

Update 1: Program Focuses on Black Business Owners

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Professor Chester Baker has seen it time and again in his management class: A case study comes up for discussion and his black students tune out. The reason? Baker, of Huston-Tillotson University in Texas, says it is partly because case studies almost always focus on white entrepreneurs - who live in a different business world from black business owners.

"Practically all the cases we have are for white-owned businesses," he says.

That could soon change, at least a bit.

Baker was one of several instructors at schools with large minority populations who gathered recently at Babson College, outside Boston, as part of a Ford Motor Co.-funded project to develop more case studies on black-owned businesses. They hope to create a dozen or so that could be worked into curriculums around the country as early as this fall.

Case studies form the backbone of the curriculum for hundreds of thousands of students in undergraduate business and graduate MBA programs. Students work through dozens of these short summaries of real-life dilemmas to simulate business decision-making.

But some teachers say very few capture the complexities of race in business.

Stephen Spinelli, Babson's vice provost for entrepreneurship, dates the project to a talk he gave to management school deans of historically black colleges. He was urging them to make better use of the case teaching method when an audience member asked how many cases featured black entrepreneurs.

"Doing some quick homework, it was about 2 percent," Spinelli says. "I said, 'We know entrepreneurship and we know how to write cases. You know the African-American community. Why don't we bring a group together?'"

In the catalog of Harvard Business School Publishing, which sells 80 percent of the cases used by business schools, just 2.8 percent of the 6,000 available cases deal with race. Of those, a few focus on minority-owned businesses and career issues, but others focus on managerial topics like overseeing a diverse team of workers, marketing to minorities and handling discrimination complaints.

The professors working with Babson say they have not found much that is relevant to the typical black entrepreneur.

According to a 2002 Babson study, blacks are 50 percent more likely than whites to become entrepreneurs - that is, to start a business. Among men with advanced degrees such as MBAs, blacks are 2.6 times as likely to start businesses.

But the companies they form tend to be smaller, community-based organizations rather than the tech startups with venture capital funding that figure prominently in published cases.

Last month, with Baker and other visiting professors observing, Spinelli conducted a test-run of one case the group is developing with a Babson MBA class. The case focused on Babson

alumnus Eric Johnson, who ran a family hair-care products business and later turned an ice cream maker with roots in Chicago's black community into a national food company.

With Johnson also observing, Spinelli asked questions typical of MBA cases, like how to value an initial public offering of the food business.

At several points, Spinelli also asked his students to consider the choices Johnson faced through the lens of race. Would borrowing money from a bank really have been a simple option for Johnson's company in the 1970s? Might he have to hire white employees to deal with white buyers?

After watching the class wrestle with his real-life dilemmas, Johnson says aspiring minority entrepreneurs need to hear success stories.

"It is important to know these things are possible, to identify with people who have done them," he says.

Backers of the program say more and better minority-focused case studies would benefit non-minority students, too. Says Steve Nelson, a student at Morehouse College in Atlanta, who also attended the Babson conference: "It makes students realize that there are different variables to every situation based on different cultures."

Perhaps most important, Baker adds, black-owned businesses are a largely untapped reservoir of useful business lessons.

"Some of these companies have survived where mainstream companies would have gone under," he says. "The genius of African-American business is they experience racism, but it has allowed them to come up with unconventional strategies that have allowed them to survive. Going through these experiences causes us to go back to this brain the Lord has given us and come up with new ideas."