

**ResilNC**

INSIGHTS. INVESTMENTS. IMPACT.

# Procuring the Equitable Outcome

INTENTIONAL PARTNERSHIP FOR INCLUSIVE CONTRACT OPPORTUNITIES

**AUTHOR**

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## ACKNOWLEDGEMENTS

Thank you for your tremendous support on behalf of the ResilNC staff, board of Directors, and inaugural fellows. With your leadership, we can elevate the message of intentional partnership to increase the diverse participation of industrial and professional suppliers and a trade-skill workforce. Your direct investment and practical efforts will help complete this report with critical insights and best practices to create equitable opportunities for MWBEs. Your presence and work are essential to the scalability of wealth opportunities in small businesses that thrive through contract and supply in our community.

THE  
WINSTON-SALEM  
FOUNDATION



**ACCESS**  
Center for Equity + Success

ResilNC [RI]+[ZIL]+[YUHN]+[SEE] is a small business data and investment collaborative launched to better understand the capital and development needs of diverse businesses caught in the margin of inequity.

Access Center for Equity and Success believes our approach in assisting minority-owned and woman-owned firms create immediate and measurable impact, and fill large gaps in the economic landscape.

# INTRODUCTION

**"INCLUSION IS NOT A BUZZWORD, IT IS THE KEY TO A THRIVING SOCIETY."**

**- MAYNARD JACKSON**

In an era of lack of compromise and polarization regarding equitable opportunity, a question arises: "What's fair?" Scores of injustices with people of color historically falling steeply behind due to long-tenured discriminatory practices that have slipped into law over decades. Major corporations are now under fire for their ESG efforts to diversify their investments and procurement practices, even when ESG is evermore representative and aligned with an American workforce.

Between 2019 and 2023, women-owned businesses grew to represent 39.1% of all US Businesses. Of those 14 million businesses, 23.1% were employer firms owned by women of color. Even with annual gross revenues exceeding \$530 Bn, falling short of firms owned by white women, that number is doubled by the gross earnings of white male-owned firms.

What prevents businesses owned by diverse populations from experiencing the scalability of non-diverse firms? Most of what we know points to a need for more understanding, perception, and economic position immobilized by preserved historical practices that have either eliminated or prevented many families from increasing wealth from one generation to the next. Zeroing in on the Black household, which makes up 32.4% of the city's population and the majority of the BIPOC community of Winston-Salem, NC, can help us understand a little bit better what has happened. In the 1930s, the federal government established "redlining," a term used to describe maps that informed the banking industry on where the least risky opportunities to lend money existed.

Actions like redlining link directly to disinvestment in communities of color, while most would assume or purport that these practices no longer exist. February 2024 proved different when the Department of Justice ordered First National Bank to pay \$13.5 million to settle a lawsuit brought on behalf of Black and Latino borrowers in Charlotte and Winston-Salem, NC. FNB practices overlap in some instances with the 1937 Winston-Salem Home Owners Loan Corporation Map that changed the generational trajectory of families nearly 100 years ago.

To scale a business from 0 to 100, 100 being on par with top-performing companies that nationally experience parallel revenues. The economic position you begin from is critical to the velocity of your growth. If that time aligns with the years of life, you can provide your highest levels of sweat equity contribution. That means the lowest cost form of capital, proximity to resources, and exposure to the right partnerships. Suppose you are from a family treading water. In that case, these barriers become much steeper with little transference of moderate to high-value property liquidity and a historical understanding of relationships with banking for growth.

Varying disparity studies may explain why specific markets aren't achieving higher levels of participation by diverse suppliers in their response to professional and industrial supplier bids. The common discovery is rooted in the intentionality of the practices of the entities requesting bid responses. In this document, you will review an approach taken by the Innovation Quarter to create an inclusive result.



# A NEW IDEA

In late 2020, Graydon Pleasants reached out to Wilson Lester, the Founder of the Access Center for Equity and Success (ACES), with an exciting proposition. Following the Wake Baptist merger with Atrium Health, Pleasants saw a potential opportunity for ACES to introduce the Atrium Supplier Diversity team to BIPOC firms in the market. Atrium's leadership and commitment to supplier diversity promised a perfect partner. What was unclear was if the ACES approach was more promising than the professionals within the organization working in supplier diversity. Or, the ideas in implementation across the mergers that made Atrium the 5th most largest not-for-profit medical system in the country would create similar outcomes in alignment with their goals. Pleasants had a new idea after working and meeting with Atrium team members to discover ACES juxtaposition their current activities.

That idea would lead to a demonstration of the value of having a partner adjacent to your development project, which had one specific tactical obligation. The project's scope is the basis for identifying diverse suppliers who were unknown to them. The hurdle is ensuring the contracted party adheres to the compliances that exceed current industry standards. Innovation Quarter included in their contract with the Prime Contractor that a local partner be identified to support outreach and engagement with the diverse business owners throughout the bid process.

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After meeting with prime contractor Whiting-Turner, the picture of what was possible broadened after learning about the best practices employed on the Atrium developments in Charlotte achieved through Whiting-Turner partnering with a local MWBE firm for project management.

The value of this approach is that the MWBE partner firm could also help confirm the subcontractor's capacity. At the same time, ACES scaled individual contacts to Certified and non-certificied about the opportunity to bid.

Forward-thinking, the Prime Contractor also unbundled the project into attainable contracts for firms with lower fiscal capacity to assume, for example, 100% of the concrete work or 100% of the earth movement or grading. Smaller packages created an extensive opportunity for more firms to bid and participate in the project at scale.

## THE PARTNERSHIP

**INNOVATION QUARTER**  
(PROJECT OWNER)

**WHITING TURNER**  
(PRIME CONTRATOR)

**ACES**  
(OUTREACH PARTNER)

**WC CONSTRUCTION** (MBE PROJECT MANAGER)



**“YOU CAN PLAN A PRETTY PICNIC  
...BUT YOU CAN’T PREDICT THE WEATHER.”**

### CASH RULES

Even in a practice designed to create a high-value win for the organizations involved, the community of black and brown business owners, and capital partners, cash still rules everything around us. The original timeline for this project had a mid-year 2022 start date, but re-appropriations at HUD nine million public capital halted development for 9-months. The projected budget of \$15 million in 2021 had become a \$20 million dollar expense in 2022. The post-covid market demand created a global surge on industrial materials and services for developers. The original budget required a \$6 million-dollar cash injection. Even when funds were reallocated the project leaders had a \$5 million-dollar gap to resolve.

The loss in capital and time eliminated our planned diverse supplier accelerator,

walking firms through the bid process before the public bid release. The lead time by design provided an opportunity for the prime contractor to learn why some firms would choose not to bid and why others would. Having this information allows the crafting of a public bid release that would gain a response from the broadest swath of possible bidders.

### THE RESULT OF DELAY

During the period Innovation Quarter worked to seek reallocation of funds, HUD restricted performance of any work related to the development including MWBE outreach related to the project. Creating significant financial and internal weight to the project. This downturn in activity also resulted in some level of lacking confidence from the community of MWBEs that anticipated an opportunity to work based on surveys.



READY OR NOT







**26%**

Projected in Minority Business Enterprise participation upon completion of horizontal construction.



**10%**

Projected in Women Business Enterprise participation upon completion of horizontal construction.





## WILSON LESTER

AUTHOR

Wilson Lester is Co-Founder and Managing Partner of Partners in Equity (PIE). PIE is a private equity investment company focusing on business purpose real estate. Noting that transferable assets are the most sustainable pathway to generational wealth, PIE's strategy focuses on underinvested communities with a higher index of tenancy versus ownership, offering an opportunity for more businesses to own where they operate. Wilson's leadership extends beyond traditional investment strategies. He is the visionary behind Piedmont Business Capital, a pioneering North Carolina-based Community Development Financial Institution (CDFI), which has strategically deployed millions in impact capital to uplift Black-owned businesses across the state.

As the Co-Founder of the ACCESS Center for Equity and Success, he plays a crucial regional role in empowering minority business enterprises to access public and private contract opportunities, thereby advancing economic inclusion. His commitment to transformative philanthropy is evident through his roles as Treasurer and Investment Committee member at the Cone Health Foundation and his board positions at the Triad Advisory Council for Truist Bank and Greensboro College. His involvement with various boards dedicated to health and economic development, including past contributions to the African American Alliance of CDFI CEOs Advocacy Committee, underscores his dedication to shaping policies that benefit Black businesses and foster resilient communities, highlighting his unwavering commitment to economic inclusion.

Believing that generational wealth starts with educating family, Wilson created Nocho Park Redevelopment, an infill residential development company, to introduce his family to a living-learning lab that provides affordable housing in the community while building long-term assets.

Wilson earned his undergraduate degree in Business Administration from Greensboro College and his Master of Science in Management, Strategy, and Leadership from the Eli Broad School of Business at Michigan State University. He was most recently recognized as a Wealth Innovation Fellow of the Aspen Institute.

The logo for ResilINC features the word "ResilINC" in a bold, white, sans-serif font. The letter "R" is stylized with a green triangle pointing downwards from its top-left corner. The background is a dark teal color.

# ResilINC

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