NAACP steps up pressure on national hotel chains

By Tony Jones
TRI-STATE DEFENDER

NAACP president and chief executive officer Kweisi Mfume has announced the second phase of the civil rights organization's plan to study how the hospitality industry treats African Americans.

African American organizations are being urged to contact the NAACP to receive a survey form to gauge the industry's cooperation. Additionally, a hotline has been set-up to disseminate information to interested parties.

This is being made available to assist consumers and groups in making informed choices about where to spend their lodging industry dollars. Conventioneers, meeting planners, fraternity and sorority travel planners are urged to call and to respond to the survey. To date, more than 42 national organizations are co-sponsors of the effort.

The first NAACP Economic Reciprocity Hotel Initiative Report Card, released in late spring, was the result of a year-long survey that reviewed the economic relationship between major hotel chains and the African-American community with the intention of establishing a business links for firms owned by African Americans.

The Economic Reciprocity Initiative was launched by the NAACP in February of this year. The hotel and lodging industry was the first target of the initiative and the top 15 chains were graded and ranked on their records in five key areas: Employment, equity and franchise ownership, vendor relationships/procurement, advertising and marketing and philanthropy.

The results of the second survey were recently revealed in a press conference in New York City. To date, only the Best Western chain has refused to cooperate. The historic Holiday Inn in Memphis has received a "C" in the survey, an upgrade from its position of failure because it did not respond the

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Cut the cost of dream home

CHARLES ROSS

Your Personal Finance

These days, builders are making a lot of their money by jacking up their prices on extras like hardwood flooring. An upgrade on flooring can mean as much as a forty percent boost in the builder's profit margin. Two things make that possible: your desire to set yourself apart and go for the options, and your belief that the builder is in the driver seat.

One homebuyer wanted hardwood floors in her family room, kitchen and master bedroom. Her builder was going to charge her $7 a square foot, which would add $5,000 onto her home's base price. Instead, she shopped around and found a contractor willing to do the job for $5.25 a square foot, and saved $1,400.

The best advice: check prices and you'll get your dream house for less.

Appliances

Usually it's good news when a consumer can buy from somebody who buys in bulk. Your builder probably saves money on appliances by buying them in bulk. But are the savings passed along to you? Not always. If you're not getting 10 to 20 percent off the list price, push for it, and the more appliances you're upgrading, the better your negotiating leverage.

One homebuyer wanted to upgrade the appliances in her kitchen, and was offered a package for $4,600. By shopping around she found a discounter willing to knock $400 off that price. Her builder agreed to match the lower price, then threw in a free upgrade on a dishwasher.

Your best strategy is to check around, compare prices, and then ask your builder to match the best deal.

Windows

Bay windows, skylights and special windows involve structural adjustments to the house. So your builder is justified in charging you a lot for them, right? Not necessarily. For example, if the framing on your house is not yet completed, window installation is relatively uncomplicated. So, don't be taken in by a builder who says an unplanned addition will cost you an arm and a leg.

One couple asked their builder to add two side-by-side picture windows to their living room. The builder said that the late change in the plans would cost them $4,000. But a sales associate had told them the addition would cost the builder only $1,200 to $1,400. Armed with that information, the couple got the builder down to $2,000. It's your house, so stand your ground!

Bathrooms

One way builders make a profit on every new home or remodeling job is by marking up

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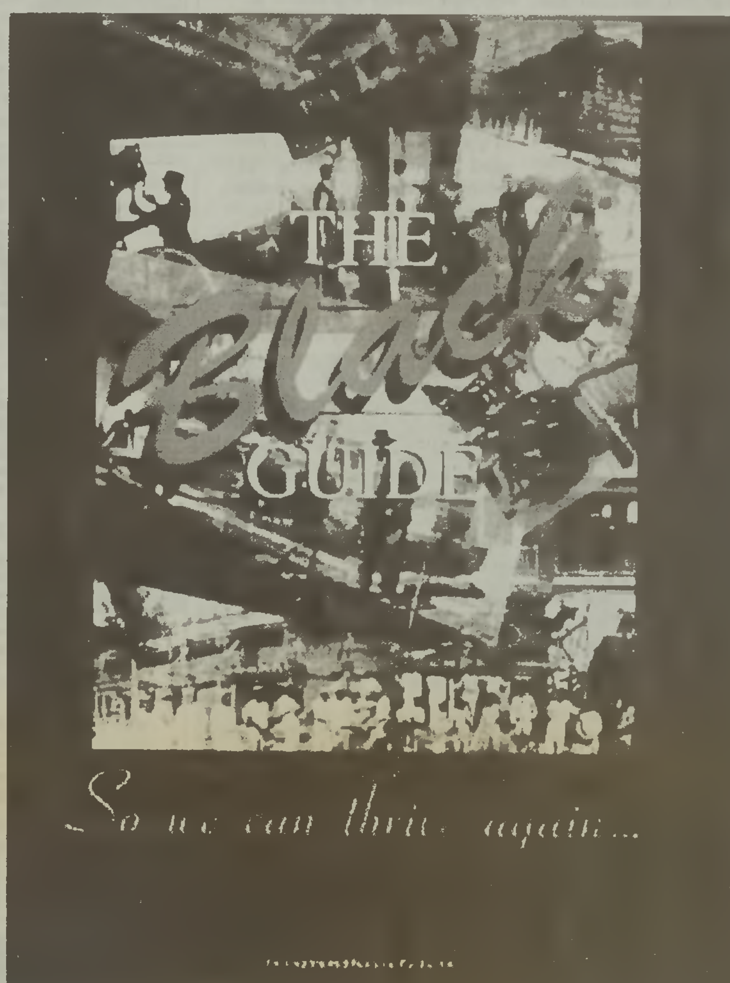

GRAPHIC/JOETTA TALFORD

The Black Guide, an African American business directory published by The Post, now has a version on the World Wide Web.

Guiding site

African American business directory goes on-line

By John Minter
THE CHARLOTTE POST

The Charlotte Post has launched African American businesses into cyberspace.

More than 1,200 Charlotte-area black companies have been linked to a world wide audience through a World Wide Web version of The Post's Black Guide directory. The guide can be accessed by going to The Post's web site at **www.thepost.mindspring.com**.

Printed versions of The Black Guide are already available at selected locations, including the Charlotte Convention and Visitors Bureau. About 30,000 copies of the directory are distributed each year.

By putting the listing of area African American-owned businesses on the Internet, The Post is breaking new ground. The online Black Guide is one of the few instances where black businesses are listed on the web.

"Now, more than ever we are exposing the world to the minority businesses in our region," said Post Publisher Gerald Johnson. "We are probably one of the first to put a minority directory on the web.

"One of the big things this will help is people searching the net trying to get information about Charlotte. We will be giving them (black businesses) more exposure.

"We are e-mailed on a regular basis about information, because people are moving to Charlotte, so we are providing

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BUSINESS BRIEFS

Black Entertainment Television chairman Robert L. Johnson has been named to the board of directors of U.S. Airways Groups, Inc., becoming the 11th board member.

"Bob Johnson has established an enviable record within the entertainment industry and in the arena of community service. We are fortunate to be able to add his considerable strengths of the US Airways board of directors," said US Airways chairman and CEO Stephen M. Wolf.

Johnson is chair and chief executive officer of BET Holdings, Inc., which operates four major cable television channels: BET, which reaches 51 million U.S. homes and more than 90 percent of all black cable households; BET on Jazz: The Cable Jazz Channel, which reaches 2 million domestic and international subscribers; BET Movies, the first all black movie channel; and BET Action Pay-Per-View, which reaches 10 million subscribers.

BET Holdings also has widespread interests in publishing, retail clothing, restaurants, hotels and casinos, financial services and computer content development.

Johnson is a graduate of the University of Illinois and holds a masters in international affairs from the Woodrow Wilson School of Public and International Affairs at Princeton University.

He has earned Cablevision Magazine's 20/20 Vision Award, an NAACP Image Award and a Distinguished Alumnus Award from Princeton.

In addition to the U.S. Airways board, Johnson served on the boards of Hilton Hotels Corp., the College Fund and the National Cable Television Association's Academy of Cable Programming.

Mutual funds are where the smart money usually is

OMAR DILLARD

Financial Focus

The notorious bank robber Willie Sutton said he robbed banks because that's where the money is.

This column often discusses mutual funds for the same reason – because that's where the money is. In fact, one in every four U.S. households owns mutual funds. As of year-end 1996, individuals owned 75 percent of the $3.5 trillion of mutual fund assets.

One reason mutual funds have become so popular is because they offer individuals the benefits of professional management. A study of one of the oldest U.S. mutual funds illustrates the rewards of successful management.

Dating back to 1933, the fund was reconstructed out of a closed-end investment company badly damaged in the stock market collapse that began in 1929 and hit bottom in 1932. A look at the fund's changing portfolio over the years illustrates how its managers moved with the economy.

At the close of 1935, stocks representing the automobile industry made up 17 percent of the fund's portfolio. Ten years later, in December 1945, oil stocks had become the largest industry holding, representing 7 percent of the portfolio.

By 1955, the biggest holdings included many companies providing the raw materials that were in growing demand by consumers, industry and defense. One aluminum and three steel companies together accounted for nearly 7.5 percent of the portfolio.

Prosperity and the Cold War best describe the years 1956-1965, and the fund managers went global in this period. Auto and oil companies, once dominant, were replaced by other transportation companies – mainly airlines – as rising incomes and cheaper air travel turned America into a nation of tourists and business travelers.

During 1966-1975, with the energy crisis at hand, the fund expanded oil company holdings. There also was a major influx of computer electronics companies; IBM, MCA and others accounted for more than 13 percent of the portfolio.

Inflation and recovery set the scene from 1976-1985, with interest rates peaking and then beginning a long period of decline. By 1985, technology, communications, data processing, electronics and telecommunications companies comprised about a fifth of the fund's portfolio.

From 1986-1995, there was a strong market, with two sharp setbacks. Banking was the major industry, as banks came out of a long period of problems and became an excellent value. Health care also came to be a large part of the portfolio.

The investments in this fund have been anything but static over the past 60 years. Familiar names have come, gone and come again in a changing portfolio. The fund's success, along with the success of hundreds of other mutual funds, attests to the value and necessity of active management of any portfolio of common stocks.

OMAR DILLARD is an investment counselor at Edward Jones investments in Charlotte.

Business growth through acquisition

By Pierre A. Clark
NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

For every high-flying, successful company generating six-figure and seven-figure yearly incomes and earning double-digit after-tax profit margins, there are 10 that crash, burn and fail, according to statistics. And for every successful company generating double-digit profits there are 10 marginal performers. Whether firms are undercapitalized, poorly managed or promoted, or just not ready for prime time, the fact is that the vast majority of businesses in America are candidates for either one of three outcomes: closure, bankruptcy or acquisition.

Each of these outcomes mean an excellent opportunity for you to grow your business by acquiring the tangible and intangible assets of these firms. If you are a skilled manager, recruiter and promoter and are willing to develop an eye for the tangible/intangible potential of firms whose product lines and assets complement yours, acquiring and combining existing firms can put you on the fast-growth track.

There are three types of acquisition candidates: Money losers. The firms that have never earned more than they cost to operate may nevertheless own extremely valuable assets like land, furniture, equipment, formulas, patents, software code or other assets.

• Barely profitable. The firms that are making a small profit will have assets that under more creative and efficient management could perform more profitably through cost reductions or more effective marketing strategies.

• Profitable but with greater potential. Even profitable companies can be operated more efficiently. Or their owners may want to sell out and cash in on the years of work expended in building their businesses.

Through acquiring these kinds of companies, you can build your small firm into a giant that generates profits through lower-unit cost materials and what economists call economies of scale.

Growth through acquisition is the process that drove the creation of Century 21, Blockbuster Video, ERA Realty and Waste Management-WMX Technologies. They are all companies built by acquiring smaller companies in fragmented, inefficiently-operated industries and capturing a major portion of the market. Their founders recognized the acquisition process as being much more

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