Giving Harlem businesses a hand

Initiative offers expert advice, helps firms modernize

BY JON KALISH

Things are looking up for the Harlem’s Heaven boutique. In the past year, the hat shop on the corner of Seventh Avenue and West 147th Street was profiled by Channel 7 News, installed a new computer, unveiled a new logo and created its first-ever customer database.

“We never strategized like we do now on how to get customers into the store,” says Evetta Petty, who has co-owned the shop with her aunt Eva for 15 years.

While Ms. Petty says that the hat business is still a struggle, she is sure that it would be much harder without all the changes at the shop, and for those she thanks a 2-year-old program called the Harlem Small Business Initiative.

An HSBI team of management consultants, M.B.A’s and business students provided many hours of technical assistance to the store, including the design of the new logo.

Support from Clinton

Harlem’s Heaven is one of 10 local businesses—four startups and six longtime enterprises—that were aided by HSBI. The program, which was launched in spring 2002 by the William Jefferson Clinton Presidential Foundation, used the

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Bacon’s Information, Inc.
GEARING UP

Staff: 110 volunteers
Targets: Four startups, six established firms
Term: Two years
Outcome: Two firms fold, others make gains

For consultants used to working with large, modern companies, the work brought some real surprises. "Believe it or not, none of the long-term businesses had income statements or balance sheets," says Reginald Van Lee, managing partner in the New York office of Booz Allen Hamilton and program leader of the initiative. "Most of them did not have computers."

By providing basic business tools, the HSBI teams in many cases were able to produce startling gains for their clients.

Katrina Parks Flowers, a 2-year-old firm originally housed in the owner's apartment, saw its revenues grow three times faster last year than Ms. Parks had anticipated. Profits, meanwhile, beat forecasts by an even wider margin. On the strength of those gains, Ms. Parks moved her business into a studio on West 112th Street in the fall.

By studying the market and how best to serve it, the HSBI team helped Ms. Parks and her husband figure out whether they should be a retail florist operation or do more corporate business. They opted for the latter.

"There's only so much you can do when you're trying to run a business, so that additional manpower was instrumental in figuring out there was opportunity in the corporate sector," says Ms. Parks.

Soaring rents

The HSBI teams have even tried to tackle one of the thorniest problems faced by Harlem business owners—soaring rents in their neighborhood. Ms. Petty of Harlem's Heaven is in the process of negotiating a lease renewal with the help of a lawyer provided by the initiative. "It's a huge help to have counsel," she says.

For some, however, a little advice is simply not enough. The owners of another HSBI client, Dee's Cards & Wedding Services, on Lenox Avenue and West 134th Street, assume their store will have to leave its longtime home when its lease is up in three years.

"We're hoping to relocate in Harlem, but everything is so high," says Karen Turner, one of the owners and the daughter-in-law of its founder.

For two other clients, the end has already come. Both were startups. In April, 5 Star Video, which occupied a large storefront on the corner of West 111th Street and Eighth Avenue, went out of business. On West 128th Street, the Tai Life yoga studio is also gone.

Still, encouraged by the successes that they have had with the eight survivors, HSBI backers launched a second round in the winter involving three businesses. Soon, the initiative will be expanded to the Bronx and Brooklyn.