

## THIRD SECTOR REPORT

### The State Of Nonprofit Leadership: A Painful Reality For Important Causes

By **JEFFREY WILCOX**  
EXCLUSIVE TO THE BUSINESS JOURNAL

Whether it's about matters of neighborhood safety, assuring the basic necessities of life, offering artistic contributions, or tackling the complexities of poverty or economic development, most would agree that each of these vital community pursuits requires good leadership.

What exactly constitutes good, great or even strategic nonprofit leadership is where the conversation can get a little dicey. One size fits all is a very dangerous proposition to apply to all nonprofit organizations.

Nevertheless, over 1,000 diverse nonprofit leaders recently participated in a study that indicates there may be a lot more similarities rather than differences when it comes to leadership. "The Nonprofit Sector Leadership Report 2016," published by Concord Leadership Group and its noteworthy list of research partners, issues a wake-up call to the painful realities of how leadership is manifesting itself throughout the sector today.

(Please Continue To Page 19)

## MORE PERSPECTIVES:

- 19 – **Inside City Hall**  
What's So Special About Those Districts?
- 19 – **Realty Views**  
Scarcity Creating Pricing Pressure
- 20 – **HealthWise**  
Feeding Your Family
- 20 – **Small Business Dollars & Sense**  
An SBA Loan May Be A Good Option For Your Business
- 20 – **Effective Leadership**  
Entering The Stretch Zone
- 21 – **Technology And Innovation**  
Engineering For The Individual
- 21 – **Trade And Transportation**  
Ports Taking The Lead

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## SPECIAL REPORT: FOCUS ON THE SAN PEDRO BAY PORTS

# Government Officials, Business Interests Call For Early Contract Negotiations For West Coast Longshore Workers

By **SAMANTHA MEHLINGER**  
Senior Writer

Virtually every stakeholder group in the supply chain would like nothing more than to never again experience a West Coast port congestion crisis like the one that occurred from summer 2014 to the following February. So when the presidents of the longshore workers union and the organization representing its members' employers, groups that

"Early negotiations and an extension of the current agreement would be a godsend, because what everybody's looking for is stability and predictability. And in this game, that has been sorely lacking."

**Jon Slangerup, Chief Executive Officer, Port of Long Beach**

had been at the center of that congestion crisis, recently stated at a public forum that they would consider beginning contract negotiations ahead of the 2019 ex-

piration and perhaps even extending the current contract, everyone from business groups to legislators began pushing them to follow through.

A first step has been taken. Just as he promised at the Journal of

Commerce's annual Trans-Pacific Maritime (TPM) Conference held in Long Beach in March, James McKenna, president of the Pacific Maritime Association (PMA), has sent a letter to the president of the International Longshore and Warehouse Union (ILWU), Robert McEllrath. As has been widely reported, at the forum McKenna told McEllrath to look for a letter requesting the consideration of early negotiations and a contract extension. PMA spokesperson Wade Gates would

(Please Continue To Page 38)



Hatem Abdelhadi, DDS, and his wife Cheryl recently launched a dentistry business in Los Alamitos with help from the Wells Fargo branch in Seal Beach, and the free online small business resources available at WellsFargoWorks.com. Pictured at the business, from left, are: Herbert Medrano, the Abdelhadi's personal Wells Fargo banker; Ben Alvarado, president of Wells Fargo's Southern California Region; Hatem and Cheryl Abdelhadi; and Francisco Galvez, a Wells Fargo payroll specialist working with the couple. (Photograph by the Business Journal's Larry Duncan)

## NATIONAL SMALL BUSINESS WEEK MAY 1-7

# Wells Fargo Works For Small Business

The Bank's Free Online Resource Helped At Least 10,000 Small Business Owners Last Year

By **SAMANTHA MEHLINGER**  
Senior Writer

Since Wells Fargo launched the Business Plan Center, an online tool on its free Wells Fargo Works for Small Business website, in 2015, 10,000 small businesses across the country have accessed the tool to create plans for their enterprises. The tool is one of many free resources on the website, which the bank created because of its commitment to small business, according to Ben Alvarado,

president of Wells Fargo's Southern California Region.

"Our research has shown us that small businesses that have an actual business plan tend to be more successful and more confident in their business," Alvarado said. A 2015 small business index survey by Wells Fargo

(Please Continue To Page 8)

# Bank Economist Vitner Says Minimum Wage Hikes Will Hurt Small Business And Entry-Level Workers

By **SEAN BELK**  
Staff Writer

As California and New York have passed legislation to gradually increase the minimum wage to \$15 an hour while other states across the nation are considering the same, such measures will mostly hurt small businesses, many of which are struggling with thin margins, and entry-level workers, said Mark Vitner, Wells

Fargo's managing director and senior economist.

In a phone interview with the Business Journal, Vitner, who is based in Charlotte, North Carolina, said he doesn't expect higher minimum wages to have much of an immediate impact on the overall economy, particularly since the wage hikes will be phased in over time. In the case of California, for instance, the minimum wage won't reach \$15 an hour until 2022.

While California's law gives small businesses with 25 or fewer employees an extra year to comply, the higher labor costs will eventually negatively impact small businesses the most, since larger companies have greater access to credit and financial means, he said.

"It may not be as large of an impact for the economy as a whole, but it's likely to hit a

(Please Continue To Page 3)

# Clean Air Action Plan 3.0: The Next Frontier For Greening The San Pedro Bay Ports

By **SEAN BELK**  
Staff Writer

Now that the ports of Long Beach and Los Angeles have achieved goals for reducing port-related air pollution nine years ahead of schedule, the ports are looking to update their Clean Air Action Plan (CAAP) for a third iteration to create new strategies for reducing toxic-air emissions even further.

Adopted by both ports in 2006 and then updated in 2010, the environmental plan, considered a "living document," has resulted in unprecedented emissions reductions due to innovative programs that have incentivized and encouraged shipping companies, rail lines, trucking firms and terminal operators to become more environmentally friendly in their operations.

Since the CAAP was launched 10 years ago, the San Pedro Bay ports have reduced emissions of

## San Pedro Bay Ports Emission Reductions Since 2005

85% Diesel Particulate Matter  
50% Nitrogen Oxides  
97% Sulfur Oxides

Source: Ports of Long Beach and Los Angeles

diesel particulate matter (DPM) by 85 percent, nitrogen oxides (NOx) by 50 percent and sulfur oxides (SOx) by 97 percent, according to port officials. During the same time, greenhouse gas emissions have been reduced by 18 percent at the local ports.

Under the CAAP's goals, which are based on clean air target dates set by state and federal regulatory agencies, such emissions reductions weren't scheduled to be achieved until 2023.

(Please Continue To Page 30)

## SMALL BUSINESS PROFILE

# Pushing, Pulling, Smacking And Stretching: The World's Goods Get Put To The Test At Long Beach Lab

By **MICHAEL GOUGIS**  
Contributing Writer

The idea had been germinating for some time. Members of the El Segundo-based forensic engineering firm Collision and Injury Dynamics (CID) had been laying plans to create their own testing lab company – after all, CID specializes in vehicle accident reconstruction and biomechanical analysis, so testing things is part and parcel of what it does.

When the federal government mandated new product testing for children's products, the testing lab company moved from idea to reality. And ACT Lab, an expanding, international company, now calls North Long Beach its home, an ideal location, company officials say, from which to serve a unique, worldwide assembly of clientele.

Goods from manufacturers in the U.S. and across Asia get the stamp of approval from ACT before heading to a showroom or shipping warehouse en route to your home. It is a critical step in international manufacturing, ensuring that companies can do business across the globe, confident in the goods that they are selling.

The Long Beach warehouse and testing facility looks, to the casual observer, like a manufacturing plant gone parallel-universe sideways. Motorcycle helmets are lined up next to a variety of faceless head forms, with a very pointy weight poised high up near the raised ceiling, ready to smash into the helmet to test the protective device's structural integrity. Bicycle tires are mounted to what is, for lack of a better term, a tire treadmill, and will spin there for days. In one lab, a technician methodically scratches paint from a bicycle part to check the chemical composition of the coating.

But there is method – very rigorously controlled method – to the proceedings. At stake is the safety of a wide variety of products and the wide variety of people who use them.

ACT evolved from the day-to-day activities of CID, Michael Baker, global sales and marketing director of ACT, told the Business Journal.

“As part of [CID's forensic engineering



Pictured at their North Long Beach headquarters are ACT Lab LLC's Michael Baker, left, global sales & marketing director, and Scott Huber, global operations manager, who is also shown at left testing a product for a client. The company is an "ISO/IEC 17025 independent laboratory conducting consumer product safety and compliance testing," according to its website. The firm has three offices in China and is opening one in soon in Taichung, Taiwan. (Photographs by the Business Journal's Larry Duncan)

services], testing was a natural part of proving or disproving the analysis," Baker says. "Many of the companies they worked for were bicycle manufacturers, helmet manufacturers, things like that. They kind of had put a plan together back in early 2005 about potentially launching a separate company, a testing lab."

The impetus to move forward came when President George W. Bush signed the Consumer Product Safety Improvement Act (CPSIA) into law in August of 2008, Baker says.

"When the CPSIA was passed, which mandated third party testing for all children's products, manufacturers already working with Collision and Injury Dynamics came to them and said, 'Look, if you're going to move forward with this company, we think it would be great to have a source that we trust and rely on. Now's a good time.'" Baker says.

The company performs compliance testing for a wide variety of products. Safety equipment including motorcycle and bicycle helmets, bicycle components and entire bicycles make up a large percentage of the company's compliance business, Baker says. It's not an accident – Baker, company President John Bogler and others have extensive backgrounds in the bicycling industry.

But the range of products and activities goes far beyond that.

"We do a lot of ride-on toys, your scooters, your tricycles. We also get calls every day for non-core categories. It might be children's apparel, toys, arts and crafts supplies. We do teething, chew toys. There are dimensional tests that we can do here," Baker says.

"Our primary purpose is validating products for safety compliance, primarily federal. That's a huge focus. But even if the standard is not mandated, for, say, an adult product, retailers, buyers may be demanding that verification from an independent third party. Big box retailers may demand verification for their own purposes."

And ACT can perform pure research for manufacturers, as well as verifying internal production processes, he says.

"Manufacturers may send us things way pre-production for us to do load testing, fatigue testing, impact testing, just to confirm what they're seeing or hearing from their manufacturers if they can't be there at the site of manufacture," Baker says. "Even if we're successful in [testing a product to failure], that's good for them to know what it took to do that. Published standards are kind of the minimum safety requirements. So many manufacturers

might say, test it to 20 percent above that, 30 percent above that, or do this to it after the test."

Another of the company's services involves ensuring that the products coming off the manufacturing line a year from now are still meeting the standards that the samples sent today meet.

"We've tested something that meets all the requirements, and later we've gotten another sample that didn't. What changed, and why? We can help determine that," Baker says.

While the company has grown from about 10 employees at its start to more than 40 today, it is still a very small, niche-focused player in the testing industry. That provides challenges and strengths, Baker says.

Key among the challenges is that the company has to carefully balance expansion into different areas of expertise with the potential revenues available from those sources – and whether ACT can tap into those revenues. The market is dominated by very large firms. To illustrate: ACT has just announced the opening of a new location in Taiwan. That makes five locations worldwide – three in China, one in Taiwan and one in Long Beach. The next has 1,200 offices worldwide, Baker says.

"In order to do tests, you have to be tested yourself. You have to be accredited. There's a cost associated with that," Baker says. "The challenging part is, when we're going after a new segment, do we get accredited to that segment, or do we determine if there's a demand before we get accredited? When you're a smaller firm, that scalability – it's a challenge. We've been pretty cautious in the way we grow."

"We're much smaller, niche-focused, with very few locations. Competing can be challenging. Where we've been able to win, especially in those areas where we have expertise, is customer service. We hear it all the time – they're happy we explained the results, rather than just mailing a report to them. We jump through hoops to offer great customer service."

And Long Beach proved to be the location from which ACT could service its employee base and its client base – and occasionally pick up work from the aerospace firms in the region, Baker says. Someone may need a part or product tested, and testing equipment can be flexibly configured . . .

"We have employees who live as far away as Irvine and as far north as Redondo [Beach]. We kind of knew that somewhere in between would be nice. But it was really about finding the right real estate for our needs."

"This place had great availability – a location that was close to the freeways, still close to an airport. We have customers who stay at the hotels right here – it's worked out." ■