



How to Pitch Your Business Idea to Your Family

Alberto was excited to start his own business but had to be strategic about telling his concerned Mexican mom. And Marlene Orozco, who studies Latino entrepreneurs in the U.S., speaks with Juleyka about the challenges and opportunities entrepreneurs face, and how their families can best support them.

Juleyka Lantigua:

Hi everybody. Today, we welcome Alberto. When Alberto decided to leave a very comfortable job to start his own company in the middle of the COVID-19 pandemic, his Mexican mom was very concerned about the risk he was taking. Let's get into it.

Alberto:

My name is Alberto Morales, he, him, his and I was born and raised on the south side of Chicago. My parents left Mexico, their ancestral land in 1987 to move to Chicago. And something that is important to me is that I identify as a first generation college graduate. And in my family, I call my mom ma and I call my dad pa. My career has been a zigzag, I would say because I studied healthcare management and policy at Georgetown, and I did absolutely nothing with it. And then I realized how unique of an experience it will be for me to have left home, to have gotten a full ride scholarship. So I think that was really what pushed me to education, recognizing that it's not equitable. And I wanted to try to do my part to change some of it.

I decided to launch out on my own for several reasons. I was tired of not seeing Latino, Latinx consultants in spaces, different nonprofit and mission driven organizations. And more personally, I would say that entrepreneurship is in the family DNA. My grandfather Gil Morales, my paternal grandfather opened up a furniture company. And then my father about a decade and a half ago, launched out on his own and left his job in pursuit of his own dream of starting a construction company. The way that I approached notifying my parents was very different. Because my dad, as I mentioned, had that experience under his belt. So I knew telling him would be the easiest. And he's always more risk friendly and he's willing to jump off the cliff and go for it. So I told him probably two weeks in advance when I was about to make this decision and then just leave my full-time job.

Of course his immediate reaction was like, good luck, essentially, pat on the back, tell me a little bit about what you're going to do, that sort of thing. I knew I couldn't have that same conversation with my ma. She grew up with a mentality that your identity is closely tied to your work. And if you don't have a full-time job, you risk everything. You risk your stability, your family, and your future. She grew up as a farm worker and has that lived experience and her father was a bracero so he himself has that history under his belt and trauma of continuously working and making sure that you work as hard as you can. I decided to tell her after the fact. I would say that I lean on my mother's side and I am more risk averse. I am not completely my father. I am more judicious with the way that I approach life.

Alberto: I plan it. And I did not want her perceived notion of risk to really cloud my decision and add to the fear that I was already feeling and the anxiety of launching my business. Of course, it was a reaction that I expected immediately. It's like, why did you do that? How did you leave your full-time job? She just didn't understand why I would do something like that because she's been at her employment for the entire time she's been in Chicago at the same factory. So she's been really loyal. So I think that's one of her values. I told her that I wanted to create something meaningfully on my own. As we've all learned, life is too short. And then COVID really shook me to my core and made me realize how precious our time is on this earth. And I wanted to build a life of meaning while I'm here on my own terms, not defined by any employer.

And I also told her that I feel like I had enough experience to do this finally, that I was loyal. I did work really hard for a whole decade of my career. I have built a strong reputation that's really important to her, with her relationship with her employer. I had built that all around me. It was just manifesting very differently for me. It's been a blessing to now be six months plus into the business. I definitely have to give her regular updates. And sometimes I flaunt a little bit. I'll throw or text her the check that I got from a client to let her know that this is actually paying the bills, remind her that this is a financially strong decision because I know at the core, that's her biggest fear, that I will not be financially sound.

Lantigua: As an entrepreneur, I really relate to Alberto's story. When I started my business five years ago, my family also asked me: "How are you going to pay the bills? How are you going to find clients? Who are you going to be working with?" Right? So many good, rational reasonable questions, but like me, so many first gens are starting businesses. It's one of the fastest ways to get out of the nine to five rat race. So these conversations are going to become much more common among immigrants and their first and second generation kids. So how do we talk about our plans for our businesses, with our family? How do we reassure them? How do we get them to buy in and to support our ideas? To help was figure it out, I called in an expert.

Marlene Orozco:

My name is Dr. Marlene Orozco. I am an associate director at the Stanford Latino Entrepreneurship Initiative, which is housed at Stanford Graduate School of Business. We conduct a large national survey of Latinx entrepreneurs across the country on a national basis on an annual basis. And we conduct this survey to better understand both the opportunities and the challenges facing Latino entrepreneurs in the United States.

Lantigua: I'm so excited you're here. First full disclosure, dear listener. I am an alum of the SLEI program and it changed my life. And I am so proud to be an alum of the program. And so we could do a whole episode just on the program, but I'm so happy that Marlene is here to talk to us about the work and to give us real context about the culture around entrepreneurship among Latinos. So I'm going to ask you the same question I ask everybody, which is when you listen to Alberto's story, what stood out to you? What did you hear?

Orozco: So when I listened to Alberto's story, I felt he was my primo because we lived these parallel lives. I'm from Chicago. My dad was a construction worker. My mom worked in a factory. They're both immigrants from Mexico. I identify as a first generation adult, first generation having gone to college. I must know Alberto in either a past life or a current life, but that's initially what stood out in addition, of course, to his rich story of entrepreneurship and kind of coming to becoming an entrepreneur, which I'm excited to talk more about.

Lantigua: So tell me in your vast experience studying essentially Latino entrepreneurs, what are some of the key things in Alberto's story that parallel some of what you see in the research and how Latinos take their path to entrepreneurship in the US?

Orozco: So, one of the things that I think was most striking was his discuss around his mother's distinct cultural perceptions, her perceived notions of risk taking, and he juxtaposed this to how his father reacted. He talked about his family having a DNA of entrepreneurship. Latinos are very entrepreneurial, starting businesses at a faster rate than all other demographic groups in the United States. In the last 10 years alone, the number of Latino owned businesses has grown 44% compared to just 3% for all others. So Alberto's story aligns and resonates with the experiences of so many first generation immigrants and later generation children of immigrants who are starting businesses. And a lot of this is a cultural reflection of our experiences, of our parents, our ancestors, having been entrepreneurial. Coming to the United States is perhaps one of the greatest risk taking experiences. And so this folds into our experience as entrepreneurs.

But I want to talk a little bit about his mother's aversion to risk. So I was really proud of the fact that Alberto talked about risk as a perception and not an inherent

quality or trait. Risk is a very complex phenomenon that is context and situationally specific, but also specific to that person and their lived experience. And his mother had this lived experience of having been a farm worker. So that is what was shaping her perception of risk. But our perceptions change over time, they are dynamic. And so part of that has to do with exposure and also the way that one communicates this next step. And I think he was very practical in the way that he walked his mother through what that experience is going to look like.

Lantigua: Let's dig in a little bit here. I also thought that he basically met her where she was at in terms of explaining that he would have some level of security, that he would be able to measure his growth, that he is already an established entity in his industry. So those were some of the things that can really help a parent understand, okay, so you're not jumping without a parachute. Right? Which I think is the fear that a lot of our parents have. So can you talk to us about what some of maybe the top three key information points are that we should try to convey to our families when they're worried about this big risk that they perceive us as taking?

Orozco: So the first thing that I would say you're meeting the person where they're at. So his mother was concerned about his financial security. Entrepreneurship is a very powerful pathway for wealth generation in this country. Entrepreneurs have greater wealth compared to their wage working counterparts. Entrepreneurs are more likely to be homeowners, which is kind of the traditional pathway for wealth generation. So all of the statistics, all of the research show that this is a viable pathway. Of course, we are inundated, constantly hear stories of failure, but that failure also fuels your next venture, your next idea. There are lessons to be learned in failure. So on the financial component side, I would say that there is very strong research. My dissertation looked at this in particular, where I looked at the outcomes of entrepreneurs, of Latinx entrepreneurs compared to their wage working counterparts in professional industries, comparing same levels of education.

Those who pursued entrepreneurship had greater financial outcomes, right? So this is a pathway and the research backs this up for financial stability. So if his mom is concerned about that, he can talk about how the pathway, the road is limitless in terms of garnering financial wealth. The second thing, you talked about jumping without a parachute. You're not doing this alone. I hope that you are not becoming an entrepreneur alone, siloed. We're still living in pandemic times, but get connected virtually to groups, to organizations, whether they be Chambers of Commerce, trade association, online forums, groups, cohorts, networks. The research again, here shows you that if you are connected to formal business organizations, you are more likely to come into contact with capital providers. Expand your network. Right?

So if you're looking for clients, this is a way to do that as well. So please do not jump out of the plane without a parachute, build your community. And the third thing I would say, the constant struggle of entrepreneurs is being able to access capital. And so start seeking and thinking about different financial options before you even think you're ready. So whether this be debt or equity, explore that landscape, expand your toolkit in terms of what the financial landscape looks like and how it will help take your business to the next level.

Lantigua: All right. So let's also talk a little bit about the fact that he says entrepreneurship is in my DNA. Uncle did it, father did it multiple times, and successfully, but mom is still very hesitant. And I think it has to do with him being a first gen trying to do this in the United States. So can you give us a little bit of context about first gens and Latino first gen specifically in case there's someone who's listening, thinking about taking that leap?

Orozco: So Alberto's a first generation college student and this identity of being first generation oftentimes follows us in all of our professional settings. So similarly here, he's a first generation entrepreneur in the United States, and he's learning to navigate that. I think oftentimes from our parents' perspective, the traditional pathway for success in the United States and wealth generation is going to college and working a professional setting for somebody else as an employee, rather than employer yourself. And so part of what needs to happen is the socializing of what a good job is and how jobs are changing. It's no longer the case that first generation adults are simply wanting to be lawyers, or doctors, or teachers, all very wonderful aspirational careers, but our understanding of exploration, our ability to explore careers outside of what we perceive, what we were taught to be good, traditional jobs is changing.

It's growing. Again, it comes from our DNA, this entrepreneurial tendency. But how do we then shape that into a career and one that we can convince our mamas that it is a viable one and it comes with exposure, socialization, changing the narrative. Oftentimes it's because they don't know somebody else who is a successful business owner. So introduce them to somebody who you met that is a successful business owner, have them to have coffee with your mom, virtual cafecito with your mom. And so part of that is changing the narrative and who we see and what we see as viable careers.

Lantigua: All right. I want you to take a second and talk to the families, talk to them about how do we best support our rising entrepreneurs, because as you said, it is the fastest way to build generational wealth in the United States. It's also the fastest way to have independence, to have control over your time, to have more availability to do other things that are fulfilling for you in your life, right? But all of these things take time to build. So talk to the families for a second, about how to best support an entrepreneur in the family.

So mamas, papas, abuelitos, tias, tios, your budding entrepreneur is scared. There's a lot of uncertainty that comes with entrepreneurship. And one of the things that they can hold firm and constant is your love and support for them. They are looking for you to trust them, to support their decisions. And in the case that their venture or their idea is not successful, continue to support them. That is I think when they would need the most, because they are going through it certainly, they're going to need to pick themselves up and you should be there to help them. But again, changing our dialogue around failure, what it means to fail. If this business that they started doesn't get fully kicked off the ground. Let's talk about how that wasn't necessarily a failure, but a learning experience for how to do something different the next time around. And so continue to love and support them. That's the primary thing that they're going to need from you.

Lantigua: Last question is, can you share any resources online or elsewhere where folks who want to learn about the path to entrepreneur, who want to get started on the road to entrepreneurship, any places that you can suggest for people to get more knowledge and just learn a little bit more about what's going on?

Orozco: So I just learned that every county in the United States has an SBDC, which is a Small Business Development Center. If you are thinking about starting a business, I would hit up your local SBDC. The Small Business Administration has a number of resources and localized support networks to help you get started. There are Chambers of Commerce, trade associations that are specific to your industry, where you can get connected. There's a growing online network. Carolyn Rodz, who's also an alum of the SLEI education scaling program has this wonderful community called Hello Alice. And it is really tailored to the entrepreneurs' needs, what their experiences are. If you're seeking capital, they curate a number of grant opportunities. So it is really a one stop shop for entrepreneurs to curate resources. So go to Hello Alice. Of course, there's also once you're later on in the road and you desire to scale your business, there are executive education programs. So Stanford has the SLEI education scaling program that supports entrepreneurs in their continued pathway towards growth.

Lantigua: Thank you so much. You were wonderful. Please come back.

Orozco: Thank you so much for having me. I would absolutely come back and continue to discuss entrepreneur trends and research with you anytime.

Lantigua: Marlene was such a treasure trove, holy cow. Here's three things we learned from her today:

Share the research, contextualize your experience by sharing data and statistics about entrepreneurship, the financial outcomes of becoming a business owner, let your family see the evidence.

Introduce them to your network. As you build your community of entrepreneurs and business owners, introduce your family, introduce your parents, your siblings, to other people doing similar things so that they become familiar with the types of jobs and careers in the entrepreneurial space.

Lantigua: And remember, try to change the narrative around failure. Very spooky monster, right? But if we try to redefine failure as an opportunity for learning and for growing, we can help our parents and our families embrace our risk taking and in doing so, we can mitigate their fears.

As always, I thank you and the team thanks you for listening and for sharing the show. How to Talk to Mami & Papi About Anything is an original production of LWC Studios. Virginia Lora is the show's producer. Kojin Tashiro is our mixer. Manuela Bedoya is our marketing lead. I'm the creator, Juleyka Lantigua. On Twitter and Instagram we're @talktomamipapi. Please follow us and rate us on Apple Podcast, Amazon Music, Pandora, Spotify, anywhere you listen to your favorite podcasts.

Bye everybody. Same place next week.

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ERASING THE MARGINS