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OPINION

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Philadelphia Mayor Michael Nutter on stimulating our business diversity

By MICHAEL A. NUTTER

IF PHILADELPHIA is to prosper in the coming decades, the city's internationally renowned universities and hospitals, the growing hospitality industry, the clean-energy complex at the Navy Yard and the creative economy must all play important roles.

But there's another segment of our economy that must be nurtured and expanded - and that's the almost 70,000 small businesses that employ thousands of taxpaying residents here in Philadelphia.

To help small business cope with the inevitable problems, the city Commerce Department has created a team of ombudsmen who work in the Office of Business Services. They help entrepreneurs cut through the red tape.

That's important, though it's not the game-changer we need to reduce the poverty that holds back so many Philadelphians.

The way forward is clearly a job and the education to prepare a person for that job, but who's going to create those jobs? How about small businesses, hundreds of new businesses exploiting one of our great strengths as a city - our diversity?

That's why last winter I launched Inclusion Works, our plan to increase both the number and size of minority-, women- and disabled-owned businesses.

At the heart of our plan is a new small business advocate, the Office of Economic Opportunity, which works inside the Commerce Department with its business-savvy staff.

Recently, OEO released data showing that the city had increased its contracting with disadvantaged businesses from 20 percent in fiscal 2009 to 22 percent in fiscal 2010. We now stand within shouting distance of our current fiscal-year goal of 25 percent.

And some agencies have made terrific progress, like the Philadelphia Industrial Development Corp., which has increased its disadvantaged-business participation rate from 22 to 34 percent.

Using its purchasing power and ability to partner with private-sector leaders, I think the city has created a better way to attack poverty and disinvestment in Philadelphia.

We changed our underlying philosophy: No longer is city government content to direct a small percentage of contracting opportunities to disadvantaged businesses, declare victory and go home, leaving them permanently dependent on small city contracts.

We want small businesses to become larger businesses, employing more people and competing for a larger slice of the huge regional economy.

We want to help foster opportunity for entrepreneurs who can follow in the footsteps of visionary business leaders like Lou Rodriguez and **Charnelle Hicks, two risk-takers who established Philadelphia**

businesses, worked as subcontractors and now have blossomed with prime contracts in the wider regional economy.

After working in the city Water Department as a civil engineer, Rodriguez opened his engineering firm, Rodriguez Consulting, on North 2nd Street in 2007. Now employing 12 people, he competes for prime contracts all over the Philadelphia region and beyond.

Hicks opened CHPlanning in 1999, specializing in urban planning and redeveloping brownfield sites. Her firm employs 15.

Hicks has done planning work on North Delaware Avenue, but her ambitions are national, particularly after the planning work her firm did in New Orleans after Hurricane Katrina.

In the great race for capital, contracts and growth, OEO has increased its registry for disadvantaged businesses by 17 percent in less than a year, and that means the city will be able to increase the participation ranges that we set on bids.

No longer is OEO focused on making certification decisions on whether a particular firm meets the definition as a minority- or women-owned business.

Relying on several great partners at the local, state and federal level for that certification, OEO is now able to spend more time making sure prime contractors fulfill their contracting promises and linking small businesses to the regional economy.

Over time, this push toward real diversity in the workplace will mean more jobs and more wealth for working men and women and the risk-taking entrepreneurs who employ them.

We recently announced the creation of a new OEO advisory board and the re-establishment of the Mayor's Advisory Commission on Construction Industry Diversity. Both leadership teams will help OEO chart a path toward more business growth and economic stability

THE BUSINESS and civic leaders on the board want one and only one thing: hundreds of bold, imaginative risk-takers like Hicks and Rodriguez to grow job-creating businesses in our city.

This new generation of daring entrepreneurs will play an important role in the coming years as we build a safer, smarter and more sustainable Philadelphia - for everyone.

Michael A. Nutter is, of course, the mayor of Philadelphia.

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