

MAKING PLAYS

SPORTS AND ENTERTAINMENT SECTORS
LOOK TO INVEST IN DIVERSITY.

BY MIKE HEUER

Earning a good living as a professional athlete or entertainer can be relatively short-lived. It isn't long before the best earning years are over for most people. Unfortunately, unsustainable lifestyles and bad investments have been known to cause many a professional athlete or entertainer to lose their fortunes. At the same time, many minority-owned and women-owned businesses lack financial backing to help them grow and create more job opportunities in minority and other communities.

Fortunately, efforts are underway to greatly improve investment opportunities for professional athletes and entertainers while providing real growth opportunities for minority- and women-owned businesses (MWBEs). **Diversity in Promotions**, a Texas-based enterprise founded a decade ago by Chairman and CEO **Rodney Woods**, and former NBA great **Tracy McGrady**, partner and managing director, identifies certified businesses that are at least 51 percent owned by minorities and women who need help to grow their businesses. They then offer athletes and entertainers low-risk investment opportunities in these businesses; thereby giving MWBEs a much-needed boost in capital to complete their contracts which translates to more job opportunities in local communities.



Woods



McGrady

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“The biggest problem many minority and women-owned businesses have is access to capital,” says Woods. “[With] small to mid-capital businesses, most of them have the skillset but don’t have the capital to get to the next level or sustain.”

With his connections to wealthy professional athletes and entertainers plus his business relationships, Woods recognized an opportunity to help MWBEs gain access to capital while helping athletes and entertainers maintain and grow sound investment incomes. Diversity in Promotions helps professional athletes and entertainers invest in their communities without running a

and show us how everything worked internally.”

Realizing how the supplier network enables large corporations like Toyota to do business, Woods began working with professional athletes and entertainers to generate capital for MWBEs.

Learning how to interact with successful venture capitalists and limit investment risks also helps athletes and entertainers understand how to invest in businesses and their local communities.

“Here’s an opportunity for athletes who have liquidity to really get engaged with companies that have

diversity speaks to our efforts to include minority- and women-owned



Dozier Gordon

businesses in our procurement activities. We have a lot of things that we are doing,” said Gordon. “I was in Las Vegas for

the **National Gay and Lesbian Chamber of Commerce** conference, where I met with a number of potential suppliers. We go to trade shows. There are a number of things that we do to reach out to diverse suppliers.”

The success of its outreach diversity efforts is evidenced by the USTA’s relatively high spend on goods and services provided through MWBEs.

“We’re doing about 13 percent of our spend with diverse suppliers, which rivals anything that any corporation is doing,” said Gordon. “The challenges that we experience are unique to our industry. Some of the things that we need are [tennis] equipment, but you don’t have a lot of women- and minority-owned companies that do that kind of thing. Our office supplies provider is a minority-owned business.”

To help boost diversity among suppliers as well as general awareness of and participation in the sport of tennis, the association recently appointed a chief diversity officer to oversee a team of six implementing a multifaceted strategy for promoting diversity. The USTA also created seven business resource groups to promote greater participation with M/WBEs and employing people of diverse backgrounds including women and working parents.

The association’s diversity efforts carry over into its renovation efforts



Dozens of youths take part in the USTA’s Latino Children’s Clinic held each year in Dallas during the Pro Circuit Challenger Tournament.

high risk of losing their money, and the program enables them to transition into successful entrepreneurs themselves. An encounter with a major auto manufacturer a decade ago helped Woods develop the idea.

“I got with **Toyota** about 10 or 11 years ago. They said they would love for me to bring athletes and entertainers to the Toyota trade shows and introduce them to a lot of vendors that make certain things on the Toyota vehicles,” said Woods. “Toyota is big on diversity and was the first to really open the door to us

contracts with major corporations,” said Woods. “We’re doing the true jobs creation. We’re revitalizing communities. We are doing the job creation across the board from social media to skills-set people. It’s endless as far as what companies are trying to find.”

Also helping to create more business opportunities for MWBEs is the **United States Tennis Association (USTA)**. The association seeks ways to include more MWBE suppliers in its daily business activities while also pushing for greater diversity in the sport, states **Donna Dozier Gordon**, the association’s director of diversity and inclusion.

“The initiative that we have in place is encompassing. Supplier

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at the National Tennis Center.

“We have a major construction initiative happening at the National Tennis Center at Flushing Meadow Park in Queens where the U.S. Open is played,” said Gordon. “Our construction includes diverse suppliers.”

The tennis association’s desire to promote diversity is shared by many large corporations, says Woods. That means solid investment opportunities abound for athletes and entertainers.

“Minority inclusion today is really a hot-button. It’s value-add to every major corporation. They’re saying: ‘Hey, we want to be inclusive. We want to hire more [diverse] companies,’” says Woods. “It’s more than just African-American. It’s Indian. It’s Hispanic. It’s Asian. It’s Pacific Islander. It’s women-owned businesses.”

That means those companies will need capital to help ensure they have the equipment and people needed to fulfill their contracts and keep more coming. To assist, Diversity in Promotions in August launched its new **PlayBook Investors Network**, “which is a wealth-based program for minority-owned businesses to gain capital and teach the athlete-entertainer how to become owners as opposed to losing money,” explains Woods.

“We’re working with the **Broker Dealer Group** out of Austin, Texas. They have 40 bankers with over 110,000 investors with \$50 million and above,” said Woods. “Major institutional investors don’t look like these athletes. But, now here’s an opportunity to rub elbows and understand how to play in the world [of] major investors who have been doing this for years and years. We’re teaching the athlete-entertainer how to engage in that space.

“We’ve got another portal for startups launching in about six

months and will launch another portal focused on procurement so companies [who utilize MWBEs] aren’t wholly dependent on one supplier.”

While Diversity in Promotions and the USTA are increasing business opportunities for athletes, entertainers and MWBEs, the **National Volleyball League** is working to create professional opportunities for the nation’s female and male volleyball players, come from diverse backgrounds. Founded in 2010 by **Albert Hanneman** and **Molly Menard**, the fledgling professional sports league is designed to be self-sustaining and provide livable incomes for its female and male athletes.

“We had the idea to create a new tour, for the players and by the players, that would be sustainable and last longer than four to six years,” said Menard, the league’s chief financial officer. The league has gained a foothold with six national events, but



Menard

it still is in an early growth stage while offering significant prize money for athletes.

“We’re more focused on going [on] the grassroots side of things. Our prize purses aren’t as big as the international tour and other tours,” Menard explained. “The prize money is important, but it has to be in line with our revenue. When the market supports higher prize money, then we definitely will offer higher prize money.”

Menard played volleyball for the University of Wisconsin-Eau Claire while earning her bachelor’s degree in finance. She spent several years in charge of motorsports market-

ing for **Menards**, which sponsors a NASCAR team. Her business background and sports-marketing experience help with promotions for the National Volleyball League and its efforts to expand professional opportunities for women and minorities.

“We have some great partners with us. We’re going to be in our fourth year next year. When the other tour folded back in 2010, it left kind of bad taste in a lot of sponsors’ mouths,” said Menard. “But we’re seeing an increase in interest from sponsors, especially with women’s sand volleyball becoming an NCAA Division 1 sport. It’s the fastest growing emerging sport in NCAA history.”

The league recently built a 20-court facility at its headquarters at the **Club Med Academy** in Port St. Lucie, Florida, where minority and female volleyball players and others can improve their skills with coaching from league players. Local public relations efforts boost the National Volleyball League’s awareness in local communities where its events are held while also boosting the diversity of participants and fans alike.

Minority and female athletes also can earn money by participating in free clinics, and the league’s year-old PlaySet Foundation helps to educate kids about volleyball, nutrition, the need to stay active and volleyball. While they help to put money in athletes’ pockets, the clinics mostly are intended to introduce more kids to volleyball and create a more diverse base of skilled players.

“Just to get them exposed to volleyball is huge. We try to do that in every community we go to. Interest in the sport continues to rise as more people become aware of the new league and more spectators show up to each event,” said Menard. “There’s

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so much interest in beach volleyball right now with it becoming an NCAA sport. [Los Angeles] is the Mecca of beach volleyball, but we are finding a lot of cities in the Midwest are very receptive to beach volleyball.”

League officials also work to help minority, female and other athletes obtain paid sponsorships so they can focus on their sport and have fun instead of worrying about how they might pay the bills. Prize money is equal for men’s and women’s teams.

“It’s been that way for quite a few years. We definitely try to keep it equal. The women bring in as many fans as the guys do and maybe more,” said Menard. “The bigger that we get, the more we will put into prize money. We’re not here to make a ton of money. We’re just here to support the sport.”

Also supporting its sport and greater diversity is the USTA. While improving opportunities for minority-owned businesses, the association is also working to increase the diversity of tennis players in the United States.

“We’re in the business of promoting and developing the growth of the sport. One of our external outreach efforts is identifying the next wave of elite players who are diverse,” said Gordon. “We have a program in which we provide support to players to ensure they have adequate coaching support and are able to play in the tournaments that they need to grow their ranking.”

Getting better means having the time, facilities and people to provide the training and guidance needed to develop elite players. That means coming up with money to pay for them, and the USTA is helping out with financial support at the local level.

“We have a grassroots program to attract a diverse audience to the sport through a grant program that awards funding to community-based programs around the country that are providing tennis education and ten-

nis exposure to underserved youth,” explained Gordon. “We’ve been able to provide funding for a number of elite players that are coming up on the scene. We also publish development-engagement guides that provide a wealth of information about how to engage people in different communities.”

The USTA also is improving diversity among tennis players and fans through its diversity-driven program for interns looking to gain real-world experience in professional sports.

“We’re just wrapping up the second year of a diversity inclusion intern program. We have 12 interns working this summer in a variety of departments at USTA as another way to help folks of diverse backgrounds to learn about the sporting industry and tennis in particular,” said Gordon. “A number of them are being kept on to work as part of the seasonal team for the U.S. Open. That speaks to how well-received they were and how effective they are to stay on through the Open.”

Diversity is a welcome theme in professional sports and big business alike, and efforts to increase diversity and earning opportunities for professional athletes is matched by efforts to include diversity among MWBEs in sports, entertainment and other industries. Diversity in Promotions shows how professional athletes and entertainers can find sound investments that will help them to promote and improve the communities in which they were raised while also helping deserving MWBEs to get the capital they need to grow their businesses and improve local economies. ♦

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Minority Business Entrepreneur*

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