

Two N.C. A&T graduates with big ideas and unlimited determination watch for their financial reward.

Time For Success

By Justin Catanoso
Staff Writer

In early 1992, Ken Canion sat on the bed in his Sedgefield Square apartment and prayed. He was raised to be a deeply religious person. Praying comes naturally.

But these prayers had a mission. Canion – then a 26-year-old N.C. A&T graduate, a former Aggie offensive lineman – was seeking entrepreneurial salvation. His small business ventures over the previous four years had produced lots of cash, but little profits.

He was behind on his rent and eviction was looming. Unpaid bills had piled up. Heck, even his refrigerator was empty.

God, however, does seem to work in mysterious ways. Canion, smiling at the recollection. “I was paging through this book of black art



August L. Meyland III/News & Record
Black art is finding its way into the marketplace on BAG watch faces.

and thinking, “Man, these are nice. Then I looked at my watch. “What time is it?”

“Time for life-altering inspiration. “I thought, ‘Wouldn’t it be nice if I could put that art on the face of this watch? Then I could look down at it and enjoy it all the

time,” bubbles Canion now grinning ear to ear. “That’s how it happened. I call it my divine idea.”

Fast forward to Feb. 18, 1996. There on the faux living room set of QVC in West Chester, PA., Canion sits next to host Dan Wheeler. He’s smiling that smile of his and talking about his Greensboro-based company – Black Art Gear, or BAG. The company sells gold watches with genuine leather bands with the work of popular black artists displayed on watch faces. Retail cost: \$55; QVC special: \$35.

On national television, in prime time, Canion chats merrily with callers from Richmond, VA., and Green Bay, Wis. Behind the television cameras, those waiting to pitch facial creams exercise equipment cheer Canion on.

In just 20 minutes, nearly 1,300 BAG watches are sold.



Phillip White, left, and Ken Canion show off their Black Art Gear watches. The company sells gold watches with genuine leather bands with the work of popular artist displayed on the watch faces.

Charting the course of Canion’s “divine idea,” from his bedroom to the set of QVC, is to witness a remarkable journey. He describes it with such earnest enthusiasm that a listener feels compelled like those behind the TV cameras, to cheer each development.

There was so much to learn. About art, about watches. There were so many people to convince. Bankers, retailers. But Canion, now 30, and his business partner, Phillip White, also 30, made the connections and pieced it all together – like a movie with a happy ending.

Here are some critical scenes:

- Around 1980, young Kenneth Canion tells his father Raymond, he wants to play football for high school team in Atlanta.

“I told him he could play, but he had to keep his grades at B-plus or above,” recalls the father, a successful new car salesman who

rose to become a Volvo dealership finance manager. "That was pretty stiff, but he did it. He was the only player on the team to graduate with honors.

Raymond and Willa Canion would instill other values in their son. Work hard. Work smart. Set goals. Trust your fellow man. And believe in God. If he did those things, they would always support him.

"One of the most important things I taught him," Raymond Canion says, is, "If you give your word, you keep it. Your word is your bond."

In spring of 1991, Canion gets a partner when his old friend Phil White tires of selling insurance. Three years out of A&T, White was a free safety on the same Aggie football team as Canion. He grew up in Siler City, where as a kid he baled hay and primed tobacco.

"I knew all about hard work," says White, who majored in early childhood development and along with Canion, continues to work for Guilford County as a counselor for troubled black youths on weekends.

- In spring 1992, with the black-art-on-watches idea hatched, Canion and White debate the big questions: Is there a market? Yes. There research tells them African-Americans, this country's largest minority, spend \$20 billion annually on apparel and accessories. How much would customers pay? Again, research suggests \$50 per watch.

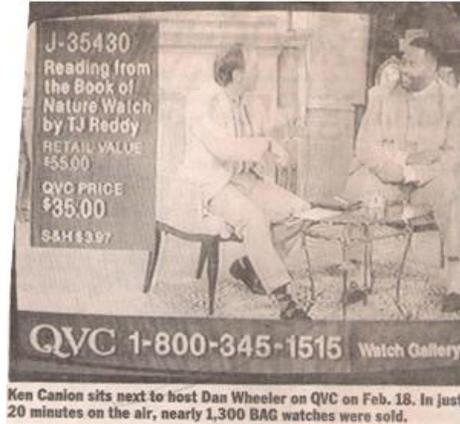
Now the pair must get access to the art.

They call on black Artist Ed Halessie, Hale of Greensboro. They pitch their idea. Hale is wary; he's been ripped off before by quick-buck artists trying to capitalize on his art. But he listens to the young men. They seem sincere, he says, but he wants to be paid.

"I told him we didn't have a penny in our pockets," Canion says, "but that we would get him some money."

Canion's word is his bond. Tapping friends and family, he

comes up with \$5,000, to buy the reproduction rights to 18 prints from



four African-American artists. The prints are mostly colorful scenes depicting black pride, love, rejoicing and beauty.

Black Art Gear is born.

- In early 1993, Canion and White contract a California company to produce 300 watches with popular black art on the watch faces. They are told the watches are high quality with genuine leather bands. For \$49.95, they giddily sell the watches out all over town.

They soon learn a hard lesson in business – some manufacturers lie. The watches are junk. They stop ticking. They turn green. The bands fall apart. Three hundred customers, mostly friends, demand refunds. Somehow, they return every penny.

"Those 300 watches were a disaster," Canion says, "but we learned a lot. People liked the service we gave them. And we found out which art was popular."

Working odd jobs to eat and keep the creditors at bay, Canion and White spend nine months immersing themselves in the intricacies of watch-making production.

Canion's father, Raymond, recalls, "I told Ken, "you have to spend time in the library. You have to do the homework. You can't go about this half-cocked."

Ken Canion's research leads him to manufacturers in Hong Kong. Struggling over language barriers in midnight phone calls and faxes, he signs an agreement with a Hong Kong company that makes the

popular Fossil brand watch. No more worries about quality.

But money remains a concern.

The scenes in 1994 and 19945 blur together into a montage of hard knocks and lucky breaks. Canion and White were convinced that Black Art Gear could make money, but they needed \$96,000 to get started. Three local banks denied their requests for start-up loans.

Then they got a tip. After pick-up basketball game, a friend suggested they go to Mike Wilkerson, manager of the business banking department at Wachovia. The bank has a special small business loan program.

"My initial impression was that these guys knew what they were doing," Wilkerson recalls. "They were both achievers, but their business plan wasn't well-prepared. So I sent them to Cynthia Clemons."

Clemons is director of the N.C. Small Business and Technology Development Center, where she works upstart entrepreneurs. In her characteristically candid way, she challenged Canion and White to think harder about their business plans than they ever had before.

"When I first met the two of them, I thought, 'Here are two kids who think they can grab the world by the tail, and you're supposed to believe them!'", Clemons recalls. "I thought, 'Who is going to buy these doggone watches?'"

Canion knew. And he wasn't shy about telling Clemons. White recalls "refereeing" shouting matches between his partner and their business counselor. Eventually, Clemons came around.

They convinced me," she says. "They had done their homework."

Armed now with a well-designed business plan. Canion and White went back to Wachovia. Wilkerson, the loan executive, liked what he saw and recommended the \$96,000 loan. But because Canion and White had no equity, the bank rejected the loan.

That was the spring of 1994, Canion and White had hoped to see some of the Wachovia money to underwrite a trip to Las Vegas to attend MAGIC, the world's largest men's apparel market. They planned to seek orders for their watches.

With no money, there was no way to get to Las Vegas. But they never considered not going. White called his father, Troy White, and asked for help. Troy White agreed to support the effort. He gave his son a 2,500 limit, and Phil White and Canion flew west.

In crowded, bustling Las Vegas, Lady Luck's name was Eileen Stern – co-owner of Frank & Stern. Her marketing and merchandising firm, with offices in New York and Chicago, has worked with Revlon, Sears, Fruit of the Loom and QVC.

Ordinary, Stern doesn't stray from her booth at the apparel market. She prefers to let thousands of eager retailers to come to her to pitch their wares. But one day, she felt compelled to look around. That's when she overheard Canion describing his watches.

"I thought they were great," Stern says, "They were targets to a very specific audience, they had a very interesting niche. That's what retailers are looking for now."

So Stern began talking with Canion and White. She heard the enthusiasm in their voices. She saw that spark of sincerity in their eyes. And nice. She liked their idea. But mostly she liked them.

"I'm going to help you guys out," she told them.

Stern advised the partners on packaging and in-store displays.

She urged them to call their watches collectors' items and sell only limited editions. That way the line constantly changes. Then she started pitching Black Art Gear to various retailers.

"I'll be honest with you; we really hardly charged them anything. I don't know why," says Stern, but who instead with take royalties on sales. "I just thought they were very special people. They are very religious. They sort of believe that God sent me to them."

"Look, I'm a businesswoman; I don't do anything for free. But I just had this unbelievable good feeling for these guys. They just turned out to be honest and trustworthy."

When the pair returned from Las Vegas – exultant with Stern's stamp of approval – Canion went back to Wachovia. He requested the \$96,000 loan again. This time, the bank agreed to loan Black Art Gear \$75,000 – if the company could raise \$21,000 on its own.

Canon and White needed one more connection, one more person to believe in them before their company would get a chance to prove it. So Canion did what he has done since childhood. He talked to his father.

Raymond Canion recalls the conversation: 'Ken said, "Dad, I really don't want to come to you with this," I said, "Do you believe in it?" He said he did. Well, I told him, in order to be successful, you have to take risks.

"I didn't make a decision that night. I thought about it. I prayed over it. Then I called him a

couple of days later and said, "Let's go for it."

Last year Black Art Gear sold 5,000 watches and grossed about \$100,000. Covered up in debt, neither Canion nor White drew a salary from their business.

That should change this year when they expect to sell 20,000 watches and gross \$500,000.

With Eileen Stern's help, Black Art Gear watches can be ordered in Spiegel catalogs and purchased at 36 Target stores and 15 Sears' stores nationwide. A deal with J.C. Penney's is now being negotiated.

Last fall, Raymond Canion demonstrated another leap of faith in his son; he quit his \$70,000-a-year job as a Volvo dealership finance manager. He's now sales manager for Black Art Gear and has placed watches in civil rights museums gift shops in Atlanta and Birmingham.

To further support this growing company, Mike Wilkerson at Wachovia extended two additional lines of credit to assist with inventory and shipping costs.

Meanwhile, Canion and White appear to be taking the success in stride – as if it were pre-ordained. They continue to work crazy hours during the week and work as counselors for troubled kids on weekends. They firmly believe that the "divine idea" Canion got four years ago was no accident.

"We have our heads on straight," Canion says, "we get our guidance from God. And we persevere."