Adopting the American Dream; Immigrant Entrepreneurs Embrace Self-Employment and the Chance to Succeed

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Byline: Beth Berselli, Washington Post Staff Writer

Body

Ah, America. The land of the free, the home of the brave -- and the place where any smart, hard-working person, native-born or foreign-born, can bring home big bucks by going into business.

It's a vision of ***American*** enterprise ***embraced*** by millions of ***immigrants***, becoming a part of national folklore that has played out generation after generation. But it's more than legend, it's fact: ***Immigrants*** own 1.5 million U.S. businesses, or 1 of every 12 companies, according to the Census Bureau's most recent estimates in 1992.

There are 28,000 ***immigrant entrepreneur*** households, or almost 17 percent of a total of 165,000 ***self***-employed households in the Washington area, said George Grier, a Bethesda researcher who analyzed recent Census Bureau surveys. This 17 percent figure mirrors the metro area population as a whole, where about 716,000 ***immigrants*** are part of a total population of 4.4 million, he said.

Included among these local ***immigrant entrepreneurs*** are such stars as Jeong Kim, a Korean-born engineer who recently sold his Landover company, Yurie Systems Inc., for $ 1 billion, and Rajendra and Neera Singh, Indian ***immigrants***-turned-cell phone magnates who built a $ 1 billion fortune in the last decade. They're joined by thousands of smaller merchants -- the Korean grocer, the Chinese dry cleaner, the Mexican restaurant owner.

So why have ***immigrants*** hopped on the entrepreneurial bandwagon?

Experts point to positive forces that encourage prospective ***entrepreneurs*** to take the plunge into ***self-employment***. For example, an ***immigrant*** might be more likely to start his own business if he knows another ethnic ***entrepreneur*** who could serve as a mentor.

But there also are factors that force ***immigrants*** into the ***entrepreneur*** fold, experts said. Problems with language skills or lack of advanced education keep some ***immigrants*** out of high-paying jobs.

"It's not so much that ***immigrants*** come over with a burning desire to be ***entrepreneurs***," said Robert Barbato, a professor of entrepreneurship at Rochester Institute of Technology's College of Business in upstate New York. "It's that they don't have good alternatives."

He said ***immigrants*** in ages past had more wage opportunities in such areas as manual labor. "We don't have people digging Erie Canals by hand anymore," he said. Today's jobs are in such industries as technology, where an education is a requirement.

The ***entrepreneurs*** profiled on the next

two pages represent the full spectrum of ***immigrant*** businesses in the Washington area, from the big high-technology company to the tiny restaurant. Each offers a different lesson to those wanting to strike out on their own -- including the importance of ethnic support networks and the value of capitalizing on a unique background. But they all agree that America offers unparalleled opportunities for financial ***self***-improvement.

"Everything was so restricted in Vietnam. The opportunity was not there," said Hong Hou, 48, the owner of a Vietnamese restaurant in Falls Church and one of our featured ***immigrant entrepreneurs***. "This is just a ***dream*** come true."

Going Mainstream America by Way of the SBA

Lesson: Some of the most successful ***immigrant entrepreneurs*** are ***American***-educated and run businesses that belie their ***immigrant*** status.

When he arrived in this country in 1970, Satyendra "Shri" Shrivastava didn't intend to stay. He was here for nine months, period. Just enough time to complete a master's degree in computer science and then head home to India, back to his well-paying job -- not to mention his pregnant wife.

Nearly 30 years later Shrivastava is still here. His degree led to jobs at such big corporations as GTE Corp. and Potomac Electric Power Co. And then he caught the entrepreneurial bug and America seemed a more hospitable environment for pursuing that goal. Plus, his wife and children liked living in the United States. Somewhere along the line, he discovered that he liked it, too.

Today the 59-year-old ***immigrant*** is the chief executive of Anstec Inc., a McLean information-technology company that has annual revenue of about $ 53 million.

From a sterile corporate office park near Tysons Corner, the company's 425 employees work on high-tech projects for federal agencies including the Defense Department and the Transportation Department. Most of their work is incomprehensible to non-techies, having to do with networking, software conversion and database planning and design.

Anstec is one of thousands of virtually indistinguishable systems integrators that dot the Capital Beltway, firms that make their living by selling their services to the federal government.

There's little about Anstec that marks it as an "***immigrant***" firm. The 15-year-old company doesn't specifically seek out ***immigrant*** employees; its products aren't aimed at any particular ethnic group, but instead are sold to the most mainstream of ***American*** institutions, the federal government.

And unlike other ***immigrants***, Shrivastava didn't have someone from his own community to show him the ropes. Rather, his mentor was the U.S. Small Business Administration. In 1987 Shrivastava joined the SBA's 8(a) program, which is aimed at helping minority businesses start off on the right foot. His company grew by leaps and bounds during its nine-year tenure in the program, with revenue topping out at $ 66 million in 1996, up from $ 600,000 in 1987.

"It's a good program," Shrivastava said. "Initially we needed that help, but now we compete on our own strength."

Experts say ***immigrants*** like Shrivastava aren't alone in taking an "Americanized" route to developing their businesses. Indian ***entrepreneurs*** are especially likely to eschew the traditional ethnic support networks, according to Timothy Bates, a professor of labor and urban affairs at Wayne State University.

Indian business owners are the least oriented to serving an ethnic clientele -- a fact that makes them among the most profitable, large-scale and least failure-prone enterprises, he said.

Also adding to their success is that the fact that they are the most highly educated of all ethnic groups, with 73 percent of Indian men having college degrees, Bates said. And nearly 80 percent of Indian male ***immigrants***

already are fluent in English when they arrive in this country, compared with just 21 percent of Vietnamese ***immigrants***.

For Hispanics, Memories of Home Echo Here

Lesson: Define as your niche an underserved need of your ethnic community, and then go about filling that need.

When Ronald Gordon arrived in Washington almost 30 years ago from Lima, Peru, the outgoing, athletic teenager dreadfully missed one thing about life in his old hometown: soccer.

"When I came to America, nobody played it," the now-43-year-old Arlington ***entrepreneur*** recalled. "Nobody wrote about it; nobody watched it on TV."

When he was all grown up and ready to make his mark on the world, Gordon recalled his earlier remorse over the loss of his favorite sport. And he saw a business opportunity: Why shouldn't he launch a weekly newspaper to cover the local soccer leagues? He'd probably make a bundle.

Time and again in his two decades of entrepreneurship, Gordon has zeroed in on an underserved need in his community and then gone about filling it. He has built a thriving business offering Hispanics in the Washington area the goods and services that he wished he had when he first arrived in this country.

The soccer newspaper didn't take off, but Gordon's other ventures have proven very successful. Today Gordon owns ZGS Communications Inc. and ZGS Broadcasting Inc., companies that employ 60 people and have combined annual revenue of about $ 8.5 million.

ZGS Communications develops marketing campaigns for companies and organizations that want to target members of the Hispanic community. For example, the ***American*** Association of Retired Persons depends on ZGS to host its "Golden Afternoon" promotion, a family festival aimed at attracting Hispanic retirees as AARP members.

The communications company also produces Hispanic-themed programming for English-language television. Its syndicated specials include such titles as "Latino Music Greats," a one-hour program featuring Gloria Estefan, Julio Iglesias and other Hispanic artists. The programs reach an average of 80 percent of Hispanic households, a fact not lost on advertisers who also are trying to reach this fast-growing, big-spending population.

The other arm of Gordon's empire, ZGS Broadcasting, has three Spanish TV stations -- Telemundo (Channel 64) in Washington and stations in Orlando and Tampa -- and two Spanish radio stations in Tampa. Together, they serve more than 1 million Hispanic people.

Experts say many foreign-born ***entrepreneurs*** settle on businesses that capitalize on their unique background. "It just makes sense," said Robert Barbato, a professor of entrepreneurship at Rochester Institute of Technology's College of Business in upstate New York. "You've got to marry opportunity to what it is you know."

For Gordon that means creating TV programs, radio shows and marketing programs that are helpful to other ***immigrants***. Of course it doesn't hurt that advertisers are willing to pay big bucks to reach that population -- he is, after all, trying to run a business. "I'm a big hawk on the bottom line," he admitted.

A nice benefit of his success, he said, is that he's able to offer jobs to fellow Hispanics. About two-thirds of his employees are Hispanic.

Gordon realizes that it's not just about dollars and cents. He proudly points to a viewer's letter about a recent ZGS TV special. "Your show made me proud to be Latino," the viewer wrote. "Organizations like yours remind us that we can still achieve the ***American dream*** after all, even when all seems so hard."

Breaking Bread With Family At the Restaurant Pho 888

Lesson: The traditional family unit and the larger ethnic community play a big role in the survival of an ***immigrant***'s business, providing loyal, low-cost employees, mentors, customers and financing.

Life at Pho 888, a new Vietnamese restaurant in Falls Church, is truly a family affair.

Hong Hou, the dad, is in charge of ordering all the food. Nga, the mom, cooks it. The 20-year-old twins, son Phi and daughter Thu, serve as waiters and busboys. And the oldest daughter, Anne, 24, takes care of the books.

The family works at the restaurant 12 hours a day, seven days a week, dishing up bowl after bowl of a Vietnamese soup called "pho" (pronounced "fah").

During slow times, the kids grab their books, head to a corner table and study for their various college classes. Hong smiles at them from his perch behind the counter, glad that after eight years of working two jobs to support his children he is finally able to spend time with them.

"He's happy because he's working for himself and the whole family is here," Anne says of her 48-year-old father, who left South Vietnam for the United States in 1989. His command of English is still limited.

This family-centered set-up is found at thousands of ***immigrant***-owned businesses across the country, experts said. But it's not just the immediate family that these ***entrepreneurs*** rely on for help.

Immigrant ***entrepreneurs*** like Hong are part of a larger ethnic network that supports their activities by providing loyal employees, mentors, customers and financing, said Roger Waldinger, a UCLA sociology professor who has studied the group.

Within the local Vietnamese community, it's taken for granted that members help each other out. "Whoever knows something, they'll help you out," Hong said.

As many as half of Hong's customers are Vietnamese; Vietnamese markets supply a lot of the restaurant's foods; and family members and friends contributed a chunk of the $ 40,000 that was needed to open the restaurant last summer.

Hong's employees -- all family members -- are Vietnamese. He has two Vietnamese mentors: local businessman Ly Ngo and Henry Hoang, who owns the Queen Bee restaurant in Arlington and was Hong's first boss when he arrived in this country. These mentors, ***entrepreneurs*** themselves, helped make clear to Hong the path to starting his own business by helping him figure out such things as licenses and taxes and how to get a loan from the bank. They continue to offer advice.

Experts say this network can play a big role in the success -- or failure -- of a business.

On the one hand, it makes sense to use family members as employees. They're cheap and just as important, reliable. They aren't likely to shirk on the job since they presumably have the same incentive -- maximizing family income, Waldinger said.

But there's a danger in depending too much on this ethnic support, said Timothy Bates, a professor of labor and urban affairs at Wayne State University in Detroit who has written a book on Asian ***immigrant*** businesses. He said Census Bureau data show that ***immigrant*** firms that rely almost exclusively on minority clientele are more likely to fail.

But Hong isn't too worried about the future. He notes that the restaurant already draws a large number of non-Asian customers -- people like Gloria Steinberg Briskin, a Falls Church businesswoman who eats there several times a week. "I just love it," she said. "It's just a nice, welcoming place to go. They make you feel like you're part of the family."

For Those Less Fortunate, A Grateful Employer

Lesson: Being an ***immigrant*** can give you a unique appreciation of the plight of the disadvantaged when making hiring decisions.

To many employers, the job applicant would have seemed an unlikely candidate. She wasn't wearing a business suit. Her resume was thin, with her most recent entry being "welfare recipient."

But Sarian Bouma had a different reaction six months ago when she met Tamika Hill, a single mom looking for work.

"She just looked tired," remembered Bouma, a 42-year-old ***immigrant*** from Sierra Leone who owns Capitol Hill Building Maintenance Inc., a commercial cleaning company in St. Mary's County. "You could really tell she'd struggled to make her way down here for the interview. She had to leave her children; she had to take public transportation from D.C."

"I just saw something -- a sincerity, a desire to work," Bouma said. That cinched the deal; Hill was hired as the company's administrative assistant.

Bouma, a former welfare mother, said her ability to recognize this "something" in people has contributed to her entrepreneurial success.

"I look for people that nobody else wants to hire," she said. "I've found they're the most talented people on earth."

Today Bouma employs about 200 people, half of whom were formerly on welfare or homeless and a good number of whom are also ***immigrants***. Of course, today's low unemployment rate means that many people looking for work at companies like Bouma's are unskilled or otherwise disadvantaged.

With her employees' help, Bouma's 11-year-old cleaning business has grown to $ 1.8 million in annual revenue. The company has won contracts to clean such federal facilities as the White House's New Executive Office Building and the Patuxent River Naval Air Station.

Experts say it's common for ***immigrants*** such as Bouma, who have struggled themselves, to want to help others in need.

"Those that are fortunate enough to be successful acknowledge their good luck and remain loyal to their community," said Robert Barbato, a professor of entrepreneurship at the Rochester Institute of Technology's College of Business in upstate New York. That loyalty, he said, often means giving someone a job.

Bouma encountered her share of bumps on the road to success. She came to Washington in 1974 to attend college. Two years and a failed marriage later she was on her own, trying to raise an infant son. With no college degree, her work options were limited; she went on welfare.

It was not an easy time. "When I went to apply for food stamps, I looked so pathetic that the guy who took my application gave me $ 5," she said. Her wake-up call came one night when she couldn't buy milk for her son because she didn't have enough money.

She worked as a live-in housekeeper, a cleaning lady and various other low-paying jobs. Finally, after taking some classes, she managed to get a job as a bank teller. She eventually worked her way up to management jobs at another bank.

In 1987 she bought a cleaning franchise; she had one contract and one employee -- herself. Revenue that first year was $ 900. Five years later, after her contract with the franchiser ended, Bouma decided to go out on her own. Assistance from the U.S. Small Business Administration's 8(a) program for minority ***entrepreneurs*** helped Bouma get her first big contract in 1992.

Things have gotten a lot better since those rocky early years. But her past always remains in her thoughts, influencing her every decision. "I'm in business to help people, that's the truth," said Bouma, who remarried and had three more children.

Her employees certainly think so. "She just really have faith in me," Hill said. "She gave me the opportunity to improve myself, and I'm grateful for that."

Graphic

Illustration; Photo, MARK FINKENSTAEDT FOR The Washington Post; Photo, GERALD MARTINEAU; Photo, SUSAN BIDDLE; Photo, TOM ALLEN, Satyendra Shrivastava of McLean-based Anstec Inc. had intended to stay in the United States for only several months. Nearly 30 years later, he heads a $53 million company here. Ronald Gordon says an added benefit of his business is that he is able to offer jobs to other Hispanics. About two-thirds of his employees at ZGS Communications and ZGS Broadcasting are Hispanic. Hong Hou, left, heads the Falls Church Vietnamese restaurant Pho 888, which employs his wife, Nga, daughter Anne and twins Phi and Thu. Their specialty is the soup "pho," from which the business takes its name. Sarian Bouma, owner of a commercial cleaning firm, said her ability to recognize a certain "something" in people has contributed to her achievements.

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