

African American-Owned Businesses In The Black

By Raquel Hamilton
Contributing Writer

Did you know that, in this tough economic and politically conservative climate, African American-owned businesses grossed over 13 billion dollars in sales in 1995?

According to *Black Enterprise Magazine*, total sales for the top 100 African American-owned businesses actually hit \$13.092 billion in the 1995 fiscal year, up from \$11.7 billion in 1994.

What's more, TLC Beatrice International Holdings Inc., America's leading African American-owned business, blasted through the two billion dollar glass ceiling for the first time last year with \$2.1 billion in sales.

Also, "the number of people employed by these top African American-owned businesses increased slightly from 47,895 in 1994 to 51,057 last year."

These remarkable figures have been achieved by African American companies despite the signing of the Republicans' Contract With America, and continued efforts to dismantle affirmative action programs designed to level the playing field for minorities.

Innovative thinking and the willingness to take risks have been the primary strategies of the leaders of these companies to ensure that they do not get left behind in the increasingly tough battlefield of the business world.

The results of these efforts have been new alliances and acquisitions, and new marketing techniques.

A technique called "branding" - the ability to leverage company names, track records and assets - has become a way to effect new partnerships, enhance new product lines and attract new customers.

For example, last year, New York-based Granite Broadcasting, with \$119.4 million in sales, completed the acquisition of television stations in Grand Rapids, Michigan; Austin, Texas; and Buffalo, New York, bringing to nine the number of such properties they own.

Chief Executive Officer W. Don Cornwell says, "I feel

like the mouse who swallowed the elephant." Cornwell plans to leverage these acquisitions and post profit margins of 45% by creating a network of stations that can develop their own public programming.

Other companies have found success in strategic alliances like Atlanta-based contractor Thacker Engineering Inc., with \$76.8 million in gross sales.

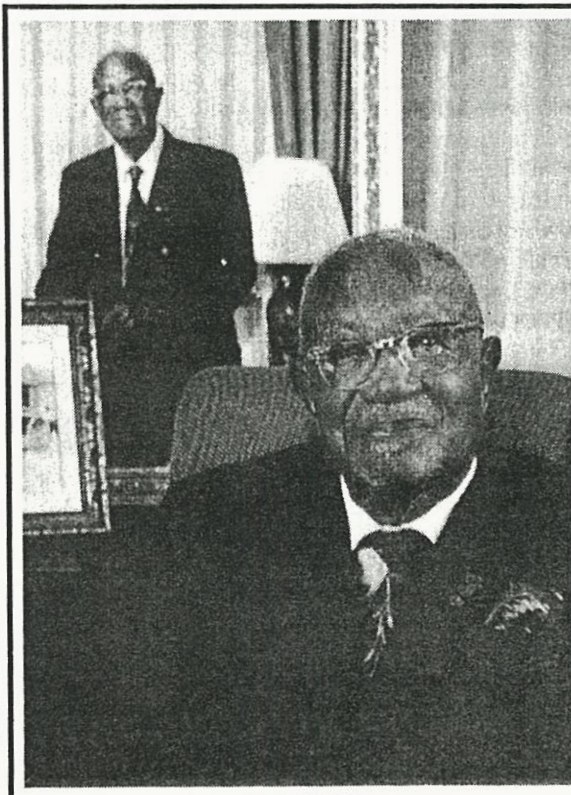
Last year, Thacker formed a general partnership with African American-owned Gaston construction Co. in Birmingham, Alabama.

By teaming up with Gaston, Thacker gained access to other companies that compromise the empire of the late A.G. Gaston, *Black Enterprise Magazine's* Entrepreneur of the Century.

Leveraging their brand names is still another way that African American companies have gained new business opportunities. BET Holdings Inc., (Check, is that Black Entertainment Television?) with sales of \$115 million this past year, launched a magazine supplement, *BET Weekend*, in partnership with the New York Daily News.

BET Films also released two movies, "Out of Sync" and "Once Upon A Time When We Were Colored", in conjunction with video store giant, Blockbuster Entertainment. In addition, this past year, a partnership with Microsoft was also announced.

Other future endeavors for BET Holdings include plans



A.G. Gaston, *Black Enterprise Magazine's* Entrepreneur of the Century.

to build the first African American-controlled studio, so that films may be produced that reflect the diversity of African American life.

Auto dealerships have stepped on the gas with innovative and aggressive marketing campaigns. Oak Park, Michigan-based Mel Farr Automotive Group with \$382 million in gross sales is one of those companies.

Farr increased his advertising budget by 75% and doubled used-car sales. "The only way for us to be competitive in this marketplace is to increase the size of our offerings and use aggressive marketing strategies," asserts Farr.

While the strategies, implemented by these CEO's, have resulted in increased productivity and revenue, they have also been attempts to ensure that these companies, built over a lifetime, continue on.

To African American entrepreneurs everywhere, at anytime: creativity, perseverance and willingness, that's the mix. You can make it happen. ☑