



## Helping entrepreneurs take flight.

By Emily Richwine

When executives at **FDY, Inc.**, an established 26-year-old minority-owned food service management company based in Charlotte, North Carolina, wanted to diversify their business a few years ago, they did their homework first. With more and more airlines cutting in-flight meal service, and more and more passengers looking for additional food options, airport concessions seemed like the perfect opportunity. And the experienced executives at FDY already had a restaurant concept in mind—Bojangles' Famous Chicken 'n Biscuits, a chain known throughout the region for its unique Cajun flavor and made-from-scratch breakfast served all day. All FDY needed was an opportunity, and that's exactly what **HMSHost**, the world leader in food, beverage, and retail concessions for travel venues, gave them.

Today, FDY operates a very popular Bojangles' restaurant at Charlotte Douglas International, the ninth busiest airport in the United States. The restaurant has served more than 485,000 customers since its opening in April 2008. Even more impressive is the fact that the 1-year-old venture now accounts for nearly one fourth of FDY's business.

"We've had a wonderful relationship with HMSHost from day one," says **Keith Haywood**, vice president of marketing and sales for FDY. "When we first sat down with them, they did a fabulous job helping us understand the construction process, what direction to take, and just how the airport works, the flow of traffic, that kind of thing. Today, our restaurant is doing very well. We are excited that it has become such a favorite in the airport, and we are already looking at [going into] other airports. We are working with HMSHost on that and other opportunities."

Operating in more than 100 airports around the globe, HMSHost is committed to providing such opportunities to minority, women, and disadvantaged business enterprises (M/W/DBEs). The corporation has the industry's largest Airport Concessions Disadvantaged Business Enterprise (ACDBE) program. Established more than 25 years ago, the company's M/W/DBE program has seen growth year after year. Presently, HMSHost has more than 150 contracts with M/W/DBEs, which together have annual revenues approaching \$400 million. Compliance, however, is not the only goal. In fact, two years ago the company changed the name of its program from Government Affairs to Strategic Alliances to reflect its business model, which is premised on the idea that success comes from inclusion.

"Furthering the role of M/W/DBEs is important to HMSHost for a very simple reason: If we present the best



Ron Gomes

opportunities for M/W/DBEs to grow and thrive, then we attract the best partners, have the strongest overall program, and from all of these efforts, enjoy a considerable competitive advantage in what has become a

highly competitive marketplace," explains **Ron Gomes**, vice president, strategic alliances.

Fourteen years ago, HMSHost took a chance on a WBE strategic partner and is still reaping the rewards. In 1995, HMSHost subleased retail space at Tampa International Airport to woman-owned **Stellar Partners** for a new children's toy and gift store called Mindworks. Today, successful Mindworks stores can be found at 10 airports across the country.

"They took a chance on our new concept," says Stellar Partners founder **Susan Stackhouse**. "We still consider them a strategic partner." In addition to the Mindworks stores, Stellar Partners also partners with HMSHost on a Ron Jon Surf Shop at the Tampa airport.

Unlike most industries where opportunities are found in the supply chain, HMSHost is looking to diversify its core business with M/W/DBEs. For example, when HMSHost announces an opportunity at Chicago O'Hare International Airport, it isn't to supply a product or service to a restaurant or bookstore—it is to own and operate them.

**Keith Haywood**, vice president of marketing and sales (left) and **Floyd D. Young**, president and CEO, **FDY**.





“Usually, our business developers identify a prospective ACDBE-certified firms in advance and discuss an upcoming opportunity to partner in either a particular market or a specific business venture,” Gomes explains. “Although we might have someone in mind already, we still want to take a look at other successful entrepreneurs who are not already doing business at airports and who might be a good fit. Greater ACDBE

outreach is critical for our long-term goals.”

With that in mind, Gomes urges potential M/W/D/BE partners to be ready for such opportunities.



**Susan Stackhouse**

“We suggest learning more about becoming ACDBE-certified and becoming familiar with HMSHost and the travel concessions industry. Get to know those people running the local airports, as well as members of the local transportation boards and commissions. Be visible. That is the point where contacts and reputation prove crucial. We encourage our business partners to look into membership in AMAC (Airport Minority Advisory Council) and other trade organizations that offer strong education and business growth learning.” (See more on AMAC on page 28.)

In 2008, HMSHost took steps to broaden its reach by signing a Memorandum of Understanding with the U. S. Department of Commerce’s Minority Business Development Agency (MBDA).

“We’re working with the MBDA to access its national network of Minority Business Enterprise Centers, Minority Business Opportunity Centers, Native American Business Enterprise Centers, and other MBDA resources to identify and source qualified minority-owned firms,” Gomes says.

In addition to those efforts, HMSHost has conducted public outreach events at the local level in places such as El Paso, St. Louis, Chicago, and Indianapolis. In El Paso and St. Louis, the corporation held an open meeting where the small business community came to meet, one-on-one, with HMSHost representatives to learn more about the opportunities at these airports. In El Paso in particular, HMSHost worked specifically with the local Hispanic Chamber of Commerce, the regional Minority Business Enterprise Center, and the local SBA office to ensure that it gained access to many different, eligible, and qualified small business enterprises in the community. In Indianapolis, the company participated in an airport-sponsored Concessions Day.

Just as important, however, is supporting current M/W/DBE partners. For example, last year the corporation launched its Strategic Alliances in Diversity newsletter, which offers articles on what it takes to be a successful partner, tips on the certification process, profiles on successful partners, and strategies for overcoming challenges, such as the current economic environment.

“This year, the biggest challenge in our program has been helping our partners maintain access to capital,” Gomes says. “It’s been a tough economy for everyone; restaurateur or retailer. We’ve been meeting with financial institutions to try to come up with innovative third-party financing alternatives.

“Our goals have changed throughout the years to in order to maintain regulatory compliance, while promoting a platform that opens opportunities to entrepreneurs who can grow with us and be successful as sound business partners. Our message today is, ‘HMSHost is open for business with strong partners in the small business community.’”