

# **Entrepreneurship for Black Americans**

**By Armstrong Williams**

**I**t is good to be with you here at The Heritage Foundation to discuss entrepreneurship. I want to get into the subject more deeply in a few minutes, but first I want to talk about it as it relates to African-Americans.

Simply put, entrepreneurship means starting your own business. When we think about starting businesses, we think about Thomas Edison, Henry Ford and John D. Rockefeller. We think about the inventors who became legends and the businessmen who became tycoons.

Now, let us think about the African-American Edisons, Fords and Rockefellers. Do none come to mind? Well, how about Bill Cosby, who is among the wealthiest entertainers in America today? Or Oprah Winfrey, who is one of the wealthiest women in America today? Or Famous Amos, who is the cookie king? Or any of hundreds of wealthy black business owners that you have never heard of.

The doors of opportunity are opening up to African-Americans, and we are taking advantage of these opportunities. Every day I meet successful businessmen and women who are African-Americans. These are people who are taking advantage of the fact that the door of opportunity has opened.

## **The Voices of Ridicule**

As we look back over history, we can hear the voices of ridicule explaining why African-Americans were on the bottom rung of the economic ladder.

“They’re just naturally lazy,” bigots said.

This was spoken about men who arose before dawn to feed their mules and harness them so they could be plowing by daybreak. It was said about men who worked until it was so dark they could not see. And despite back-breaking labor, these hard-working men could not earn enough to keep shoes on their children’s feet or furnish their wives with decent dresses for Sunday worship.

And it was said about women who rose early enough to cook breakfast for their children and get them ready for school before they commuted to the home of a white family. There, they had the job once again of cooking breakfast for the children and getting them off to their schools. Yet, they could not afford decent clothes for their own children.

“They just don’t have a head for learning,” they said.

This was said about a people who produced Booker T. Washington, who rose from slavery to found what has become a prestigious university. It was said about the first students, young

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men and women, who came in bare feet to learn, and who got a good education. It was said about men and women who studied the philosophies of the world while developing their own doctrine of passive resistance.

They even said, "They don't have the heart to fight in combat. They would break and run."

Today, some worry that a disproportionate percentage of African-Americans are enlisted in the Armed Forces of the United States. We are 12 percent of the population and 20 percent of the Armed Forces. Some African-Americans feel we are shouldering far more than our rightful burden of military service.

However, I disagree with these critics. Instead, I believe that the large percentage of African-Americans in the military demonstrates the longstanding commitment of African-Americans to defending freedom around the world. From the blacks who served in the Civil War to the African-Americans who served in Operation Desert Storm, African-Americans have fought bravely in war to wage peace for the United States.

All the excuses were products of prejudice. All the labels and harsh judgments were merely evidence of the state of mind of those making such misguided assessments. What counted then and counts now is opportunity.

### **Live the Dream!**

A great man died in the struggle to secure for you the opportunity to be anything you want to be, anything you are willing to work, sweat and sacrifice to be. Martin Luther King, Jr. had a dream, and his dream was for you, here and now. He laid down his life so that you could share his dream. "I have been to the mountaintop," he said. Someday, perhaps you will go to the same mountaintop, and perhaps you will see Martin. If you do see him, thank him for what he did. Thank him for yourselves, and thank him for me.

"Free at last, free at last. Thank God Almighty, free at last!"

This is the message that I bring to you. Whatever shackles were on the wrists and ankles of your ancestors, they are gone now. It is your job to make sure that you act as free men and women and that you never again allow shackles to be placed on the wrists and ankles of yourselves or your people. The door of opportunity is open!

### **Starting a Business: An Option**

Just because the door of opportunity is open, never think that anyone is promised a free trip to economic security. Never think that starting a business is easy. But never allow yourself to be so discouraged that you convince yourself it is impossible. Starting a business is not for everyone, but it is an option if you wish to pursue it. It is a very strong and powerful option.

Some people prefer government service. Fine.

Some people prefer teaching in public schools. Fine.

Some people simply cannot see themselves owning their own business. Fine.

I am not here to preach to you, to try and tell you that you must start your own business, and that if you do not, you are mistaken. Entrepreneurship is an option. It is one of many career options. It has its drawbacks and its rewards. Think about it, and decide for yourselves.

The point is that thirty years ago you very likely would not have had this choice. If you could go back to 1961 in a time machine, you would encounter a vastly different world. Your choices in that world would be severely limited. So give some thanks for the opportunities that you have today, and give some thanks to those who suffered and died to open these doors of opportunity for you.

## **Entrepreneurship**

An entrepreneur is someone who originates a business idea, who does the planning to make the idea possible, and then does all the hard work that is necessary to prove the idea was right.

More new businesses fail than succeed. This is a simple fact, one of which any entrepreneur should be aware. Many people who start businesses are inexperienced. They often are undercapitalized, meaning they do not have enough money to start a business, but they do not realize that. Sometimes, people go into business strong on faith but weak on practical sense. They do not bother to write a business plan or do market research before they plunge into production. We read about the success stories, but we do not read as often about the failures.

Successfully starting a business is the hardest thing that anyone will ever accomplish in business life. Anyone who is successful should carefully examine the factors that created the success before changing the business structure. It is hard to argue with success. The financial rewards of business ownership can be great, just as they can be small, depending upon the relative success of the business. But even if the business fails, that does not mean the entrepreneur has failed. Many successful business owners have been through two or three business failures before they hit it big with an idea that works. As an entrepreneur, you are never out until you count yourself out. There is always time, as long as you are alive and healthy, to jump back into the ring. The main thing is that the opportunity exists for you and for me.

## **Personal Experience**

As an entrepreneur, I have taken advantage of the opportunity open to me, and I have started my own business.

I got started in May of last year, and I officially opened the doors to my Washington, D.C., office on July 8, 1990. In less than a year of hard work, the business seems to be firmly established. I owe a great deal to Stedman Graham, my partner, and to my staff. I also feel, however, that I can take considerable credit by having pushed as hard as I could push to make the business successful. Hard work is something that I learned from childhood on the family farm in South Carolina where I grew up.

There were times on the farm that I wanted to give up. I would be assigned to tasks that I just did not believe I could do. One time on a rainy day I was working in the tobacco field. It was chilly, and I was tired. I had to finish the long row I was working on and then work my way down another complete row. I sat down on the ground, and something inside me just gave up. I was frustrated to tears, and I did not feel I could go on. But even though I could

not go on, I knew also that I could not quit. As I thought about it some more, my determination not to quit overcame my weariness and my frustration. I gathered myself up and I went on to complete my task.

That day was more than just another day on the farm. I learned that I could do more than I thought I could do. Something within me told me that I was setting a pattern for my life, and quitting was not something that I wanted to pattern my life by.

I believed then as I believe now that we can take advantage of opportunities only if we work hard all our lives. If we get into the habit of coasting or quitting, we will not be able to take advantage of opportunities when they come along. Life does present us with opportunities, and we should be grateful for that. The rest is up to us.

### **African-American Traditions**

When we examine the economic history of our African-American ancestors, it would be only human to do so with regret and profound sadness. The doors of opportunity were not opened to previous generations, but they did the best they could. Generations of the past may have lived in shacks, but most African-Americans have always maintained a strong spiritual life that gave them the courage to endure what others could not endure. Spiritual growth is born not of ease, but of struggle. Out of the pain and struggle of life in America, our ancestors developed what we now call "soul."

In generations past, soul became other-worldly, and our people gave up on a better life in the here and now. They placed their hopes on Heaven and resigned themselves to struggle in this existence. Our ancestors were so other-worldly, in fact, that they tended to be suspicious of anyone in the African-American community who got rich. They did not believe it was possible to get rich and to remain honest at the same time. Instead, our ancestors saw themselves as poor but honest, with the two going together like ham and eggs.

But our ancestors sacrificed for their families, and they scrimped and saved so that their children could get better educations than they had. In this manner, our people have stepped their way up the economic ladder.

At the same time, however, many factors have come together to cause African-American families to break up. Those factors began during slavery times and continue to the present. Although we have always had strong families, we have always had broken families, too. Broken families are an obstacle that the African-American community must try to overcome, if possible, in the present generation. Now that a new day has come, we must build on the strengths that we have, and our greatest strength is the heritage of values that has come down from our ancestors. Perhaps God has given our people the struggle for a good reason. Perhaps the time has come for our tears to turn into smiles of triumph, and perhaps that time is only now beginning. It may be that, in addition to having soul, we now have the opportunity to reach out and grasp the other advantages that have in the past eluded us. When soul meets education, and the educated soul brother or sister is given opportunity, watch out. America has not yet seen the achievement that is possible under the right conditions.

### **Pioneering Entrepreneurs**

In any new field of endeavor, a generation must pioneer and lead the way for all future generations to follow. Already, we have multitudes of African-Americans who are the first in

their families to become business owners. If there are no business owners in your family, then you have the opportunity to become a pioneer. Being a pioneer can be exciting. You are the first to round the bend and view a hidden valley stretching to the horizon. It is also said that pioneers are the first to get the arrows in their backs.

But consider that in the years to come, maybe fifty years from now, you may be at a family reunion of all the successful children, cousins, nephews and nieces that your example has inspired. You are living in a big house, and your way of life speaks of established money. You know that your entire family has turned a corner in life, and material deprivation will forever be a thing of the past.

The Jewish people and the Chinese people have strong traditions of mercantilism. They buy and they sell, and they prosper from generation to generation. By reputation, the Jews and the Chinese are never poor, because their tradition as merchants sustains them.

What we are talking about here is the establishment of a tradition, a tradition of entrepreneurship among African-American families. What is at stake is living life in such a way that future generations will grow up hearing business discussed at the dinner table. The payoff comes when future generations look forward to careers in their own businesses as a natural and normal part of life, something they do not hesitate to pursue and something that feels natural to them. As long as others do not deprive you of opportunity, the only barrier to opportunity that can stop you is your own attitude. You can look for opportunity with an "I can" attitude. Or you can be blinded to opportunity by an "I can't" attitude. Now, in America, the only person who can stop you is yourself. The door is opened. Opportunity is here.

### **Creating Opportunity**

In the African-American community, you hear a great deal about role models. There is a great deal of pressure on African-Americans young and old to achieve in such a way as to be good role models for the younger generation.

As college students, you soon will pass through the dividing line between looking to role models for examples and actually being role models. Undoubtedly, you will want to be role models that will be positive and uplifting for others, so that their lives will also be positive and uplifting.

Now, let us take role models one step further. As exemplary as it may be to be a role model in a professional career working for others, it is infinitely better to be a role model who is creating opportunity for others. If you own your own business, you are creating employment for other people. If you are an African-American business owner, chances are you employ young African-Americans who would have a hard time finding jobs elsewhere. In my firm I employ several young people. If someday some of these young people go out and establish their own businesses, I would be very pleased and proud of them as they branch out on their own. I could then hire other young people, and eventually the process might be repeated.

This is creating opportunity, and it spreads like a nuclear chain reaction as long as younger people are ignited with the fire to succeed on their own.

In twenty years, the African-American community may be significantly different than it is today, just as today it is totally different than it was twenty years ago. We are making progress. We are in virtually every field in America. In all fields, African-Americans are climbing the

rungs of career ladders. Just as the top military leader in the country now is an African-American, we will see in years ahead more corporate CEOs who are one of us. The growth will give us an opportunity to network with each other, and the networking will give us increased opportunity for growth, so that the process will feed on itself.

You have every reason to be proud to be an African-American. You have every reason to have confidence in yourselves and your people. As barriers have come down from the outside, the barriers on the inside have come down as well. This is true opportunity. Take advantage of it and make it your own.

### **Character Is Destiny**

Regardless of what you do in life, always remember that character is destiny. I am going to repeat that: character is destiny. Character often is formed by your family environment. We are taught right from wrong by our parents. But we do not have to accept the values we are taught, if those values are not worthy of us. When we get to a certain age, it is our own responsibility to begin acting in a way that others will consider trustworthy.

Integrity is never a hindrance in life, and that includes in the business world. If you operate on the basis of well-developed ethics, people will trust you and be drawn to you. If you take short cuts with the interests of other people, selling them out for your short-term gain, you will lose friends, and people will not want to do business with you. Trust is fragile. If you betray a person just one time, that person will be leery of you forever. If you are a person of total trust, you will be able to make big deals with a handshake, and your word will be taken as your bond.

In developing character, do not neglect your personal spiritual growth.

Some people go to church and discuss lessons from the Bible. Then they forget those lessons at school, at play or at work. Whether or not you attend church, you will be tested by life, and those are the lessons that count.

Life puts obstacles in your way, just as life put an obstacle in my way in the tobacco field on the farm when I was young. Please do not take the obstacles lightly. These are your personal problems to solve, and if you solve them, you will grow spiritually. Now, what does it mean to grow spiritually? How can someone be better off if that person grows spiritually? Spiritual strength translates into many different kinds of strength. It can mean greater intelligence, more endurance, better judgment or the will to make important decisions easily.

Life is mysterious, but it is not impersonal. Life relates to each of us in a different way. Life loves each of you and wants you to prosper. But life is a hard task master sometimes and will give you challenging problems to resolve. Be thankful to life for your problems. They are a blessing and should be regarded as such. Every morning when you wake up, you wake up to opportunities. Life is blessing you once again with mountains to climb and oceans to swim. Just as life is abundant, opportunities are abundant.

### **Getting Started**

A good question about entrepreneurship is, "How do I get started?" Nobody can tell each of you precisely how to get started as an entrepreneur, because there are as many approaches to business ownership as there are business owners. Somebody drops chocolate into the

peanut butter and gets an idea for a new kind of candy. Who could have predicted this lucky accident? Somebody else decides at the age of ten that he is going to have his own laundry and dry cleaning business when he grows up. How do you account for goal setting at such an early age? Many people are still having conflicts over what they want to study in college during their sophomore and junior years. There are just too many situations in life for a person to be able to predict how he himself will get into business. It is even harder to predict how someone else will get into business.

It is a good idea to read about business success stories and how different people have gone into business for themselves. Subway sandwich shops got started because a young man had nothing else to do, and a wealthy older man set him up in business. After a lot of ups and downs, Subway became the fastest growing food chain in the country. One man became the Potato King of Idaho, although he started out with practically nothing but his own ingenuity. He stayed up with every trend and invented his own machinery to process and freeze potatoes and later to dehydrate them. Because he concentrated on a changing market, he was the leader all the way and earned a vast fortune.

But it can be something as simple as assessing your own skills and background. I did not have to think very long about what kind of business I wanted to go into. I was already in public relations. The question was whether to go out on my own. This was a hard decision, but I made it and I am glad I did. It is always a good idea to know your own strengths and weaknesses, as well as your vital interests. If you are going to devote your career to a business, be fair to yourself. Make sure it is really what you want to be doing.

One business grew out of the owner's personal interest in old silver and china. The business buys and sells silver and china patterns that have been discontinued. This means that someone can replace a broken plate although the customer cannot get the plate from the department store. The replacement service has buyers who go to estate sales and flea markets to find the silver and china that customers want.

If you have talent that other people need, you can establish your own business. If you have knowledge that other people need, you can establish your own business. If you are willing to perform services that other people want or need, you can establish your own business. If you are interested in selling products that other people need, then you can establish your own business. All you need is a good business plan, good credit, and determination, and you should be able to raise enough money from investors to get started. America has room for push carts and multinational corporations, as well as everything in between. The door of opportunity has opened for everyone willing and able to enter.

### **Try a Partnership**

In trying to get started with your own business, it is a good idea to develop a partnership with someone else who has a similar interest. Two heads are better than one, and if you work together, your odds of success should be better. The only word of advice about choosing a partner is to make sure this person is someone you can get along with for a long, long time. A business partner is almost like a spouse. If you cannot get along well, chances are you will split up before long.

Another word of advice is to have good credit. Some young people do not have good credit because they never borrow any money, and therefore they do not have a credit history. The best way to establish a credit history is to borrow money when you do not have to and pay it

back with interest on time. Suddenly, you are creditworthy. Raising the money to start a business is often difficult, but it is much easier if the entrepreneur has good credit.

And when you start thinking about establishing your own business, get into the habit of believing in yourself. Only one opinion matters, yours, unless you have a partner. Nobody can "prove" to you that you will fail, anymore than you can prove in advance that you will succeed. Every new business is an experiment. You can take some of the guesswork out of the experiment, but never all of it.

A good business plan can help a great deal. A business plan projects sales, income, cash flow, and other factors for a year or two from the beginning of the business so that problems can be anticipated and overcome.

Market studies also help entrepreneurs know if the public will buy their goods and services. In market studies, people are actually interviewed to determine whether they would patronize the proposed business. Listening to the results of negative market studies can save would-be entrepreneurs a lot of grief and money. But if the public does not like what the entrepreneurs are offering this time, maybe the public will next time. There is always next time.

The American economy offers second, third, fourth and fifth chances. Where genuine opportunity exists, it is unlimited.

