



Business

Feb. 10, 2007, 1:29AM

The doors open wider

Hispanic-owned companies joining the corporate mainstream

By JENALIA MORENO

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Some of Houston's Hispanic-owned firms are no longer working from the casa.

They've moved into corporate America.

The day before Thanksgiving, Precision Task Group Chief Executive and President Massey Villarreal learned his technology consulting firm won a \$50 million contract with IBM.

Wal-Mart recently announced that it changed its mainstream advertising agencies but would keep Houston firm Lopez Negrete for its advertising to Hispanics.

Minority-owned firms like Precision Task Group and Lopez Negrete, who were once run out of the homes of their founders, are now not only working with big businesses but also landing big contracts.

Houston's Hispanic-owned small businesses that once struggled to get a piece of business from mainstream America are now more established and have proven track records. Only New York and Los Angeles have more Hispanic-owned firms than Houston, which has 41,753 Latino companies reporting receipts of \$7.6 billion, according to U.S. Census figures released last year.

Minority programs for government projects and corporate spending have helped some of these firms grow, experts said.

"I think small business set-asides on these government contracts are helping to steer business," said Mike Ballases, chairman of Chase's Houston region and Villarreal's banker. "Now what you're seeing are very established businesses that are doing very well."

And these established companies are getting bigger slices of contracting dollars.

"One of the big reasons that they're getting the big contracts is they're becoming capable companies, and the big corporations are realizing that," said Antonio Grijalva, chairman and chief executive officer of Houston-based G&A Partners, which operates the Houston Minority Business Development Center under a Department of Commerce contract. "I think that this is a sign of maturity."

Villarreal, who started his company with little more than a post office box, letterhead and an answering service 27 years ago, agrees that Hispanic firms have matured.

"We're becoming viable vendors," Villarreal said. "Instead of asking for a little bit of the deal, we've now got capacity, we've now got financing."

Villarreal credits his more than decade-long banking relationship with Chase for helping him to meet payrolls and other financial commitments as he waited for government agencies and clients

to pay him.

"Fifty million dollars to a small business is like swallowing a watermelon because if you don't have the financing, you can't get it," said Villarreal, whose biggest contract until recently was a \$3 million-a-year deal with Verizon Communications.

And he never limited himself to working exclusively with small companies.

"The mantra is go into the mainstream so we compete," said Villarreal, who plans to hire another 100 people to his staff of 50 employees because of his latest coup.

Alex Lopez Negrete, who along with his wife, Cathy Lopez Negrete, founded the advertising, marketing and public relations firm in 1985 in the foyer of their townhouse, said corporations are no longer working with Hispanic firms simply to fill quotas.

"I think that corporate America and the boardrooms across all of America have realized they cannot ignore the Hispanic market segment," said Alex Lopez Negrete, president and chief executive of the second-largest independent Hispanic-owned agency in the nation. "The world has changed."

Last month, Lopez Negrete added Novartis to its roster of clients that includes Tyson Foods, Geico and Visa. But before the company earned such an impressive list of clients, it was rejected by potential advertisers, both large and small.

"We've been knocking on the door all along," Lopez Negrete said. "Finally, folks are answering."

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