

EARVIN "MAGIC" JOHNSON

Entrepreneur and Community Leader



32 WAYS to Be a CHAMPION in BUSINESS

GO BIG, STAY FLEXIBLE

"The trend among U.S. corporations and also many government agencies is to reduce the number of suppliers and to have bigger contracts with those that they do deal with. That means you may have to go big or stay home. That can be a scary prospect for a small-business owner. There are ways to do it without taking on huge debt. By forming joint ventures or strategic alliances, or merging with minority-owned businesses, you can bulk up to step up your game. The Small Business Administration has a "Mentor Protégé" program that pairs non-minority-owned companies with smaller minority-owned companies so that they can bid together for minority-targeted federal contracts. To succeed in today's rapidly changing global business environment, minority entrepreneurs-like all other business owners-have to be imaginative and flexible, adapting based on the opportunities that are available. The one thing you can

count on is that just when you think things are going smoothly, a change in the market, a new technology, or a great opportunity will send you scrambling. I see this in my own businesses and in those that we deal with.

One of those adaptable businesses I've come to admire is Uncle Darrow's, which was started in February of 1988 by four Louisiana cousins, Norwood J. Clark, Jr., Samuel L. Small Jr., Ronald C. Smith and Ronald Washington. They started out making New Orleans-style sweet treats based on family recipes dating back to the 1800s. Their pralines and Cajun pecan candies, in particular, were so good that they landed contracts to supply them to Nordstrom and Neiman Marcus in Beverly Hills. We learned about Uncle Darrow's when they had a booth at a Black History program in the Baldwin Hills Crenshaw Plaza, where we were opening the first Magic Johnson Theatre. Ken Lombard sampled their sweets and thought they would be a great addition to the line of confections offered to our movie clients. We were eager to do business with other local minority-owned companies, so Uncle Darrow's looked like a great fit.

Norwood Clark, CEO/President of Uncle Darrow's, Inc., met with us and the executives of Sony and Loews to see what they could do for us. As much as we all wanted to make it work, Uncle Darrow's decided it wasn't cost-effective for them to reformulate their products and packaging for our market. Their confections are high end, and they just couldn't find a way to make it work. But

that wasn't the end of the story, and that's a point worth noting. The discussions with our partners and the Uncle Darrow's family were all about trying to find a way to work together for the benefit of all parties. We liked them! They liked us. It was frustrating that we couldn't get their sweets into our theater, but nobody got angry or upset when that door closed. Instead, Norwood Clark and his team came back with another plan. They proposed that we sell a new product that they would develop, Uncle Darrow's Bigg Dawg, a turkey hot dog treat. It turned out to be a phenomenal seller in our theaters and a great product for Uncle Darrow's.

And then when we did our deal with Starbucks, guess who got another call from us? Actually, we pitched the idea to executives at Starbucks first, because we wanted to offer special items for our customers in the UCO Starbucks stores. Once Starbucks officials bought in to the idea, they made the call to Uncle Darrow's which caught Norwood Clark and his partners completely by surprise. "I had no idea that Magic Johnson Enterprises was involved with Starbucks until I got a call from the Starbucks corporate officials in Seattle and they told me that Magic's associates had suggested that we talk," Norwood recalled. "They flew us in to check us out, and then their people from Seattle came and spent several hours touring our commissary in Los Angeles. I had to show proof of this and that, and I had no problem doing it."

Starbucks doesn't play around. Neither did Nordstrom and Neiman Marcus. Uncle Darrow's had proven itself again. Like everyone else, Starbucks walked impressed with its operation. Uncle Darrow's began producing four desserts—a peach cobbler, a sweet potato cranberry pecan cookie, a sweet potato pie turnover and a southern-style tea cake—for the UCO Starbucks stores in the L.A. area. For four years, Uncle Darrow's produced those treats for our Starbucks customers. They were a great supplier and we had a terrific relationship with them. In fact, when we began to expand our Starbucks holdings across the country, we asked Uncle Darrow's to supply our other stores with their products. Guess what? They decided that our expanded business needed more good than they were equipped to provide. Once again, they took a hard look at the numbers and made a business decision.

Every successful entrepreneur is faced with similar tough decisions from time to time. Norwood Clark wanted to continue his relationship with MJE and Starbucks, but for him to maintain the high standards of his product, he would have had to open commissaries around the country to serve our stores. That was just too big a step, requiring too big an investment at that point in the history of Uncle Darrow's. "We've had a good run," Norwood said.

Uncle Darrow's leadership decided instead to cash in on the brand recognition and the respect they had earned with their Starbucks, Nordstrom, and Neiman Marcus deals and go in a different direction. Today, you can join me, many of the Lakers and Dodgers all sorts of Hollywood celebrities, and stars of the music industry at Uncle Darrow's Cajun/Creole Eatery in Marina del Rey. This is actually the second Uncle Darrow's location; the original was on Venice Boulevard in Los Angeles, where it was praised as a "gastronomic treasure trove" of southern cooking, with fresh seafood flown in daily from New Orleans.

When Norwood Clark and his partners decided to move their successful restaurant from Venice Boulevard to Marina del Rey, they went to several banks for financing. Even with their successful

track record, they found that most banks were unwilling to lend them the money they needed to move their restaurant to a more upscale location.

Did Norwood Clark give up? No, he kept going until he went to the right bank: Founder's Bank, where I happened to be one of the stockholders. We arranged for a \$150,000 SBA loan. Uncle Darrow's got the money it needed for a thriving restaurant that provides jobs for the community while serving up great food for loyal customers. I was known for my assists as a point guard for the Lakers, but I've got to tell you, there is no bigger thrill for me today than giving an assist to hard-working, creative entrepreneurs to reach out and help others create and grow their businesses. When businesses help one another, everyone wins.

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