



NEWS RELEASE

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SBA 8(a) Program Helps Woman / Minority-Owned Firm Change Strategic Direction

Lillian Pernell started L.E. Pernell & Associates as a sole proprietorship. Her initial product line consisted of management consulting services in areas that Ms. Pernell had personally garnered specific experience while working in different industry situations. Office automation, business application, electric data interchange, and funds transfer were several of her areas of expertise in which her clients expressed an interest.

As is often the case with start-up businesses in general and fledgling consulting enterprises in particular, success is incumbent upon building a revenue base sufficient to maintain business continuity and cover fixed costs as quickly as possible. In 1995, the company's revenues were slightly below \$70,000 and the health of the company was seriously in question. In short, Ms. Pernell needed help.

She had heard about the U.S. Small Business Administration (SBA) and its Business Development Program referred to as the 8(a) Program, intended to help socially and economically disadvantaged business owners compete in the Federal Procurement Marketplace. The SBA's 8(a) program assists these firms in gaining equal access to the resources necessary to develop their business and thereby, improve their ability to compete on an equal basis in the mainstream of the economy.

Lillian Pernell understood that the 8(a) program helped federal government agencies locate qualified firms to perform government contracts and earn a profit. She saw this scenario as a way to resuscitate her company and felt positive that she could benefit from the symbiosis such a working relationship would create.

She applied to the SBA's Los Angeles District Office for admission into the 8(a) Program and was approved in July 1996. Lillian was assigned a Business Opportunity Specialist (BOS) to advocate for her with respect to program goals. The BOS is also well versed in business finance, operational matters, and serves as a management consultant to aid the participant during her tenure in the program.

The most important function of an SBA BOS is to create the most fertile environment, within which the participant firm can draw sustenance from the program resources to nourish and grow the business. Despite the appearance of a "safety net" being provided, the firm itself is duly responsible for program outcomes. To be successful, she must take the initiative to access all program components applicable to her particular business, including self-marketing and networking. In short, she must remain committed to live and work the program.

And "work the program" is what Lillian most certainly did. Under the enlightened managerial expertise of the SBA 8(a) team, she found the resources and the direction for her business's future. Lillian changed the company structure to a corporate entity and underwent a strategic business evaluation and resource redeployment. This involved blending into her business mix opportunities that became available as a result of her 8(a) participation. The study concluded that by shifting focus to auditing single family loan files for compliance with FHA guidelines, the company would establish a competitive niche within which to operate and generate future growth. As a result of the switch, she secured a number of 8(a) and non-8(a) contracts with (HUD) to audit that Agency's single family loans.

Lillian Pernell's ability to stay the course and remain focused on her plan has paid handsome dividends for her business. Her annual revenues have grown 25 fold with concomitant profitability and cash flow. Access to additional contracts continues to be extremely promising. Even more significant is the fact that her entrepreneurial spirit has forged and trained a valuable cadre of professionals to insure the future wellbeing of the firm. To her credit Lillian Pernell created 16 jobs through her enterprising endeavors, an accomplishment of which she will forever be proud.

Los Angeles SBA District Director Alberto G. Alvarado praised her accomplishments stating, "Lillian Pernell's success relates not only to her hard work but to her flexibility within the marketplace. She availed herself of all applicable SBA 8(a) resources and worked the program to her advantage. Lillian has earned the rewards of her initiative."

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