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LABCi Advances Open, Transparent and Free Online Program for Local Businesses to Capture and Retain Benefits of Major Sports, Entertainment and Convention Events Coming to L.A.

Key L.A. City Council Committee approves motion to review new online platform with proven results in London, based on new LABCi Feasibility Study

LOS ANGELES (January 31, 2019)—When Los Angeles hosts major sports and cultural events, local small and disadvantaged businesses are often left with little to cheer about. A new tool studied by the Los Angeles Business Council Institute (LABCi) is aiming to change that.

The proposed program is modeled after an innovative system built for the London 2012 Olympic and Paralympic Games. The goal is to launch an L.A. version in time for the arrival of the Super Bowl (2022), World Cup (2026), MLB All-Star Game (2020), U.S. Open Golf Championship (2023), the Grammys (2019-22) and the College Football Playoff National Championship Game (2023), among others.

The program developed for the London Games was an incredible success, with 75 percent of contracts awarded to U.K.-based small and medium-sized businesses. The program has since grown in size and scope, with more than 250,000 businesses now registered on the site and its use expanding in both the public and private sectors.

The LABCi is leading the effort to adapt this program for Los Angeles. With up to \$5 billion in direct and indirect projected economic value over the next seven years from major sports and entertainment events, the LABCi is proposing that development of the new program begin now and be completed by January 2020.

Like its London counterpart, this proposed program would be a civic enterprise involving the private and public sectors. The program will be designed for all L.A.-based businesses to enhance their ability to find and win contracts of any size by providing the tools and resources they need to succeed.

“We see enormous opportunity to create an open, transparent and free Los Angeles version of this highly effective program from London and create meaningful business opportunities to thousands of local companies, especially the small and medium-sized businesses that are the backbone of our economy,” said LABC President Mary Leslie. “Los Angeles is the entertainment and sports capital of the world, and our local businesses should capture and retain far more benefits as we see more investment flowing to our city from the fantastic events that are on the horizon.”

Based on a feasibility study by the LABCi, the demand for a regionalized system like this in L.A. is high. In Los Angeles County, 97 percent of companies are considered small businesses, with fewer than 50 employees, and 56 percent of firms are minority-owned businesses.

Yet for a variety of reasons, most of these companies do not get a piece of the economic pie from major events, according to the LABCi. The group’s study found that small businesses are either unaware of opportunities, unable to navigate bureaucratic barriers or have difficulty breaking into existing supply chains. Others struggle to compete against larger, out-of-area companies that have existing relationships in the supply chain.

The online database links businesses to major contracts in a simple, free, one-stop shop that alerts qualified suppliers when opportunities become available. The program consolidates buyers and suppliers into one

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centralized system and eliminates the red tape and repetitiveness of bidding across different platforms, while offering tools such as technical support for small, minority or disadvantaged business enterprises.

“We are all excited about the great events that are coming to L.A.,” said Shoneji Robison, co-owner of Southern Girl Desserts, a South L.A.-based bakery. “As a small business owner, an online platform like this would be incredible because it would let me know about catering opportunities that I don’t have access or the connections to right now.”

The proposed program would also let buyers carefully vet suppliers and the services provided, giving other buyers confidence in a supplier’s capacity and product quality. These tools, while helpful to businesses of any size or scope, would be of most benefit to small businesses that may be new to the process of bidding for large-scale contracts.

“This is a Yelp-style approach to contracting that not only opens up new opportunities for local businesses, but also creates a system of accountability for both the buyer and seller of products and services. It’s only fitting that Los Angeles – a global tech industry leader – bring a modern tool like this to the benefit of the local economy,” said LABCi Chair Brad Cox.

Similar to the London platform, the L.A. system has the potential to reach far beyond sports and entertainment events. In London, the program now supports public infrastructure projects as well as private contracting opportunities.

“With hundreds of billions of dollars in public transit, housing and other projects in the pipeline, the proposed program could evolve into an online clearinghouse for public agencies and large contractors seeking the participation of L.A.-based small and medium-sized local businesses,” said Leslie.

The LABCi presented the proposed program and accompanying feasibility study yesterday to the Los Angeles City Council Ad Hoc Committee on Job Creation, chaired by Councilman Krekorian. Shoneji Robison testified in support of the program, along with businesses owner Linda Clarke, Sky Kelley, CEO and Founder of Avisare, Jennifer Ito, Research Director of the Program for Environmental and Regional Equity (PERE) at USC and Mark Morales, President of Los Angeles Gay & Lesbian Chamber of Commerce.

The committee approved the LABCi’s request to send the study for review to the Chief Legislative Analyst’s Office, which will evaluate the study and report on its findings within 90 days.

About the LABC Institute

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute provides a bridge between the business, government, environmental, labor and nonprofit communities of Southern California to develop policies and programs that promote investment, jobs and business development. We are the research and education arm of the Los Angeles Business Council, one of the most respected business advocacy organizations in Southern California.

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