



## **BET Billionaire Johnson At Mackinac: Give More Minorities A Shot**

May 29, 2013 3:32 PM Reporting Matt Roush



MACKINAC ISLAND (WWJ) - African-Americans and other minorities will be better represented in the ranks of corporate leaders as they get more of today's corporate leadership to give them a shot.

That's the contention of Robert L. Johnson, founder of Black Entertainment Television, a billionaire investor whose portfolio today includes close to 40 automotive dealerships and nearly 150 hotels.

Johnson advocated what he called the "RLJ rule" that every time a company has an opening at the director level or above, it must interview two minority

candidates. And every time a company has a project it is contracting out, it must interview two minority contractors.

It's modeled on a rule in the NFL that requires teams to interview minorities for top coaching and management jobs.

"There's no mandate to hire, it's building up a pipeline of people who could fill that job or some future job," Johnson said. "The only way African-Americans are going to get into the pipeline of people who can be CEOs is if they get into the system."

Johnson said he doesn't think African Americans aren't held back from the executive suite by "overt racism," but by informal networks on places like golf courses that lead to insular hiring practices.

America has to start looking at such "enhanced best practices" to be competitive, Johnson said, because the country will soon have minority groups as a majority of its population.

Johnson also railed against payday lending, short-term loans at outrageous interest rates of 400 to 450 percent annualized that are used by many people without savings to cope with emergencies like a broken-down car or an illness. He backed a system of short-term bank loans instead called a "wage advance."

Johnson said his own success was due partly to the vision of John Malone, who owned a cable TV company called TCI when he had the vision for BET. He asked Malone for capital to start a cable TV network targeting African-Americans with entertainment programming, sports and news.

"John Malone asked how much money I'd need to start it, and I said it would take \$500,000," Johnson recalled. "He said, 'OK, Bob, here's what I'm going to do. I'm going to buy 20 percent of your company for \$180,000

and then loan you the rest. I'll be 20 percent and you be 80 percent.' I said 'That's a deal.' What he didn't know was that if he had said, 'I'll be 80 and you be 20,' I would have said, 'That's a deal.'"

Johnson eventually learned Malone's thinking, as the years went on — Malone kept putting more money into BET, but as loans, not as equity, and that left big money on the table when BET was sold to Viacom in 2001 for \$3 billion.

"I asked him why he kept putting money in as debt rather than equity, and he said, 'Bob, I always knew you would work harder for yourself than you would for me,'" Johnson said. "We have been friends ever since."

Johnson said it took a John Malone to give him a chance to show what he could do. "So I think if there were more John Malones, there would be more Bob Johnsons," he said.

Johnson said his investing efforts now are aimed at being some aspiring minority entrepreneur's John Malone. Johnson opened with a story about his first visit to Michigan — trying to drive from the University of Illinois, where he was a student, to the University of Michigan for a football game, in a mint green Road Runner, "the fastest car that Detroit ever made, and I was trying to drive it as fast as they made it." And of course he got pulled over by a Michigan State Trooper — and he'd forgotten his driver's license. So he wound up spending the night in a holding cell until his identity could be confirmed.

"But I'm back now, and now I have hotels in Michigan," Johnson said.

Johnson said as a broadcaster he's also "very impressed with the Pure Michigan campaign. It is a very good message to grab people's attention. Whoever's doing that voiceover and the cinematography is really selling Pure Michigan."

Johnson also said he hired many Detroiters in the early days of BET, including former WJBK sportscaster Charlie Neal, newscaster Ed Gordon, soul music DJ Donnie Simpson and former Detroit Lion Lem Barney.