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Opinion

The Day Rosa Santana Got Her Big Break

By PETER COY, *Opinion Writer*

It was 2014 and Rosa Santana was running a successful staffing business. She had immigrated to the United States from Mexico at age 5 with her mother and four older siblings. She learned the staffing trade in 17 years at Kelly Services and three at Westaff, then built her own company that supplied workers to Dell, Johnson Controls, Ryder System and others. She staffed many of the suppliers to Toyota's auto plant in San Antonio but hadn't managed to get work from Toyota itself.

One day that year, she recalled recently, "I got a phone call from one of the Toyota executives. I thought it was a big opportunity for a staffing contract."

That wasn't what the executive had in mind. According to Santana, he told her: "We want you to build truck beds. We think we can teach you how to do this. You have nine months to launch."

"A million things were going through my mind while I was on this phone call," she said. "I asked, 'How did you pick me?'" In that call and subsequent conversations, she said: "They said, 'We like you. We trust you.' With the Japanese it's all about trust."

So was born Forma Automotive. It started out assembling beds for Tacoma trucks in San Antonio. Now it assembles Tundra truck beds in San Antonio and Tacoma truck beds at a new plant in Guanajuato, Mexico.

"Rosa is just an incredible partner of ours," Chris Nielsen, executive vice president for product support and chief quality officer of Toyota Motor North America, told me recently.

Santana's story isn't just about her or Toyota or pickup trucks. It's about

a type of affirmative action that's easy for people to get behind. Toyota executives realized that helping Santana get started in manufacturing would ultimately benefit them as well. They knew that hiring the right workers is crucial for a manufacturing operation and that Santana was perfectly equipped for the job, especially in the San Antonio area, where many potential employees speak Spanish as their first language. If she could do that well, teaching the Toyota Production System, or T.P.S., to her recruits would be eminently doable.

I was pointed toward Santana by Ying McGuire, the chief executive and president of the National Minority Supplier Development Council, which helps minority-owned businesses sell to big companies and government agencies. It works with the Minority Business Development Agency, a unit of the Commerce Department.

McGuire's organization runs a certification process to ensure that businesses that want to capitalize on the opportunities really are majority-minority owned. The organization's standard for being classified as a minority is fairly broad: Individuals must be U.S. citizens who are of ancestry that is one-quarter or more from the ethnicities it lists — African American/Black, Asian-Indian, Asian-Pacific, Hispanic/Latin American or Native American. To make it easier for minority businesses to attract investors and grow, the council agreed about 20 years ago to allow companies that are already certified to remain in the program after raising money from investors as long as minorities control day-to-day operations, the board of directors and the voting equity. The minority owner-

ship minimum was lowered recently to 25 percent.

McGuire, who has been on the job for a year after a career in tech, is going for what she calls a "big, audacious, hairy goal," namely to increase the revenue of council-certified companies to \$1 trillion a year, from an estimated \$261 billion last year. (Cautiously, the council hasn't chosen a date for the trillion-dollar objective.)

McGuire argues that helping minority businesses thrive benefits all Americans by making the U.S. economy more productive. Minority-owned businesses create jobs, provide services and pay taxes. "At the end of the day, it's not a zero-sum game," she wrote in an email.

The field of minority contracting isn't problem-free. Some businesses that are 100 percent minority-owned say they're being elbowed aside by bigger companies with less minority ownership. Some companies fraudulently represent themselves as minority-owned to get contracts, and some other groups that certify businesses are less than meticulous. Denise Hamilton, who runs an inclusion strategy company called WatchHerWork, said many supplier diversity programs emphasize training rather than access. "The participation in the program becomes the metric rather than the financial success of the participant companies."

By contrast, Santana's interaction with Toyota has been positive. In the U.S., Toyota's target is to spend 10 percent or more of its purchasing dollars on minority- or women-owned businesses, and for its Tier 1 suppliers to buy at least 5 percent of their stuff from such suppliers, Nielsen said. Other automakers have similar goals. Nielsen

said both targets are being hit.

Back in 2014, Toyota's then-new Tacoma had a new design for its truck bed, with a deck made of tough fiberglass instead of steel, so any company chosen to assemble it would have had to learn how to do it from scratch. That made it easier for Toyota to go with a new supplier, Nielsen said.

Careful incubation was a key to Forma's successful birth. The company leased space under Toyota's roof, connected by a conveyor belt to Toyota's paint shop and final assembly line. Toyota lent one of its senior executives, Mark Juarez, and Forma paid his salary for two years while he worked with Santana and her team during the start-up phase. It trained

Santana's daughter, Lisa Navarro-Gonzales, to become vice president of operations. Toyota had experience with this: It had already helped launch four other minority-owned businesses at its San Antonio plant. Santana became the fifth of what locals call the *compadres*, or buddies.

Now, Forma is running under its own steam. Building a truck bed requires attention to detail, Nielsen, the Toyota executive, told me. "Her truck beds are married to the frame. If anything goes wrong in Rosa's process, it will essentially shut our line down." If Forma misreads the manifest and installs the wrong wiring harness in a truck, the taillights won't work, for instance. Fixing such a mistake is costly and time-

consuming, Nielsen said. "Our reliance on Rosa is very significant."

"I over-delivered always," Santana told me. Energized by her success with Toyota, Santana has ambitions to manufacture other products as well. "Knowing the T.P.S. way, I could be assembling telephones or medical devices," she said.

In chemistry, a catalyst lowers the energy barrier for a reaction to occur. In business, as in chemistry, it's all about lowering barriers. Automakers have been among the most active companies in catalyzing the transformation of small minority-owned businesses into big, successful minority-owned businesses. Sometimes, a hand up is all you really need.