

Harvard Business School

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THE BEDFORD-STUYVESANT SPECIAL IMPACT PROGRAM (B)

The Economic Development Program of the S.I.P. began in July 1968. The initial objective of the Economic Development Program was the creation of job opportunities through the expansion and relocation into the community of well established concerns and the development of black-owned enterprises which would help to broaden the economic and entrepreneurial base of the community.

The economic development component is operated by the staffs of both of the sponsoring organizations. Alvin N. Puryear, an associate professor at the Rutgers University Graduate School of Business Administration and a leading authority and consultant on urban economic problems, is the Director of Restoration's Economic Development Program. Dr. Puryear, a graduate of Yale University, earned his M.B.A. and Ph.D. in Economics and Finance at Columbia's Graduate School of Business. His counterpart on the D&S side is Edward Goodman, a graduate of Yale University.

For most of the two-year period since the inception of the total S.I.P. program, the primary emphasis has been placed on the establishment of relatively small, minority owned enterprises on the assumption that the overriding concern of the program should be a demonstrated capacity to deliver.

The main accomplishments to date have been the creation of forty businesses ranging in size from a T.V. repair store to a \$250,000 heat-sealing and plastic manufacturing company and the extension of over \$ 3 1/2 million to these businesses in loans. Several large new factories have located in Bedford-Stuyvesant, and these will each eventually provide several hundred new jobs for local residents.

Organization

The Director of Economic Development at the Restoration Corporation reports directly to the Executive Director, Mr. Franklin Thomas. Organizationally, Dr. Puryear is supposed to report to a Deputy ~~Executive~~ Director, but this **position** has not been filled for approximately six months! Occasionally, Dr. Puryear makes reports to the Restoration Corporation Board, but there is no other direct relationship with the Board.

¹On October 1, 1969 Dr. Puryear assumed this position and Kendall Nash, a Columbia M.B.A., took over Economic Development.

This case was prepared by Clifford E. Darden, Research Assistant, under the direction of Professor Paul R. Lawrence. It was made possible through the cooperation of the Bedford-Stuyvesant Restoration Corporation of Brooklyn, New York, as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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