

BEING BLACK IN BUSINESS - 'SOME DECISIONS ARE - Columbus Dispatch, The (OH) - August 2, 1987 - page 1H

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James Willis doesn't agree with a recent study that ranked Columbus among the top 10 cities for black-owned businesses.

He and his brother, Sherman, have operated Willis Beauty Supply Co., 1499 E. Livingston Ave., for 20 years. The wholesale distributor has 58 employees and supplies beauty and hair-care products to customers in about 10 states.

The company faces the same problems as any other small business, particularly lack of capital. But as a **black**-owned company, Willis Beauty Supply confronts some additional problems, the brothers say.

"ONE OF the biggest obstacles to being a small, minority firm is being given a fair chance," James Willis said. "Some decisions are still made on race."

Other **black** business leaders in the city agree with Willis that area **black** companies may not be thriving as much as the study suggests. "I can give you the names of plenty of **black** business owners who don't know if they will be here tomorrow," one **black** businessman said.

The study under discussion was prepared by the Population Reference Bureau in Washington, D.C. It ranked the number of **black**-owned businesses per 1,000 **black** residents in 48 metropolitan areas with **black** populations of at least 100,000. Columbus, according to the study, was eighth, with 16.1 **black**-owned businesses per 1,000 **black** residents.

"We're concerned that people will think there are great opportunities here," said Charles Williams, director of the city's Minority Business Development Center. "And, we're afraid whites will become complacent and pat themselves on the back saying, 'We always knew Columbus was a great place to live.' "

Black business leaders ask, if this is such a good place for **black**-owned businesses, what happened to Singletary PlazaMart and Renaissance Industries?

SINGLETARY PlazaMart, 300 Miami Ave., was billed as the largest **black**- owned supermarket in the country, when it opened in 1984. Today, the 31,000-square-foot store is boarded up. Renaissance Industries, formerly Harper Industries, was listed among **Black** Enterprise magazine's top 100 **black** businesses in 1985. The manufacturer of automobile parts employed 160 people before it filed for bankruptcy in March 1986. It closed its doors in December.

There is a consensus among these leaders that more could be done to change "economic disparity to economic parity" in the **black** business community.

"Sure, we're moving into high technology, data processing, but we're not gaining our share of the economic mainstream, where we need to be," said Rhonda Robinson, director of Columbus **Black Expo**, a local exhibition that promotes **black-owned** businesses.

"**Black** businesses face the same problems that a lot of small businesses face . . . but there is one difference: The fact is that we live in a **black-** white world," Robinson said. "The **black** and white communities are still separate."

While recognizing that economic parity has not been obtained, other blacks in the community believe it is probably better in Columbus than in other cities.

Eldon W. Ward, chief operating officer of 107-year-old E.E. Ward Moving & Storage Co., 1289 E. Main St., called Columbus "most generally a good place" for **black** businesses. "Columbus is a better place for whites, so it's better for blacks, as well."

Columbus has enjoyed economic prosperity, and that has affected the **black** community as well, he added.

"COLUMBUS HAS something to offer; there's no doubt about it," said Lewis R. Smoot Sr., president of the Sherman Smoot Corp., 907 N. 23rd St., a construction and construction management company.

An opportunity to move his business to Dallas in 1985 couldn't change his mind about that, Smoot said. "We're dedicated to help make Columbus grow and will continue to work toward its future."

But, he was quick to add: "It's a known fact that **black** business has been denied opportunities.

"There are still sophisticated methods of discrimination. It's the unwritten law in many aspects.

"If we have been so successful in this city, then why isn't the **black** community involved in local real estate development?" he said. "The Smoot company's foundation was built in the public sector. We have had very little opportunity in the private sector."

Jack Harris, owner of WCKX radio station, called Columbus "definitely a good place, but I still see so much that blacks don't have. There is still a lot of growing needed among **black** businesses.

"For example, there are no **black-owned** banks," he said.

The main problem, according to some officials, is obtaining capital. Although a major hurdle for all small businesses, getting enough capital is especially difficult for **black** small-business owners, said Williams, who described the local business climate for blacks as "very tough."

He said: "It seems like the standards are whimsical. There are no firm criteria to determine if a minority idea is credit worthy."

Columbus has a conservative attitude and not a "true entrepreneurial spirit," Williams claimed.

Banks are required by the Community Reinvestment Act to meet the credit needs of their entire service area, which includes low- and moderate-income neighborhoods. Some local banks even have established associations to foster commercial development in disadvantaged neighborhoods, which officials cite as a move in the right direction.

But more work needs to be done to establish relationships between the minority businesses and local lending institutions, some **black** leaders say.

"IF PEOPLE want Columbus in the top 10 cities for **black** businesses, if they want it to be the true 16.1 per 1,000, there needs to be a commitment on the part of the commercial community to provide a strong base for minority business," Williams said.

According to a Census Bureau survey, **black** businesses increased nationally more than 40 percent from 231,203 in 1977 to 339,239 in 1982. Estimates are **black** women own about 100,000 of these.

One of these women is Toni Frink, owner of McFrink Oldsmobile Cadillac Inc. in Delaware, Ohio. She purchased the dealership about a year ago.

Frink said sometimes it has not been easy. When she first moved into town, she said, everyone was skeptical. "I had to pay cash for everything. I couldn't get any credit. They said, 'It's just a factory program promoting minorities. She doesn't know what she is talking about.' "

But Frink decided to beat the odds. "I don't classify myself as a **black** businesswoman, but as a businesswoman," she said. "And when you conduct yourself respectfully," you get recognition.

According to the Census survey, from 1977 to 1982 the number of **black**- owned businesses in **Ohio** jumped from 11,352 to 13,948, a 23 percent increase. The businesses were largely located in Cleveland, with 3,992; Cincinnati, 2,410; and Columbus, 2,174.

The local and national numbers may look good, but officials are quick to point out that most **black**-owned businesses are one-person operations or very small.

The number of **black**-owned companies increased, yet from 1977 to 1982, the amount of aggregate sales they generated dropped 9.6 percent after adjustment for inflation. And the number of employees in **black**-owned businesses declined 3 percent, said William O'Hare, director of policy studies for the Population Reference Bureau.

FOR EXAMPLE, E.E. Ward, which is still family-owned and privately held, has 12 employees. WCKX employs 20.

Some **black**-owned businesses, however, have expanded beyond the central **Ohio** area. The Smoot company, for example, is a nationally recognized construction company, with additional offices in Washington, D.C. The company, founded in 1946, is reported to be the largest **black**-owned business locally and one of the largest in the nation.

Smoot declined to reveal sales of his company, because, "It's not important whether or not we're No. 1. Size is not a determining factor of success." But minorities need to move into other areas, namely high technology, officials say. Ron Johnson, owner of 2-year-old COMDATA Corp., 635 Park Meadow Rd., chose such a business - computer conversion. Entering a field represented by few blacks, however, has made establishing his company "tougher," he said.

"Many times blacks are in construction, moving, janitorial services, more traditional fields, and they get recognition because they are doing what is expected of them," Johnson said.

BUT HE has the drive and determination to meet the challenge. "I could have started my company here or anywhere and been successful," he said.

"Our growth is better this year than last," he added. "It is unheard of for a company to be profitable in its first year."

Johnson said his company has fought being labeled a minority business. "I don't see **black**. I don't see white. I don't see any color but green," he said.

Harris is another pioneer, having entered another field where few blacks have ventured in the past - broadcasting. In addition to WCKX, he owns another radio station in Omaha, Neb., and a music publishing company.

Harris, who bought WCKX in 1984, said blacks entered the radio broadcasting field in higher numbers about eight years ago. "The Federal Communications Commission said that radio stations should be 10 percent **black**- owned and the SBA (U.S. Small Business Administration) set up a lot of funds to help minorities get started in the industry," he said.

Today, blacks own 152 radio stations, or 2 percent of the radio stations in the United States, Harris said.

Promoting and assisting **black**-owned businesses is not new, but officials believe it is crucial to their success. State, city and federal governments have established offices to help the **black** business community.

Williams' office assists minority entrepreneurs with financial plans, accounting and bidding. The state also provides a wide variety of programs to help minority businesses reach the private sector.

IN 1978, Congress mandated that any company that did business with a government agency also had to do business with minority-owned companies. This and assistance from the SBA have helped minority businesses gain government contracts.

The Columbus **Black Expo** also helps create exposure for the city's minority-owned businesses. This year's exposition will run from 10 a.m. to 9 p.m. Saturday at the Mt. Vernon Plaza and more than 25,000 people are expected to attend the seventh-annual event.

The event has received more corporate sponsorship than ever, as people begin to take the event

seriously, Robinson said. She is anticipating about 300 exhibitors, some of which will travel from New York, Chicago and Philadelphia.

"The expo makes people aware that here's a **black**-owned business that can meet your company's needs," she said. "A lot of people may be willing to support the **black**-owned businesses, but they just aren't aware of them."

"We're not asking for a handout, just a hand. Make the decision to do business with us, not based on the color of our hand, but on our credibility," Willis said.

Smoot thinks if this can be accomplished anywhere, it's in Columbus. "We have to change our thinking about the future, but the other side has to change, too."

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