

Freedom motivates a local small business owner

By VINCENT WOODY
Special to THE CHRONICLE

Mohammed Herb believes that black owned businesses have always been the back bone of the community.

Herb sees these businesses as legacies African Americans can pass on to their youth so they can have something to build upon.

"Once the youth see my success, they can say, well, Herb did it, why can't I do it better. Maybe I can sell furniture, or bicycles, or electrical parts." The youth never see examples of black business and I can serve as an example or model."

Having lived most of his life between North Carolina and New York, Herb was actually raised by his grandparents who were sharecroppers. At that time, finances were very limited.

"I would never see my grandparents control money. They always owed somebody," said Herb. Seeing his grandparents in this situation helped feed his will to provide for himself.

He attended college at Winston-Salem State University on a golf scholarship. Herb always wanted to play golf and did actually tour for a short while, but his career was cut short because of a lack of sponsors.

He has been in business for himself, with the exception of one job in private industry. Since 1967, Herb has been involved in different types of businesses. His entrepreneurship began on the streets of Long Island, New York. "I began by selling hats. I started making between \$300 and \$400 a week selling hats and then I moved to Los Angeles, California," said Herb.

While in Los Angeles Herb was a DJ and a night club owner. The name of the club was "Herbs on the Hill", and according to Herb it



Mohammed Herb, right, at annual block party honoring 'A' students.

was semi-successful. This lasted approximately 18 years.

When he returned to Winston Salem in the late 1970s, he continued in the nightclub business opening a club called the "Kosmitite." He later began his first retail clothing business, where he literally sold from his car.

"Great businessmen began as peddlers, a good example is R. J. Reynolds," Herb said. "I also used to peddle cigarettes."

The money he saved peddling clothing (from his car) went to buy his current business, Herbs Bargains, which has been around for 13 years.

Herb's greatest motivation in opening his own business is freedom. He never was good at jobs or

taking orders from others. In fact, the longest real job Herb had only lasted around ninety days. Herb always had an idea of how he wanted to do things and going into business for himself was the only way.

It wasn't always easy for Herb. At times, he had to sell door to door to get enough money to buy a van and eventually a building. Today, Herb's Bargains is frequented by neighborhood youth seeking advice on how to open their own businesses.

"I inspire a lot of other people to go into business just by being able to stay here," said Herb. "It is not difficult to get started in business. All you need is a privilege license and a tax number."

According to Herb, "It takes a while to establish yourself as a legitimate business. Often the reality of being 'open for business' is missed because black businesses come and go so fast. When customers come in and see that my merchandise is priced the same as in the majority of other stores, they are shocked."

Regardless of this obstacle, it has always been Herb's goal to establish himself as a legitimate business and grow from that. He states, "I always said if I could stay here for 10 years, I could establish myself as a business. I've been here for 13 years and never looked back."

In addition to Herb's Bargains, he is also in the farming business.

Nu Agra, is the name of the black-owned farmland.

"We are just trying to feed our people kosher food and produce it for ourselves. Be independent," Herb said.

His Muslim faith and teachings do not permit him to sell pork, wine, beer, and cigarettes.

"People thought I wouldn't make it because I don't sell wine, beer, and cigarettes. They think that is the only way to get black business. I proved them wrong by being able to stay here," added Herb.

In addition to being in business for himself, Herb also works in the community. He organizes annual block parties with sponsors from the community and also awards students who do well in school with cash prizes. "Over the years, I have given over \$15,000 in support of these types of events," said Herb. He hopes that his business ventures and work in the community will motivate others to take it to the next level.

When asked about the decline of black business, Herb replied, "Winston Salem used to have three-hundred-sixty black busi-

nesses. Big majority businesses wiped us out. Malls wiped us out. We, as a people, like big attractive stores and lights and went to them rather than black businesses. We need to learn how to do for ourselves again rather than depend on others for all our jobs."

Herbs Bargains is located at the corner of Jackson and First Streets.

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Johnson recognized for outstanding achievement

In honor of National Women's Month, The Chronicle would like to recognize the accomplishments of Lexie Johnson.

On Feb. 17, Johnson, an advertising account executive for The Chronicle, was one of 22 people to receive the 1997 Distinguished Sales & Marketing Award (DSMA).

The DSMA was established in 1923 and is given annually to sales professionals worldwide to acknowledge their outstanding achievements in the area of sales. Johnson was also a 1996 DSMA recipient.

Johnson, who resides in Lexington, N.C. with her husband Robert, had 20 years of experience in retail banking before making her move to The Chronicle. Now in her fifth year, Johnson's total sales contribution for 1997 exceed-



Lexie Johnson

ed \$200,000. Johnson, who is a member of First Baptist Church in Lexington, also is the mother of four grown children.

Minority health care group sues government

INDIANAPOLIS (AP) — A trade group for black-owned home health care providers has filed a federal lawsuit alleging a government crackdown on Medicare fraud has unfairly hurt them.

The Indianapolis-based National Minority Home Health Care Network Inc. sued the Health Care Financing Administration last week in U.S. District Court in Indianapolis. The HCFA is the agency in the Department of Health and Human Services that administers the Medicare program.

The network claims the Clinton administration has unfairly targeted minority companies in a three-year-old crackdown on fraudulent billing practices by home health care providers.

The lawsuit claims the HCFA has forced minority companies out of business by requiring surety bonds of \$50,000 or more, subjecting them to criminal investigations, withholding payments for services and dropping them from the Medicare program.

"Our very existence is in jeopardy as well as our ability to fulfill the medical requirements of the population we serve," Phebe Blackman, president of the network, said in a news release.

The network represents more than 200 home health agencies owned by blacks and other minorities. Together, they employ about 10,000 people.

The lawsuit seeks \$100 million in damages and an end to the bonding requirement.

Attorney Eric Vickers of St. Louis said some black-owned companies have had problems obtaining bonds because they are not as well established as white-owned companies.

"The policies and the practices have a disparate impact on the minority-owned agencies. Even the white-owned agencies have noticed this," Vickers said.

Chris Peacock, an HCFA spokesman, said Monday he could not comment directly on the lawsuit, since agency officials had not yet seen it.

However, he defended the crackdown, dubbed Operation Restore Trust, as necessary to root out what he termed "unscrupulous home health care agencies."

The amount of Medicare funding dedicated to home health care increased more than fivefold from \$3 billion in 1990 to \$16.7 billion in 1996, Peacock said. Average visits per beneficiary rose from 33 to 76.

"You had home agencies that were billing Medicare for services they did not provide, for services that Medicare by law is not permitted to provide," Peacock said.

HCFA can make exceptions to the bonding requirements in some cases, Peacock said, and is considering rule changes designed to make bonds more accessible to certain home health care providers.

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