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**HISPANICS IN THE E-COMMERCE BUSINESS**

**PROJECT CONTRACT FINAL REPORT**

**Community Economic Development Program**

**New Hampshire College**

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**INTRODUCTORY NOTE**

When I first started this project I was under the impression that I had to design two projects, one for the organization that I was associated with, and my own project-the famous YOP. It was a time of a lot of confusion for me and for some of my classmates. It was not until I did a lot of research and writing that I realized that I only had to do one project, and then I thought that it was supposed to be something like the Boston Big Dig project.

Fortunately, we had a class session with David Miller, where he made a presentation of the Peanut Butter Sandwich Project. He explained that the section of every one of the ingredients to prepare the sandwich could be a project in itself. A project could be to solve part of a problem. After that class I was able to focus and see the tree from the forest.

I focused on the project's problem, the Hispanic Business Community of Haverhill, MA, not being able to take advantage of the prosperity that the city is experiencing, due to the lack of orientation and training in the e-commerce business. And then I focused on its solution, to integrate the Hispanic Business Community into the new business trend, the e-commerce trade.

## **ACKNOWLEDGEMENTS**

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I appreciate the invaluable contribution of the Instituto de Tecnologia Aplicada, S.A. of the Dominican Republic, for providing the supporting materials for the computer training, and Mr. Hector Martinez for his valuable time provided training the business owner participants in the e-commerce course.

My gratitude goes to the beneficiaries of the project, the Hispanic Business Community of Haverhill, MA, for its great cooperation in

realizing this project. Without the Hispanic Business Community, this project would not have any significance.

**BACKGROUND**

The Hispanic population of Haverhill is growing rapidly in this City of 52,000 people. Haverhill is located in Northeastern Massachusetts, bordered by the State of New Hampshire on the North, and about 35 miles from Boston on the South. The City has almost completed its transition from a manufacturer of shoes to communication and high technology. The completion of this transition has brought economic prosperity to the City of which the Hispanic Community in general, and the Hispanic Business Community in particular are not taking advantage.

The Hispanic population of Haverhill according to official account is of 3000. The population is probably double that, since most Hispanics do not respond to official census.

The purpose of this project is to integrate the Haverhill Hispanic Business Community into the e-commerce business. The Hispanic Business Community is very small and does not have an organizational setting.

This community still has to learn how to recognize themselves as a group. As a business owner myself, I have a very good relationship with most of them, and I should be able to help this community to recognize themselves as a group through this project. There are few Hispanic businesses, approximately about twelve to fifteen, mainly Grocery Stores

and Day Care providers. The potential for an increase in the number of businesses exists within the Hispanic Community, only that this potential has to be awakened through the proper orientation of its members. It is precisely this orientation that this project has taken as part of its mission to increase the number of Hispanic Businesses in the City of Haverhill.

**DEFINITION OF THE PROBLEM**

Haverhill is an excellent location to start a business given all its attributes. The community is a City, but it is really more like a town. It has two colleges, numerous lakes and rivers, an excellent library and schools. It is close to the ocean. Growing businesses, such as MVA.NET, one of the area's premier Internet service providers, Universal Data Stream, a networking provider, and Contact Dynamics, at the forefront of effective sales on the Web, are among the many companies working together in downtown Haverhill to provide the Merrimack Valley and the world beyond with tech solutions. In addition to these newer businesses, established companies such as Bell Atlantic and Lucent Technologies operate in Haverhill and provide infrastructure and high tech support to the community.

The city's emerging "Cyber District" exactly overlays the 50- building Washington Street Historic Shoe District. The plan calls for refitting one building after another-as many as the market will bear-with full Internet capabilities with no change to their attractive brick exteriors. Haverhill has affordable rental space starting at \$2-\$4 per square foot and ranging from 200 to 10,000 square feet which is currently available.



In spite of all these attributes, and the economic and business prosperity that the city is experiencing, the Hispanic Business Community is not taking advantage of it. The Hispanic Business Community needs to integrate into the new business trend, the e-Commerce trade to fully take advantage not only of the city's prosperity, but also of the whole business world. It is estimated that by the end of the year 2000 the business to business Internet trade will be over \$109 billion, and this figure is projected to double every year for three years. Online business to consumer trade, by comparison, is projected at over \$19 billion.

A report by Bank One reveals that about 20% of small businesses with 10 or fewer employees now have Web sites. "If you own a small company and you are not online or planning to be on line within the next six months," says Jane Applegate, a small business expert, "you are heading toward obsolescence and you will ultimately go out of business."

The Hispanic Business Community's lack of orientation and training in the e-Commerce trade, has kept it out of this important business. This community needs to resolve this problem to avoid the consequences of staying behind in its economic gains, or run the risk of eventually going out of business

**PROJECT GOAL**

This project was set up to accomplish the solution to its main problem, namely: to integrate the Hispanic Business Community of Haverhill, MA, into the new business trend, the e-Commerce business.

The goal relates to the root cause of the problem, and the accomplishment of this goal will result in the solution to the problem. As stated earlier in the problem statement, the Hispanic Business Community of Haverhill lacks the necessary orientation and training in the e-commerce trade to take advantage of this important way of doing business in today's world.

The integration of the Hispanic Business Community into the e-commerce business will enable it to take economic advantage of this important trade, and preserve its survivability in today's competitive business environment.

Since the scope of the project only permitted the training of a small group of business owners, the conversion of the project into a program after its conclusion will allow this community to continuously train other business owners in the e-commerce trade, strengthening the chances for this community to stay in business.

**METHOD**

The procedure used to accomplish the project goals was to schedule a series of specific objectives designed to address the stated problems, and attain the stated goals. The result was a series of specific monthly objectives and activities coordinated to attain a series of endpoints in the project. The scope of these activities was defined by the goals of the project.

To manage the procedure used to accomplish the project goals, a committee of three persons was selected from within the stakeholders of the project, The Hispanic Business Community. The main responsibility of this committee was to select a group of five businesses from the Hispanic Business Community to receive computer training that would enable them to engage in the e-Commerce business. Other responsibilities were the carrying on of the monthly activities. For a complete report of all the monthly activities, please refer to the appendix. My role in the project after the initial phase was to manage it.

**RESULTS**

The results of the project were very satisfactory and fruitful. The primary goal of the project was to integrate the Hispanic Business Community of Haverhill into the new business trend, the e-commerce business. To accomplish this goal we proceeded to train a group of five business owners from this community in computer literacy, the Internet, and e-commerce techniques. The training lasted approximately four weeks. Please, refer to appendix "C" for a description of the training.

The training was so effective that by the middle of the training there were a couple of businesses already generating additional revenues by using the Internet. By the end of the training all five business owner participants were able to put into practice what they had learned, generating a significant amount of additional revenues.

The accomplishment of this primary goal has enabled the Hispanic Business Community of Haverhill to take advantage of the economic prosperity of the area and beyond. This accomplishment had also equipped this community with the resources to expand and better sustain their businesses, avoiding becoming obsolete, as well as going out of business.

The community is now looking to form a Haverhill Business Association. The committee that helped in the implementation of the project is the organizer of this association. One of its missions will be to turn the project into a program to train other business owners in the e-commerce trade. Another important mission of the association will be to organize seminars to keep its members informed and up to date. I will help in the effort to organize this association, so as to achieve absolute success with the project.

**LESSONS**

Tackling the problem stated in the project, I learned two important lessons:

Lesson 1. The feasibility of the project was due to the self-interest of the Stakeholders in solving the problems.

Lesson 2. The best strategy to revitalize a community is through the creation of for-profit enterprises.

Lesson 1. Given that the beneficiary of the project was a business community, it made the setting of the project a unique one. Here we were dealing with a group of people very interested in solving the problems, and consequently deeply involved in the project. Once the problems were explained to them and the consequences involved if the problems were not resolve, they took it upon themselves to solve the problems.

They immediately understood the benefits of learning to operate a computer and to do business through the Internet. Engaging in the e-commerce trade and modernizing their businesses was a must for them, in order to realize greater profits and sustain their businesses. So they

received the idea of the project with great enthusiasm, and all I had to do was to guide them through the different stages of the project.

This project was not conceived on a social model, built around meeting the needs of a group in terms of relief programs, such as food stamps, or housing subsidies. Rather it was conceived as a private Community Economic Development to bring a business community to the realization of today's business environment.

Everyone involved in the project collaborated with it. The group was very diligent. Their understanding that time has an economic value, contributed to the timely accomplishment of the project activities and the obtaining of its objectives. Everyone volunteering time, effort, and resources to the project covered the cost of it. I estimated the monetary cost of the project to be around \$150,000.00. The self-interest of the stakeholders in solving the problems, made the project feasible.

Lesson 2. I am a strong believer in the development of for-profit enterprises as a strategy for Community Economic Development. For any community to prosper it should have within it a great business sector. It serves as the economic base that enables the community to sustain itself. As a business owner myself, I knew the importance that the business sector had in a community. But it was not until the endeavor of my

project that I realized this even more. By the results of the project I could see how much can be accomplished in a short period of time when dealing with a group of entrepreneurs.

I understand that social programs are important for a community. They play a critical role in meeting human needs. But they must support the business sector. They should help in the proliferation and growth of businesses and employment for the community's residents. As Michael E. Porter said in his book, *On Competition*:

"A sustainable economic base *can* be created in the inner city, but only as it has been created elsewhere: through private, for-profit initiatives and investment based on economic self-interest and genuine competitive advantage—not through artificial inducements, charity, or government mandates.

We must stop trying to cure the inner city's problems by perpetually increasing social investment and hoping for economic activity to follow. Instead, an economic model must begin with the premise that inner city businesses should be profitable and positioned to compete on a regional, national, and even international scale. These businesses should be



capable not only of serving local community but also of exporting goods and services to the surrounding economy. The cornerstone of such a model is to identify and exploit the competitive advantages of inner cities that will translate into truly profitable businesses.

Our policies and programs have fallen into the trap of redistributing wealth. The real need-and the real opportunity-is to create wealth." (P.378).

As a businessman myself, I can attest to all of the above. I have seen how for-profit businesses have developed whole communities in different parts of the country, such as the city of Miami, Florida, by Cuban immigrant entrepreneurs, and the city of Lawrence, Massachusetts, by Dominican immigrant entrepreneurs, to mention only a few. Therefore, the best strategy to revitalize a community is through the creation of for-profit enterprises.

**CONCLUSION**

I consider my project to be a successful one, since it accomplished its main goal, the training of five business owners in computer literacy and e-commerce. This training enabled these five business owners to generate a significant amount of additional revenues and served as an example to the rest of the Haverhill Hispanic Business Community.

In addition to the main goal accomplishment, a secondary goal was also accomplished, educating the Hispanic Business Community in the importance of modernizing their businesses, in order to be competitive and stay in business. A final goal was partially accomplished. It called to transform the project after its conclusion into a training program in computer literacy and e-commerce for the Hispanic Business Community of Haverhill and neighboring communities.

The success of the project was due to the understanding that a project could not solve all the problems of a particular community. I was also aware of the importance of having a good understanding of the project setting. By being myself a member of the group targeted by the project, I

was able to have a good understanding of the project setting and realistically addressed the needs of the group.

An understanding of the project setting also enabled me to better define the problems, as well as determine the goals, objectives, and appropriate activities for the project. The success of the project was based on this fundamental knowledge. Nothing was left at random. Everything was carefully planned, kept simple, and pragmatic.