

How the Philadelphia 76ers are Making Moves Off the Court to Help Put Black-Owned Businesses on the Map

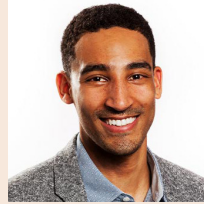
PAYCHEX
Business Series

Coronavirus



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Full transcript

Gene Marks:

Hey everybody and welcome to the Paychex Business Series podcast. My name is Gene Marks, your host, and I will be speaking in this episode with David Gould. David is a young man who is the Chief Diversity and Impact Officer of the Philadelphia 76ers. He is actually spearheading and running a program, a fairly unique program that the Sixers are putting on right now called Buy Black and it is to support black-owned businesses in the city of Philadelphia. Not only is it of interest for black-owned businesses around the country, but David also has some advice based on what he's learned about getting funding for your business if you're black-owned and seeking out other resources, as well as some of the challenges and issues that are unique to black-owned businesses and how hopefully to navigate and overcome them. But before we even get into that, so your title Chief Diversity and Impact Officer, what does that mean?

David Gould:

Great, great question, Gene. My role was created this year and it was really created to oversee a commitment that we made to racial equity this past summer. We had a lot of conversations around race and the role of racism in our communities, how it affects our players, our people who live within our communities and our fan base, our staff, and really started talking about what role does an organization like the 76ers have to play in addressing the disparities that have been created as a result of racism and disparities that have been created over decades of time and over generations. And so we made a commitment to really leverage our business in different creative ways and really think about the things where we excel and how that could be leveraged to address some of these disparities.

David Gould:

And so with that commitment that was made and really at the behest of our managing partners and our general manager, Elton Brand, my role was created to oversee that work and implement it and continue to build and expand on the different things that we can be doing. So I'm sure we'll get into some of that, but the gist of it is my job is really to think about what are the creative ways we can leverage our business to have an impact in our communities.

Gene Marks:

That is great. That is great. And obviously with all this stuff that happened with the protests in 2020, all the news of Black Lives Matters and all that it's been an important thing. And in Philadelphia, I'm in Philadelphia, I mean, half our population, more than half the population are black. And it seems like there've been a lot of instances and we'll get into that, where there's been challenges for black people succeeding and prospering in Philadelphia. And I think sports teams doing this with such a high profile, like the Sixers, it's a great move to make. So along those lines, so the Sixers started what they call the Buy Black Program, so can you explain to me what that is?

David Gould:

Sure. So we are partnering with two local black-owned businesses that are becoming official team partners throughout the rest of our season. What that means is that we will promote and market their business just like we do all of our other corporate sponsors, many of which are Fortune 500 companies. They will have access to our award-winning marketing staff to think about what are the different ways we can promote their business. And they'll also have use to our own IP. So there'll be able to use Sixers marks and logos in terms of their own promotion to promote their business. So this is a way that we feel like we're able to shine a spotlight on some local black businesses that are doing really great work, but may not be as well-known as others that also do not have access to the type of expertise and platforms that we are able to provide.

David Gould:

And we wanted to do it because just going back to your point of the challenges that many people within the black community face, especially in Philadelphia, we know that unfortunately on average, black-owned businesses tend to be smaller, more vulnerable. They closed at a much, much higher clip than white-owned businesses over the pandemic. And so, we know that there are challenges that they face because of historic discrimination that have suppressed their ability to really grow wealth and create strong businesses that are able to grow. And so we felt like this is a really meaningful way for us to partner with two local businesses and to really sort of put them on the map and support them.

David Gould:

The two businesses that we selected are Spurgo, which is a clothing brand that's actually run, owned and operated by a 15 year old kid, Trey Brown, who's very impressive and charismatic and his brand is doing great. And then the other business is Girl Contracting, which is a commercial and residential contracting and construction business that promotes not only diversity within the industry across racial lines, but also gender lines, given that it is a male dominated industry. So we're really excited about those two businesses and we're going to start marketing and promoting them probably next week.

Gene Marks:

Pretty amazing. And so you guys had almost a thousand people that applied for this program, didn't you?

David Gould:

Yeah. Yeah. So we had in the Philly market, we had just over 700 applications, probably closer to 750, I believe. And so I think it really goes to show how many wonderful businesses there are out there, how many people are really hungry to be successful. And I think also the reach of the Sixers brand, so when we think about what are different ways we can leverage things that we're really good at, the fact that we got 700 applications in over a two week period, I think shows that there's a very far and wide reach that our channels have and a very wide audience that we're able to garner. So we're very excited about sort of sharing that with the businesses that we're going to be working with.

Gene Marks:

And I know that the applications did close back in the beginning of this month, but really so in essence, the Sixers are going to be like the marketing arm for these two companies and giving them a lot of promotion, a lot of exposure, which is a fantastic resource to provide. Is this for an entire year or will it just be for the season?

David Gould:

Yeah. So we're working through the timelines right now. It's obviously a shortened season so we want to think about what are the ways that we can make sure that we provide the businesses every opportunity to get their name out there over as long a period of time as possible. We will be doing this on a regular basis, so the commitment we made to racial equity was over a five-year period and we committed to doing the Buy Black program for a minimum of five years. I think, given how well it was received and the need that we see in the community, it's going to be something that we continue to grow and think about different ways that we can expand on.

David Gould:

And there's also going to be lots of other ways that we're going to be able to help black-owned businesses, even with the other 698 plus businesses that are not Spurgo and Girl Contracting, we have another program that we are going to be announcing next week with some small grants and smaller marketing benefits to six additional businesses that applied. We're partnering with the Enterprise Center, which is a local community development finance institution that has hundreds of thousands of dollars in grants that they're trying to get out the door and so we're helping to connect a lot of our applicants with those resources to help them get through the pandemic. So we're doing a lot right now and we're looking to do even more in the future.

Gene Marks:

David, listen, I mean, you've been talking to a lot of these business owners of late going through this process. And my company has been in the Philadelphia area now for almost 25 years, we have about 600 active clients. We sell software and technologies. We have very few black-owned businesses that are clients. And you just said that, and there's data to support that black-owned businesses closed at a much higher clip during the pandemic. They are lacking the funding that a lot of white-owned businesses got because during the pandemic, and even just this past week, we're recording this now the very beginning of March, the Biden administration has opened up more avenues for minority and businesses in low- to moderate-income areas to get additional funding, PPP funding and the like, and all that. So, your observations, I mean, why is this? What are the reasons why black-owned businesses seem to be lagging behind white-owned businesses? What do you think?

David Gould:

Yeah, no, it's a really good question and I'm glad you asked it Gene. I think that we really need to pay close attention to the historical context that we live in and in this country. So, if you think back sort of decades and centuries, if you were to go back 50 years from now, 60, 70 years from now even, if you are a black-owned business, it was very difficult for you to get a loan from a bank to start or grow your business. As a private citizen oftentimes you were not able to get a mortgage to buy a home, which is for many folks, they know that's a critical tool for wealth building and as you build wealth that provides you greater avenues to get access to capital, to borrow against, to qualify for more loans and funding and things like that.

David Gould:

A lot of the government programs that were created, whether it be through the New Deal or other financial assistance coming from the government, either intentionally or explicitly or implicitly were not accessible to black citizens. And also back in that time, a lot of black businesses could only do business with black customers, other folks wouldn't shop with them. So you have these dynamics that were decades and even centuries old. And as a result you don't create generational wealth. You're not around other successful businesses. And you don't have access to the networks that are allowing you to see how to be successful, what success looks like. And again, you don't have access to financial resources that are going to help you really grow.

David Gould:

And I think what we see now is you just have a much larger percentage of black businesses that are not as strong financially or have as wide customer bases, because a lot of these dynamics that happened decades and centuries ago, and we're still seeing some of this discrimination take place today. So unfortunately, it's put a lot of black-owned businesses by way of circumstance, in a really tough position and we just want to do our part. We're not going to be the ones to solve racism or the effects of it. But we think the more businesses and companies like ours that really take a commitment like we did, we all sort of need to do our part to really be able to turn the ship.

Gene Marks:

It's so funny that you hit on that. I mean, again, just speaking locally, I mean I grew up in the sixties and the seventies and my mom and my dad have told me that Philadelphia was even then was absolutely still a segregated city. And there were not the same kind of opportunities that were open to blacks and black-owned businesses back then. And this is in my lifetime, I mean, this is not something that goes back hundreds of years. So you talking about putting behind the eight ball.

Gene Marks:

You make me think, David, about the clients that I serve. And I mentioned, I said, we've got all these clients, very few black-owned businesses, these are B2B, but these clients I'm on are mostly family owned businesses. They've been around for generations. They've gone to high school in the city, they've gone colleges. This is not just the current generation, but the parents and the grandparents that are active, in many cases, in these businesses. And you're right, it's as if black-owned businesses in Philadelphia, which I think is very indicative of most cities in this country, just are so far behind the eight ball because of that lack of generational wealth. Does that makes sense?

David Gould:

No, it makes perfect sense. And I think the thing that's such a shame and why we're excited about Buy Black is that it is not for lack of innovation, it is not for lack of creativity, and it's not for lack of talent. And so just by the 700 applications that we got in were actually proof of this is we saw so many amazing businesses that have amazing services or products that people don't know about. And we're really excited about how we can leverage our channels to really shine a light on them and expose them to, or allow customers to be, potential customers to be exposed to them.

David Gould:

And the last thing I'll say, Gene, I think everything you said is absolutely on point, a book I read that really encapsulates all of this, that I've sort of been sharing with anybody that will listen to me is a book called The Color of Money, which is about the racial wealth gap, especially in the black community was created. And anybody who's interested in this subject, I would strongly recommend it.

Gene Marks:

Yeah. Color of Money is a, I definitely have heard about it and it is a good book. I think as well about the different challenges that black owned businesses have, the average age of the U.S. small business owners is in the fifties, it's about 52 years old. And sometimes, David, I mean, I meet black-owned businesses, business owners that are black, that are in that age range. And sometimes I bang my head against the wall because I don't feel like a lot of these people are taking advantages of the resources that are out there.

Gene Marks:

And I don't know if you find the same thing. Just to give you an example, I mean, right now, even with these new, with the new PPP program, there's government programs for businesses in low- to moderate-income areas. There's a lot of corporate philanthropy that's trying to focus money on all minority-owned businesses as well. And I know that the banks, I mean, the banks right now are mandated under the new stimulus program, this is from December, to make sure that a certain amount of the funds that they're loaning out are going through community development, financial institutions, and other nonprofits that help minority-owned businesses and yet, sometimes I just, I feel frustrated because I don't feel that a lot of minority-owned business owners realize that there is that stuff that's out there, or maybe they lack the confidence to go after it. Do you have any thoughts on that?

David Gould:

Yeah. I think it's actually sort of circumstantial. A lot of black-owned businesses tend to be smaller for the reasons that we just spoke about, as a result they are focused, 90, 99% of their time, as any small business owner will tell you, they're focused on running their business and they don't have a staff for marketing or staff to sometimes find the time and bandwidth to identify these resources. And the other thing too is, and I think anybody who has applied for payroll protection will tell you, is that it can be an arduous and intimidating process for any small business. And so, I think a lot of the disparities that we see in terms of who was able to access these resources is partly because just a lot of them are small businesses and there's additional barriers there.

David Gould:

The other thing too, that I think we'd be remissed if we didn't acknowledge is in the black community, there's a justified distrust of government because of the lot of the things that we talked about, because a lot of these historic discriminatory policies. And oftentimes there can be more of a reticence in terms of pursuing these resources from government agencies, not only because of intimidation, but also because of a lack of trust or really a lack of confidence that they're willing or committed to helping you. And again, in many cases who can blame them.

David Gould:

So I think that's why we have tried to as sort of like a neutral, so to say brand, that we've tried to leverage our platforms to connect businesses with tools to help apply for things like payroll protection program. We're working with CDFIs, like the Enterprise Center, who are more trusted in the community. And a lot of the big banks carry some level of distrust within the black community as well, in some cases. And so, we know that there are a lot of, even our partners who are looking to help these businesses and we're trying to be a bridge to connect them.

Gene Marks:

Yeah. I think everything you're saying is absolutely right. I mean, we're seeing it as well with the vaccine roll out as well. And you can't blame people for having that distrust, because like I said earlier, the majority of black business owners that are out there, just like all business owners, are of a certain age again in their fifties or sixties, really, and think about it, they grew up in times where there are a lot of reasons to be distrustful of the government and those things just don't change overnight. And the hope is that younger generations have a little bit more of a fresher perspective and things will and continue to change for the better.

Gene Marks:

David, you're a part of that younger generation. Let's say you were starting up a business now, in Philly and you know of all the, because this is your job, of all of the resources that are out there for a black-owned business, what would you be doing to leverage all of those resources? What advice do you have for other black-owned business owners, regardless of their age, to really take advantage of what's out there?

David Gould:

Yeah. There's sort of three things that I would suggest folks think about. So one is we know for any small business or a business that's located in the community, community development finance institutions were created specifically to serve businesses like yours. They were created to connect with and serve businesses that sort of mainstream banks have more difficulty reaching or doing business with. And so if you look up a CDFI in your area, they oftentimes have grants, more affordable loans or loan processes that are, or application processes that are easier to navigate and less intimidating. So if you feel like you're at the earlier stage of your business, that is definitely a resource that I would encourage anybody to reach out to.

David Gould:

The second piece is we're at a point in time right now, and a lot of the conversations about race that I'm having in the workplace and on conversations like this, I don't think I would have imagined having this time last year. And so we're at a place in time right now, where there's a greater awakening and appreciation for the historical challenges facing black businesses and black business owners, and a greater willingness to really help and figure out how to be part of a solution. And so I would really encourage business owners to think about how do you strategically lean into that? And whether it be your customer base or potential partners, to market yourself as a black business in a way that's really going to be beneficial to you. And in many respects, historically, that's something that would have worked against you, right now in certain areas, in certain arenas, that's something that can be an advantage and I think it's okay to think about how you can strategically take advantage of that.

David Gould:

And then the last thing-

Gene Marks:

Wait, I'm going to interrupt you right there, David only because as a member of the media, you could not be more right. I mean, the media loves stories about black business owners, minority businesses, especially how they're succeeding in the world or what they're doing. And it is a great thing to reach out to your local media and not, you should be proud and put it out front that you are minority-owned business, and you will find that you might get exposure and media coverage that you might never have dreamed of getting and all of that is just will extend your brand, so leverage it. That's great advice.

David Gould:

I totally agree. And then the last thing I would say is make sure you have a solid plan to execute on in terms of how you want to grow your success and build your business. Through Buy Black we had a lot of different businesses at all different stages and sizes, we wanted to be intentional about selecting businesses that were ready to grow, given that we were going to provide them access to a much broader customer base and they were going to be able to take advantage of that. There were businesses who were really compelling that we just felt we had the risk of making them victims of their own success because if you grow too quickly, it can also be to your detriment. So really coming up with a solid plan about how you want to grow and making sure you're ready to do that, I would strongly encourage anybody to do.

David Gould:

And also that just sort of brings me back to CDFIs in addition to providing those grants and loans and things like that, oftentimes also offer coaching and technical assistance for anybody who doesn't have a business plan, but may want to put one together.

Gene Marks:

Yeah. Just fantastic advice, David, I'm going to add one more, as well is that look for other black business owners or minority-owned businesses as well to join up with and share some ideas. I mean, I can tell you that small business groups are very, very popular where owners of businesses get together, particularly if they're not competing, and they talk about their problems and their issues, and they share resources together. So you're not alone. And the number of black owned businesses in this country are growing substantially. And if you are a black-owned business owner, you have unique challenges and issues that white business owners like myself don't have and getting together with other people that have those same issues will help you figure out some solutions to those issues and will also be a very therapeutic exercise. So that's one thing that I would recommend as well.

Gene Marks:

David, anything else before I let you go, as far as the program is concerned? How do you know if it's going to be a success?

David Gould:

I think we're really optimistic. We will be working very closely with these businesses over an extended period of time so we'll be getting feedback in real time of what's working, what's not working, how we can continue to build their brand. We do have another program called the Spirit of Small Business, where we highlight a local small business, a business of any kind. We do that before each game, they sort of get a 30 to 60 second spot through our social and digital media channels. They announce the game, who were playing, what time, where to watch it or listen to it and put a plug for their business in. And we've heard some really tremendous feedback in terms of just how those short 30 to 60 second promotions, one-time through our channels have boosted their business and their visibility. So we're sort of putting that on steroids with Buy Black and we're really excited about it.

Gene Marks:

That's great. David Gould is the Chief Diversity and Impact Officer of the Philadelphia 76ers. David has been spearheading the Sixers Buy Black program. Applications have closed for it now, but it's a wonderful program that I'm sure we'll see being emulated by other organizations around the country. And also David shared with us some great advice for black-owned businesses, but really for any business owner, for growing and seeking out some of the funding that's available for you. David, thank you very much for joining me. It was a great conversation.

David Gould:

Thanks Gene, appreciate it.

Gene Marks:

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Speaker 3:

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