Motors and their part suppliers. As an African American woman owned private company, HJI is MBE- and Women

Owned Business Enterprise (WBE) certified. With its annual sales revenue exceeding $5 million, HJI has 55 employees and more than 75% of them represent racial/ethnic minorities (mostly African Americans). Its key customers include: Johnson Controls, Lear Corporation, SVP Worldwide, and PGA of America. As a just-in-time based regional carrier, HJI delivers necessary automotive parts as soon as they are requested and ships those parts to the manufacturing plants in the correct assembly sequence. Thanks to its niche-oriented services, HJI has been growing at less than 5% rate for the last five years even in the peak of a nationwide recessionary period. However, according to an interview with HJI executives, HJI is concerned with a lack of business connections and has experienced difficulty cracking the Good Ol' Boys Network in the industry, while the National Minority Development Council and its minority certification assistance greatly helped HJI grow its businesses.

3.5 Logos Logistics

Founded in 2008, Logos Logistics (Logos hereafter) is a less-than truckload carrier owned by an Asian American named James Kim. Logos started its trucking business in Toledo, Ohio and later moved its headquarter to Taylor, Michigan after expanding its integrated logistics services including long-haul, short-haul, van, flatbed, bulk, dedicated freight, and warehousing services. In addition, as the lead logistics service provider to the Ohio Module Manufacturing Company LLC (OMMC), Logos offers carrier management, freight billing and auditing, and freight term negotiations. The primary customer bases of Logos are auto makers such as Chrysler and automotive part suppliers such as Hyundai Mobis North America. With an annual sale revenue exceeding $20 million, it has approximately 15 employees and recently acquired 20,000 square feet of warehousing space to accommodate value-added services. A key to its success includes its customized services tailored toward the needs of its key customer base in the automotive industry. The best example of such customized services is the Logos' Sequenced-Parts-Delivery (SPD) system which is designed to track each truck in real time through a satellite geographic information system (GPS) that is linked to the Logos' computer system at its headquarter. The SPD system allows the dispatcher to constantly monitor the carrier movement, when the driver is off-course and/or speeding/slowing, and subsequently ensure timely and dependable delivery services under just-in-time (JIT) principles.

4. Lessons Learned from the Case Studies

As a vital part of the U.S. economy, the trucking industry generates more than $255 billion of revenue every year and accounts for 70% of freight in the U.S. (Campbell, 2012). Indeed, the Federal Highway Administration (FHWA) recognizes that the timely and reliable movement of trucks is critical to the national economy and a key element of the U.S. Department of Transportation's goal to support global connectivity. Despite its increased role in the U.S. economic prosperity, the trucking industry is volatile and unstable due in part to mounting fuel prices and fierce competition. Since a typical trucking firm makes only 4.8% profit on the average, there is a little margin for error in managing its operations (Campbell, 2012). In this tough business environment, minority owned trucking firms may have an added pressure to do well since they are often small, privately held, and financially disadvantaged. In addition, a lack of social connections and the subsequent detachment from the main-stream business networks may further limit the business success of minority owned trucking firms. In an effort to help minority owned trucking firms overcome potential barriers and take advantage of Affirmative Actions and supplier diversity programs, this paper profiled the cases of four successful minority owned trucking firms representing various groups of minorities (African-American, Native American, Hispanic American, and Asian American). Although there are some differences in management styles and business scopes among these firms, we found many common traits shared by these firms. Such common traits may be a foundation for developing best-in-class practices for current and prospective minority owned trucking firms. These traits are summarized below.

- All of the five firms studied are entrepreneurial in that their businesses were founded by the current president/CEO.
- All but one (i.e., Rush) are relatively small with a total number of employees less than 60, but have continued to grow with increasing sales revenue. All but one primarily focused on trucking services, although Houston and Johnson Inc. recently began to expand its service offerings including value added services (e.g., kitting, sequencing, and modular assembly) and positioned itself as a comprehensive third-party logistics service provider. The only exception is Logos which began to offer warehousing services and customized software development services in an attempt to diversity its business offerings as a true supply chain solution provider.
- All five firms started as a regional carrier primarily targeting the customer bases in Midwest and Northeast U.S., but have begun to expand their global market bases including both Mexico and Canada.
- All but one (Logos Logistics) are certified as the MBEs and mostly became the beneficiaries of the Affirmative Actions and supplier diversity programs. Since larger firms

such as Wal-Mart, Ford, G.M. and Chrysler tended to attract more minority businesses through their supplier diversity initiatives, all five minority owned trucking firms have at least one or more large firms as their major clients. This tendency may explain why the shippers of all but one (Trio) represent the automotive industry. However, a heavy reliance of these five minority owned trucking firms on large client firms may increase business risk, since the majority of their current revenue streams came from large firms and thus their prosperity relies on the business fluctuations of large clients.

- All five firms are niche oriented with their focus on shippers in automotive and retail industries.
- In contrast with the perceived lack of business credentials, all five firms received recognition as reliable supplier as evidenced by ISO 9000/14000 or ISO 9001:2008 certifications and multiple awards (e.g., a supplier of the year).
- All five firms have the greater percentage (ranging from 20 to 80%) of minority employees (including executives, managers, and truckers) than their white counterparts, because they tended to hire their own family members, relatives, friends, and acquaintances more frequently than did their white counterparts. This tendency indicates that minority owned trucking firms can create more local jobs for minorities who often have limited employment opportunities. As of February 2012, unemployment among African Americans reached 16% and Hispanic Americans topped 12%, whereas white unemployment stood 8.8% (PBS News Hour, 2012). Especially, both Ohio and Michigan where all but one (Houston and Johnson, Inc.) currently operate have a disproportionately high unemployment rate among minorities (especially young African-Americans). For

example, as of March 2010, Toledo, Ohio has an unemployment rate of 13%, compared to a national average of 9.9%. In case of African-Americans in Toledo, Ohio, their unemployment rate was hovering somewhere between 30 and 35%.

- All five firms did not express serious concerns over racial/ethnic prejudice against them, but expressed some concerns over their limited access to both financial and human capital. In particular, the Venture Capital Tax Credit program is of no or little use for raising their financial capital. Also, despite a relatively low employee turnover (mostly less than 50% versus industry average exceeding 100%) among the five minority owned trucking firms, chronic high truck driver turnover as well as controversial transportation regulations such as hours-of-service rules affecting driver morale appeared to be of major concerns. However, these concerns are not necessarily unique to minority owned trucking firms.

5. Concluding Remarks

Reflecting the melting pot characteristic of the U.S., 85% of Americans entering the workforce were women, people of color, or immigrants in 2005. By 2042, nearly half of the U.S. population will be people of color (Hanna. 2008). As the country's demography changes, the role of minorities in the U.S. business sectors will dramatically change. In this regard, the trucking industry is no exception. Over the last several decades, we have witnessed a gradual increase in the number and size of minority owned trucking firms. However, with a thin profit margin and rising fuel prices, many minority owned trucking firms struggled to survive. Minority owned trucking firms may have the greater hardship than their white counterparts due to their lack of business connections, limited resources, and long-held prejudices against them. The increased business failure among minority owned trucking firms will have enormous adverse impact on the already depressed U.S. economy. Given the minority business owners' tendency to hire their own family, relatives, and acquaintances more frequently than white counterparts, their business failures will have a devastating impact on the minority community. To prevent such failures, this paper proposes practical guidelines that increase business opportunities for minority owned trucking firms, improve their service performances, build their business credentials, and maintain a long-term rapport with their shippers. Also, this paper aims to help minority owned trucking firms formulate a competitive business strategy by finding their own niche businesses in the trucking industry and exploiting the supplier diversity program and Affirmative Actions. Based on the best-practice case studies of five successful minority owned trucking firms representing various minority communities, we identified the following business strategy that could further grow the minority owned trucking firms and make them more competitive in the mature trucking industry.

- Find a niche area of trucking services such as automotive part deliveries;
- Exploit the large firm's supplier diversity initiatives such as the Chrysler's Matchmaker Event where minority owned trucking firms can enhance their networking opportunities with both their potential shippers and peers;
- Increase placement as well as professional training/educational opportunities for minority employees who are more drawn to minority owned trucking firms due to their social connections and thus are likely to stay in those firms in the industry which suffers from chronic employee turnover problems;

- Stay small so that minority owned trucking firms with limited capital can ease their financial burden in times of economic hardships, while utilizing more owner operators who may help minority owned trucking firms improve their asset utilization;
- Build business credentials through professional certifications such as ISO 9001, ISO 14000, and Smart Way, given a limited pool of so-called qualified minority owned enterprises with requisite capacity and service performance track records.

To further refine and fine-tune these viable competitive business strategies, additional research is desired. This additional research includes the analyses of secondary data sources which help identify the main sources of business failures and successes of the minority owned trucking firms. Also, future research should develop more successful business formulas based on the empirical data analyses of larger samples of best-in class trucking practices.

Acknowledgment: The author would like to express sincere gratitude to the Intermodal Transport Institute (ITI) at the University of Toledo and the U.S. Department of Transportation for partly funding this research.

References

Adobor, H. and McMullen, R. (2007), "Supplier Diversity and Supply Chain Management: A Strategic Approach," *Business Horizons*, 50, 219-229.

Bates, T. (1984), "Urban Economic Transformation and Minority Business Opportunities," *The Review of Black Political Economy,* 13(3), 21-36.

Boston, T.D. (2005), "Black Patronage of Black Owned Businesses and Black Employment," in *African Americans in the U.S. Economy* edited by C.A. Conrad, J. Whitehead, Pa. Mason, and J. Stewart, Oxford, United Kingdom: Rowman & Littlefield Publishers, Inc, pp. 373-377.

Campbell, A. (2012), "Interesting Trucking Industry Statistics," *Trucking Office*, February 23, http://www.truckingoffice.com/2012/interesting-trucking-industry-statistics, retrieved on March 7, 2012.

Christopher, J.E. (1997), "Minority Business Formation and Survival: Evidence on Business Performance and Viability," *The Review of Black Political Economy*, 26(1), 37-72.

Censky, A. (2011), "Black Unemployment: Highest in 27 years," *CNN Money*, Sept. 2, http://money.cnn.com/2011/09/02/news/economy/black_unemployment_rate/index.htm, retrieved on February 22, 2012.

Corsi, T.M., Tuck, J.M., and Gardner, L.L. (1982), 'Minority Motor Carriers and the Motor Carrier Act of 1980," *Transportation Journal*, 22(1), 42-55.

eHow Contributor (2012), "Government Grants for Starting a Trucking Business," *eHow Money*, http://www.ehow.com/about_5817562_government-grants-starting-trucking-business.html, retrieved on March 1, 2012.

Enchautegui, M.E., Fix, M., Loprest, P., von der Lippe, S.C., and Wissoker, D. (1997), *Do Minority Businesses Have a Fair-Share of Government Contracts?*, Unpublished Report, Washington DC: Urban Institute.

Fairlie, R.W. and Robb, A.M. (2007), "Why are Black-Owned Businesses Less Successful than White-Owned Businesses: The role of Families, Inheritances, and Business Human Capital," *Journal of Labor Economics*, 25(2), 289-323.

Gerring, J. (2007), *Case Study Research: Principles and Practices*, New York, NY: Cambridge University Press.

Hanna, P. (2008), "Diverse Relationships Inspiring Vendor Excellence," *Chrysler D.R.I.V.E. Detail*, 7(2), 1-8.

Hisrich, R.D. and Brush, C. (1991), "Characteristics of the Minority Entrepreneur," *Journal of Small Business Management*, 24(4), 1-8.

Horn, K. (1982), "Characteristics and Opportunities of Minority-Owned Interstate Motor Carriers of Property," *Transportation Research Forum Proceedings*, 23(1), 135-144.

Min, H. (2009), "The Best Practice Supplier Diversity Program at Caterpillar," *Supply Chain Management: An International Journal*, 14(3), 167-170.

PBS News Hire (2012), "Unemployment Holds Steady, but Minorities Still Worse Off," *PBS*, March 5, http://www.pbs.org/newshour/bb/business/jan-june10/jobs_03-05.html, retrieved on March 15, 2012.

Olson, D. (2010), "MnDOT remains Short of Goal for Hiring Minority Contractors," *MPR News*, Feb. 8, http://minnesota.publicradio.org/display/web/2010/02/08/dbe-numbers/, retrieved on February 23, 2012.

Robb, A.M. and Fairlie, R.W. (1993), “Determinants of Business Success: An Examination of Asian-Owned Businesses in the USA,” *The Review of Black Political Economy*, 22(4), 827-858.

Shah, M. and Ram, M. (2006), “Supplier Diversity and Minority Business Development: Case Study Experience of Three US Multinationals,” *Supply Chain Management: An International Journal*, 11(1), 75-81.

Yin, R.K. (2003), *Case Study Research: Design and Methods*, 3rd edition, Thousand Oaks, CA: Sage Publications, Inc.