

# Business Report

## Advantages Of Certification

BY JEAN LYNCH

In a competitive business-to-business market, using tools that can increase your business's visibility is wise strategy that can yield high returns. For many minority- and women-owned companies, acquiring state or national certification opens doors to business opportunities that might otherwise have been overlooked. Being informed about certification options and then taking the time to apply is a solid strategy for maximizing your business success.

*What is certification?* Public and private agencies grant minority-owned business (MBE) or woman-owned business (WBE) certifications to companies that can prove they are at least 51-percent owned and operated by minorities or women. The certifications offer a seal of approval, showing that a company's claim of being a minority- or woman-owned enterprise (MWBE) has been investigated thoroughly by an outside group and found to be true. For many companies, certification can mean the difference between winning and losing a contract.

*Do I have to be certified to be considered a women-owned business?* National certification is not necessary to be considered a woman-owned business. You should consider national certification only if it makes sense to your particular business and to your market. Small companies that are not interested in becoming suppliers to large corporations probably will not benefit from certification. Retailers also would not be candidates for certification. Certification does make sense if you want to sell or provide services to the federal government, to state or local units of government, or to corporations who require certification.

*Why certify?* Certification can give a business an extra edge over the competition. Certification provides opportunity, but does not guarantee receiving contracts. Today, women-owned businesses are finding if they want contracts with corporate America and have an edge in marketing, they must be certified. Corporations are looking for women-owned businesses with whom to contract. Being certified is one way to make the products or services you offer more attractive to these types of potential customers.

Certification may provide access to tools and resources within the certifying agency to help business grow. Private corporations are not mandated by law to do business with women-owned companies, but many feel it garners them goodwill with customers if they make the effort. The Women's Business Enterprise National Council (WBENC) is one of the nation's largest third-party certifiers. The WBENC has become one of the most widely recognized certifications in the nation and more than 700 major corporations use its services.

Certification may deepen relationships with Supplier Diversity professionals looking for certified MWBEs. Certification can help smaller companies compete against larger companies. Some major companies set diversity goals, and certification is often something they use to determine who they do business with.

Certification may provide greater exposure by having your business in MWBE directories / databases plus increased networking opportunities with corporations and other MWBEs. Becoming certified by a private agency also typically gives you access to Internet databases, networking events, and directory listings that promote women-owned businesses.

Certification may provide access to government contracts. Many corporations, including KeyBank, as well as government procurement offices, see certification as a valuable tool for women-owned businesses. Although the certification process can be somewhat tedious, the procurement and networking opportunities will outweigh the initial paperwork.

Many *Fortune* 1000 companies will not do business with diverse companies unless they are certified. Certification gives those corporations and government offices a level of assurance that a company has 51-percent minority or women ownership and, more important, that you also operate and control that firm.

Certification is a great marketing tool. Getting certified can certainly lend viability and



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credibility. Certification itself is not a guarantee of a contract, but certification is a great marketing tool for expanding your company's visibility among decision-makers. Many corporations are strongly encouraging — and a few are even mandating — that women-owned businesses interested in securing corporate contracts become certified. Certification is often the linchpin to getting in the door.

*How long does certification take and how much paperwork is involved?* It may take some time to get certified and there is a great deal of paperwork. Some certification fees may range as high as \$350 and the certification process tends to be stringent, involving a lot of paperwork and even a site visit. There's no question that applying for certification can be a tedious, time-consuming process.

*Why does it take so long?* When an organization certifies your business as a women-owned and women-controlled business, it must strictly adhere to national certification standards. These standards protect the integrity of the certification designation and greatly reduce the chance of "fronts" or non-women-owned business being certified.

You can help cut down on the time it takes for an organization to certify you by submitting complete and accurate packages, double checking every line item, following the checklists provided, and most importantly, by reading the instructions in the certification packet. Certifying agencies generally won't process an incomplete application.

*What are the criteria for certification?* Basic criteria for certification include 51-percent ownership by a woman or women; proof of effective management of the business (operating position, by-laws, hire/fire and other decision-making roles); control of the business as evidenced by signature role on loans, leases, and contracts; and U.S. citizenship.

The paperwork is necessary for a complete and thorough review of the business ownership and control.

You will be asked for general information about the business, its history, legal and financial structure. Other documents may include, but are not limited to, customer and bank references, loan activity, financial statements, articles of incorporation, tax returns, stock certificates, resumes, drivers' licenses, and proof of citizenship. Although a daunting task, the rewards of becoming certified as a WBE can be beneficial to your business.

*Considerations.* Additionally, there is not one certificate accepted across-the-board and having one certification from one group does not necessarily exempt you from having to qualify for another when doing business with a customer looking for a different one. Rather than applying to several different groups and going through a long, costly process for each, a woman business owner should investigate which certification is most likely to be accepted by the majority of her potential customers.

In using tools that can increase your business' visibility it is wise to perform due diligence to understand what will truly benefit your business. For many minority- and women-owned companies, being informed about certification options and seeking certification opens doors to opportunities that will ultimately enhance their business success. □