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JOURNAL REPORTS: SMALL BUSINESS

New Efforts Aim to Support Black Businesses and Entrepreneurs

A range of programs under way are designed to assist Black founders start and grow their businesses



James Robinson prepares a tuxedo jacket in his Miami Gardens, Fla., formal-wear store.

PHOTO: JOE RAEDLE/GETTY IMAGES

By Cheryl Winokur Munk

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A number of companies and nonprofits have been expanding efforts to help Black founders start and grow businesses.

While entrepreneurship has always been big in the Black community, experts say the highly publicized murder of George Floyd, coupled with heightened attention on socioeconomic issues facing the community, has accelerated efforts to offer programs and resources for Black startups.

“The number of programs and the size of the existing programs grew significantly in a

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Marc H. Morial, president and chief executive of the National Urban League, whose Entrepreneurship Center Program has counseled, mentored and trained more than 60,000 businesses since 2006, says that there's increasing support for the group's efforts.

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“While we have long worked with forward-thinking corporate partners, the broader business community is waking up to the reality of the racial opportunity gap and the urgent need to target resources to communities that historically have been excluded,” he says.



Victoria Tyson (center) celebrated the reopening of her restaurant in July with Andrea Custis (left) of the Philadelphia Urban League and PepsiCo Foundation, and Marc H. Morial (right) of the National Urban League.

PHOTO: NATIONAL URBAN LEAGUE

Guidance and access

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1971, and is in the process of expanding a free program to help Black entrepreneurs nationwide.

“Black entrepreneurs starting at ground zero often don’t have the access to the training or network or capital systems that other entrepreneurs do,” says Alfredo V. Martel, president and chief executive of Meda. “And they face biases mainstream entrepreneurs don’t. You’re trying to start running a race, but they tell you that you have to take three steps back.”

Meda has on-staff consultants and a network of volunteers who help individual business owners by providing free advice on constructing a business plan and developing a marketing campaign; the group also provides access to legal advice and funding. In the past, every business consultant worked with about 20 to 30 clients statewide, but now with videoconferencing capability, Meda is scaling up so volunteers from anywhere in the country can serve entrepreneurs nationwide. The organization, which is currently providing technical assistance to 450 clients, hopes to have 4,500 by the end of 2024 through its volunteer network.

The new program also includes a network where founders meet with similar-stage entrepreneurs to exchange experiences and questions. In addition, there’s a track for entrepreneurs who want access to a personal mentor, and an offering for owners who need project-specific help.

When you’re in the earliest stages, “there are a lot of things that need to be started, completed and finished,” Mr. Martel says.



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Help for women

For some organizations, the focus is on Black women founders, who historically “have been ignored and lack access to capital, mentoring, social networks and entrepreneurial education,” says Shakenna Williams, executive director of the Babson College Center for Women’s Entrepreneurial Leadership, who founded the Black Women’s Entrepreneurial Leadership program at Babson.

The virtual program, which launched in October 2020, includes coaching, one-on-one access to experts, a peer circle and alumni resources. Program graduates also have access to webinars on various business topics and an online resource guide. It costs \$5,500 to participate, but there are scholarships based on financial need, and the average person pays about \$1,200, Dr. Williams says.

Ninety women have graduated since the program’s inception and a few have already gotten business ventures under way, she adds.

Precious L. Williams, chief executive of Perfect Pitches By Precious LLC, which helps clients with pitching, presentation and communication challenges, is among the graduates of the program.

She started her company in 2013, but losing a loved one caused her to spiral into homelessness, and she battled alcohol addiction and depression. The business floundered, and by the time Ms. Williams was ready to re-energize it, the pandemic happened and she had trouble getting the corporate clients she was seeking.

Ms. Williams says participating in the leadership program, where she learned things like how to hire when you start building momentum, helped her return the company to profitability. She attributes much of her success to learning from other women who were going through growing pains or trying to get a business off the ground, as well as tapping coaching sessions on growing a business in a pandemic.

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Being able to connect with other Black women was crucial for entrepreneur Cheryl Carr.

PHOTO: ERYK GROSS

“You have to have people with you, and sometimes as Black entrepreneurs we’re doing it all on our own. The beauty of the program is that no one wanted to see anyone fail, and we also wanted everyone to feel supported,” Ms. Williams says.

Mentorship was also critical for program graduate Cheryl Carr. She comes from a family of entrepreneurs and did stints on her own and as an employee before starting Dr. Cheryl Carr LLC, her organizational consulting business, in December 2019. She has had mentors

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“I frequently have not called myself a doctor in corporate America because it instantly causes opposition. It’s just how it is,” she says.

Being able to share these common experiences with other Black women trying to build a business and hearing from others who had done so successfully encouraged her, she says.

The leadership group also helped her create a secure foundation for the business and a strategy, gave her access to attorneys and investors and taught her important tips on what she should start doing and what she shouldn’t do with respect to marketing and social media.

Another effort comes from nonprofit digitalundivided, founded in 2012, which focuses on helping Black and Latina women entrepreneurs.

The group’s 3-week Start program helps founders turn their ideas into reality. During workshops, entrepreneurs develop their ideas, collaborate with other founders and start to build a community and support network, where they get feedback from experienced entrepreneurs. Hundreds of women have graduated from the program, after which they remain lifetime members of the alumni network so they have access to continuing support as they build their business.

The program costs \$350, but scholarships and discounts are available.

“Black entrepreneurs have incredible ideas, and it’s important to provide the necessary resources and access to capital to turn those ideas into viable businesses,” says Lauren Maillian, chief executive officer of digitalundivided.

Former prisoners

There is also more attention being paid to helping former incarcerated individuals start businesses. People with criminal backgrounds often have trouble finding work, so starting a business can be a viable option—but only if they have the resources they need to do this, says John E. Harmon Sr. , founder, president and chief executive of the African American Chamber of Commerce of New Jersey.

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His organization has contracted with Street Startups, a Trenton N.J., for-profit partnership that offers startup help and mentorship opportunities across the country to individuals who are or who were incarcerated or who come from at-risk communities.

Street Startups runs similar programs across the country, offering six-week and eight-week programs, as well as an online self-study version focusing on fundamentals entrepreneurs need to build a successful business. It also helps founders create a marketing and sales plan and a management plan. The cost is \$350 per person unless an organization sponsors the person.

Tracey Syphax, a Black entrepreneur who has more than 27 years of entrepreneurial experience and co-runs the program, says some of the most innovative and creative people he has ever met were behind bars, but they didn't have the mentors or connections that could help them do something productive with their creativity.



Jashan Eison got help buying a business from the Metropolitan Economic Development Association.

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Access to capital is challenging to everyone, but harder for Black entrepreneurs, says Dr. Randolph of Babson. Historically, Blacks have been discriminated against when seeking bank loans, and reaching out to friends and family—which is a first step for many founders—can be challenging because of the racial wealth gap, she says.

For another measure, consider this: Black startup entrepreneurs received only 1.2% of the \$147 billion in venture capital invested in U.S. startups through the first half of this year, according to Crunchbase.

So, there's an effort under way to get capital to Black entrepreneurs from a range of groups. Meda, for example, helps Black business owners arrange capital they need to buy existing businesses. One of its success stories is Jashan Eison, who is now president and CEO of H&B Elevators in Minneapolis, as well as a Meda board member. Back in 2013, Meda mentored him, connected him to lawyers and advisers, and helped him secure more than \$5 million in financing to buy, with a business partner, the elevator company he worked for.

“Meda has done over 36 mergers and acquisitions in the last three years,” Mr. Eison says. It's an alternative way for Black entrepreneurs “to jump start a business to scale at a faster rate than starting a business with no track record of success,” he says.

This type of financing-support program is being adopted in other areas of the country, says Gary Cunningham, former head of Meda, who is currently president and chief executive of nonprofit advocacy group Prosperity Now.

The City of New York launched its Black Entrepreneurs NYC program in 2019, which among other things is committed to helping Black founders access capital they need. One of its efforts involved partnering with an existing program, Goldman Sachs 10,000 Small Businesses, that is designed to help entrepreneurs create jobs and economic opportunity, to facilitate access to affordable financing and business education.

The National Black Chamber of Commerce has its own effort, created in partnership with the technology platform TagFi. The program—the American Dream Fund & Marketplace—is designed to help the Black business community recover from the pandemic. There's

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American Dream is also trying to make early-stage funding easier through its CrowdFit Program. A 12-week free course, which kicked off in September, teaches Black founders the basics of crowdfunding and how to use it, and includes a weekly Q&A session. For a fee of \$1,647, owners can also receive 90 days of hands-on coaching to help them set up and optimize their campaign.

Many of these programs are still works in progress, but the goal, says Mr. Morial of the National Urban League, is to scale the funding programs that exist so more Black founders get the capital resources they need.

“If you want a plant to grow, you have to give it soil and water. These businesses have been trying to grow in rock, in sand, in gravel and soil that has not been adequately watered,” he says.

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