

March 23, 2012

Helping Small-Business Owners Find the Perfect Mentor

By PAUL SULLIVAN

VICE ADM. EDWARD M. STRAW was a bit skeptical when he was asked to donate his time and expertise to a program that helps small-business owners. He had mentored students hoping to get into his alma mater, the Naval Academy, and service members on their way out of the military.

This was different, though. Sure the program carried the imprimatur of the Clinton Foundation and his [financial adviser](#) at UBS was asking him to participate. But Admiral Straw said he questioned whether his background — he had commanded the Defense Logistics Agency before a successful second career in the private sector — would be useful to a small business.

“I said, ‘I’ll only do this if my skills would help the company,’ ” said Admiral Straw, who was president of global operations at Estée Lauder and now serves on six boards. “I wanted a company that made something.”

I met Admiral Straw last month at a dinner in New York for the 10 teams that had been part of the Small Business Advisory Program, a joint venture of the Clinton Foundation’s Economic Opportunity Initiative and UBS Wealth Management. My initial interest was in how UBS had coaxed the mentors, all busy business people, into giving their time and sharing their expertise with people they did not know. But I became equally intrigued with the entrepreneurs, who all had hit inflection points in their businesses after years of growth.

The Clinton Foundation program is one of dozens of programs — some more successful than others — that pair entrepreneurs with mentors, from those overseen by the Small Business Administration to more specialized ones like the Venture Mentoring Service run by the Massachusetts Institute of Technology. And with Congress and the presidential candidates talking about ways to help small-business owners who have fallen on hard times, I thought it useful to look closely at a program whose success did not depend on money but time.

PROBLEMS WITH MENTORS One of the top complaints about programs aimed at helping entrepreneurs is that they fail to pair people correctly. But I also heard that some of the programs lack focus and clear goals.

“If you don’t have good chemistry, you could have a group discussion about spreadsheets but the business owners won’t tell you that they don’t get along with their No. 2 person,” said Bernard H. Tennenbaum, former associate director of the Entrepreneurial Center at the Wharton School and the founding director of the entrepreneurial institute at Fairleigh Dickinson University. “It’s so important for these people to get along,” he said.

The UBS-Clinton Foundation partnership aimed to avoid the common pitfalls by focusing on vetting both the mentor and the person being mentored. It also put a UBS financial adviser into the mix to help maintain clearly defined goals that could be accomplished in a short period of time.

“We knew from the Clinton Foundation why the business owners wanted to participate ahead of time and so we could make a better match,” said Lori Feinsilver, who runs the program for UBS.

Still, Admiral Straw’s experience got off to an inauspicious start. The owner of the first company he was supposed to help did not show up for the introductory lunch. But the next business proved to be a perfect match: Linda Tool, which manufactures precision components for military contractors.

Admiral Straw said that the Linda Tool plant in the Red Hook section of Brooklyn was much different from what he expected. The 12,000-square-foot shop was spotless, and the company had won industry certifications for the quality of its products. Michael DiMarino, its president, was managing his inventory, expenses and profits well. On the surface, it seemed as if there would be little for Admiral Straw to do.

But Mr. DiMarino said his big problem was that his business had stagnated after the 2008 financial collapse. “I never had to do marketing,” he said. “The 1990s were fruitful years, and the business grew until it just stalled. But the price of everything else kept going up.”

Admiral Straw began advising him on how to bid directly with the Department of Defense and military contractors.

"I figured we could show him how to go directly to the federal government," Admiral Straw said. "I took him to the Defense Logistics Agency and got him educated by the head of the small-business office on how to bid directly for the jobs."

PROBLEMS WITH TIMING The timing of the Straw-DiMarino partnership was fortunate. Therese Flaherty, director of the Small Business Development Center at the Wharton School, said she had found that mentoring programs had the greatest impact when mentors came in at a point when the business owners were struggling with something that had stymied their original idea. This usually has something to do with finances or employees.

Mr. DiMarino said from 2008 to 2010 he worked hard not to lay off any of his employees. He said he was proud that many of his machinists had been with him for decades. But he had moved to a new, larger space and, he said, he was eager to figure out a way to increase his business since he had the capacity to do more work. Now that he is bidding directly for many contracts, he expects his sales to increase to \$5 million this year from \$3.8 million in 2011. His experience with Admiral Straw, in other words, has worked out well.

K. Y. Chow, who owns GM Printing, was also trying to expand his company. Over 18 years, he had won many city contracts for his printing company, but he moved into a larger plant in Long Island City just as the economy slowed. He wanted to know how to increase his sales beyond the contracts he had.

He was paired with Don Terwilliger, president of Digital Color Concepts, a much larger and more established printing company. "The first question was, 'Tell me the problem I'm having,' " Mr. Chow said. "Is it pricing, quality, logistics?" It was sales, since Mr. Chow was the only salesman. He has since hired two additional sales people.

DEFINING SUCCESS Mentoring programs often struggle to determine if they have accomplished anything. This is just as important for the mentors who are giving their time as the business owners who need help.

Julie Azuma, president of Different Roads to Learning, which sells more than 500 learning aids for children with autism, said she had been trying for two years to find a company that could translate her vision into an app that she could sell. She was feeling frustrated.

Yet Ms. Azuma, who has been part of many mentoring programs, said she had her doubts about the adviser and the entrepreneur assigned to help her.

"But after we met a few times," Ms. Azuma said, "there was this feeling of accountability in working with them." Her mentors focused mainly on helping her create the app, but they also worked with her on improving the way she communicated her business goals. "It was something she dreamed of, and we helped her make it a reality," said Amy Butte, a former Wall Street executive and Internet entrepreneur who was Ms. Azuma's mentor.

Ms. Butte and Ms. Azuma are still in touch. And this is something the program stressed: after the six months of formal work, the teams are expected to stay in contact for at least six months to help the business owners follow through on what they started. (With the success of the New York program, Ms. Feinsilver said UBS was expanding it to Chicago and Los Angeles this spring, albeit with different partners.)

Admiral Straw said he had continued to help Mr. DiMarino, adding that he went with him recently to a job fair for veterans in Stamford, Conn. "What really kept me in it was Mike's dedication and work ethic," he said.