

www.chicagotribune.com/business/chi-mon-sweet16-chicago-urban-leapr28,0,6970129.story

chicagotribune.com

Urban League ready to let first 16 businesses in NextOne program move on to next step

By Susan Chandler

Tribune reporter

April 28, 2008

Chatham Food Center, the city's only black-owned, full-line grocer, has hired a general manager and eight other workers since October. Ujamaa Construction has brought on a project engineer, project manager and an accountant. Sensual Steps, a Bronzeville shoe salon, has hired a part-time employee and is looking for a bookkeeper.

Those are some of the tangible milestones the Chicago Urban League is using to evaluate its first crash course for local black-owned businesses. For the past six months, 16 minority companies have made their way through the league's inaugural NextOne program. The entrepreneurs were pampered with laptop computers, attend networking events and given one-on-one executive coaching. In turn, they spent hundreds of hours meeting with consultants and attending business classes.

Soon, that attention will be lavished on a second group of business owners while the first group tries to sustain its progress as construction spending slows and consumers keep a careful eye on their wallets.

Almost inevitably, some of these small businesses will fail, but Urban League President Cheryl Jackson said she isn't worried her freshman class will lose ground once it leaves the support network she created. "They're not cut off," she said. "They may not be receiving intensive care, but the baby is walking now."

If she is wrong, the biggest direction change in the Urban League's 91-year history may be called into question. Jackson, a former spokeswoman for Gov. Rod Blagojevich, has shifted the organization's focus from social services to economic development and brought on big-name corporate sponsors such as BP and Chase to pay for the effort.

Jackson said she never expected instant success, and that's why sponsors are donating \$6 million over three years.



Still, Jackson said she has achieved concrete results. "Several businesses have fundamentally changed their business model, their sales structure, their branding, their name. Some have discovered a better business to be in," she said. "This was an eye-opening experience for many of these businesses. They have realized their business had greater potential than they thought."

Some, like Nicole Jones, owner of Sensual Steps, were losing money and afraid their businesses might not survive. Instead, Sensual Steps ended the year with a 19 percent increase in revenue, most of it coming in the three months Jones was in the NextOne program.

Solid financial footing

It's a cold, rainy morning in late March, not exactly the weather to put shoppers in the mood to buy sandals. Sensual Steps' store manager Tracey Tabb takes advantage of the pause to telephone prom coordinators at area high schools, alerting them to the store's selection of glittery prom shoes.

Downstairs, Jones is having her last session with executive coach Francey Smith, who is summing up the progress the shoe boutique has made over the past six months.

"You have good profit margins based on your competition. You just need more customers," Smith said. It's nothing Jones didn't know before she started the program, but she is reassured just the same.

"I'm very excited to know I am on target. Finances was an area I was a little weak in, maybe even intimidated by," Jones confided. "As I let go of the fear and looked at the picture, it was a good outcome."

Sensual Steps' gross profit margin, something Jones didn't have a handle on before, is running 34 percent, better than the footwear industry average of 30 percent. Revenue in 2007 was up 19 percent from 2006, a big turnaround from last summer when sales were tanking.

Even though January and February have been slow, sales are still up 15 percent from the same months a year ago. Yet for Sensual Steps to move beyond its current break-even point, sales need to increase more or expenses need to be lower.

Jones said she is better-equipped now to pull that off, even if the economy's health is beyond her control.

For instance, Jones has changed the way she buys shoes. She used to travel to shoe shows and buy what she liked personally—sexy high-heeled confections more suitable for a party than a day at the office.

But as she figured out how to extract more detailed sales information from her computer system, Jones was surprised to learn that her most profitable sellers were low-heel, comfortable shoes she had stopped carrying.

Her new, more conservative approach to buying may have been a disappointment to her suppliers at a recent shoe market in Miami, but coach Smith is pleased.

"This was the first shoe show I ever went to where I didn't buy anything. I took pictures and said I would review and get back to them," said Jones, an expert multitasker who munched on a takeout chicken salad with hot peppers during the coaching session.

"I had this submissive role with my vendors, but not anymore. It's a privilege for their shoes to be in my

store. I shouldn't feel any pressure to purchase."

After she returned home, "I bought way less," Jones said.

Jones is focused on coming projects and special events like the all-day third anniversary party she is planning for April 26. She has applied for a grant to upgrade the store's facade, and Sensual Steps has gotten a Park District contract to operate a kiosk that will sell flip-flops, sunglasses and beach bags this summer at the Fullerton Avenue Beach.

On top of that, students in an entrepreneurship class at the University of Illinois Chicago are helping Jones get her message out to an Internet-savvy crowd. As part of a class project, they have produced a Sensual Steps video for YouTube that Jones plans to send out with the store's e-mail blasts. Sensual Steps now has its own page on MySpace.

"I have a lot of good things cooking," Jones said.

Lessons learned

Other NextOne companies say they have accomplished a lot too.

Leonard Harris, president of Chatham Foods, said the program challenged him to spend his time more strategically. "I either need to be working *in* my business or working *on* my business," said Harris, who co-owns the store with his wife, Donna.

Harris hired an experienced general manager to handle daily operations while he studies competitors such as Whole Foods and Treasure Island and scouts new store locations.

Davetta Collins, co-owner of publisher BDC Capital Enterprises, said she has gained the confidence to launch two additional magazines: one called Dunamis for female business owners and corporate executives, and a second titled Risk and Reward for entrepreneurs.

She and her husband, Byron, have made another big decision. They will change the company's name to BDC Media Group to better reflect the fact they are in the publishing business, not the finance arena.

"Before we started the program, I just saw myself as a business owner who owned a magazine," Collins said. "Now I'm a publisher. I have creativity. And I really love that."

schandler@tribune.com

Copyright © 2008, [Chicago Tribune](#)