

Isiah Thomas: From NBA Legend to All-Star Entrepreneur



Gene Marks

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Isiah Thomas

Former NBA Player and Founding
Chairman and CEO of Isiah International

Announcer:

Welcome to Paychex THRIVE, a Business Podcast where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host, Gene Marks.

Gene Marks:

Hey everybody, and welcome back. This is Gene Marks, and I'm talking with Isiah Thomas. Everyone knows Isiah as one of the greatest basketball players of all time, but this is a business conversation, Isiah. Just a little background about you, you're the founding chairman and CEO of Isiah International, a holding company with a diverse portfolio of business ventures and investments. Planning for life after the NBA, Isiah invested in a host of ventures through your private investment company out of Michigan, Isiah Investments. Your primary investment was a large chain of printing franchises, American Speedy Printing Centers, where you took a very hands-on approach at American Speedy, helping lead the company out of bankruptcy to become profitable, one of the largest printing franchises in the world. You were elected and served on the board of governors of Chicago Stock Exchange. I thought you were just a basketball player, Isiah. This was crazy. And then, of course, you're one of the founding members of the advisory board for Marquis Jet Partners and a partner of Dale and Thomas Popcorn.

Gene Marks:

So, Isiah, this is not a basketball conversation, this is a business conversation. We have a lot of listeners and viewers that would like to learn from you as to what you've learned. So let's start with popcorn. What does that mean?

Isiah Thomas:

Popcorn, to me, it's a fun food snack, but it's also a great business. One of the companies that I co-founded was Indiana Popcorn. So, when you walk through the airports and you walk into your Walgreens stores, you see that red bag of kettle corn that says Indiana Popcorn. I was co-founder of that company and I went to Indiana, thus you have the cream and the crimson on the bag. If you remember back in the day, popcorn bags used to be just clear, see-through bags. Well, we were one of the first companies that start putting

colors on the bag, and thus you see the whole industry has moved to colors. Popcorn, it's a snack that when you look at it, it really is everywhere. It's in everyone's home. It's at every event, but there was no really leader in the popcorn space. So I wanted to brand popcorn, and thus Indiana Popcorn.

Gene Marks:

What got you into that?

Isiah Thomas:

My econ teacher in high school told me to invest in things that I like. It's been a simple philosophy that I've followed in all my investments. Things that I like, things that I'm interested in, I invest in it and I find a way to put a business around it. You look at if the customer base will like it. You look at all the principles in the space and you see if you can put together a business plan to make it work. Popcorn is something that I love and that's what got me into it is that I like it.

Gene Marks:

Fair enough. So on the business side, you talk about putting together a business plan. There are people that can do that and people that don't know how to do that. So Isiah, I mean, listen, you're a professional athlete. No one says you're a certified public accountant or a banker. Where did you learn how to read a financial statement or finances? Do you feel like you have learned that?

Isiah Thomas:

Well, it's interesting. I try to make it and keep it really simple. You learn how to budget at a very young age, especially when you're poor. So we could make a dollar last two weeks if we made one shining shoes and the things that you learned when you were small in terms of counting. How much is this? 25 cents. How much you going to save? How much is the bus? How much you're going to have to eat? Those are things that really... Once you just elevate them, they're all the same thing. How much you're going to have left after you spend 40 cents from your dollar? You're going to have 60 cents. Okay. Now, how much is lunch going to cost? Lunch is going to cost 30 cents. So you're really budgeting and managing your money.

Isiah Thomas:

And then along the way, you find some more sophisticated people who really understand how to count, how to project, how to start looking at your business, and that's when you start building and you start putting together your team. I come from sport. So in sport, you learn how to work with teammates. You learn how to build teams. And then you learn how to specialize. So I do believe in specialization, people who are good at what they do. I'm kind of a generalist in terms of having my hands and good at some of everything, but then there are people who are a lot better at doing things than you are. You seek out those people and you put together a team. You give everybody a role and you hope that they can complete the task that you've assigned.

Gene Marks:

You make it sound easier than it is. I wanted to dig into that a little bit. I mean, you've got a bunch of companies that you've invested in. By the way, these companies represent your brand. So, if something goes wrong at any of those companies, you're a public figure and that's not something you want to be reading about in the next day's news. Give me some advice, Isiah, on choosing your team. How do you know found the right person? How do you trust in people to do what you need them to do?

Isiah Thomas:

That is the million-dollar question and that you just have to take a chance. I mean, really, once you read the resume, once you've got a feel for them, then it's about trusting your gut and trusting your experience. I, for one, have made some mistakes. You're going to make some mistakes. You're not going to bat 100 every time you hire someone or bring someone in. He or she may not work out. During the interview process, you may click, but once you get started and you start dealing with this person day to day, you may find out that there's some things that just isn't working. From my experience through sport, when things aren't working, we try to rid ourselves of that quickly. By the way, if people are failing though, then you try to help them improve. You try to help them get better. So it's a matter of assessing the talent that you have and seeing if it works within your organization. If it works with you personally and they're not able to do some things, B, can they learn? C, can you teach them?

Gene Marks:

Right. How patient are you with people? You go through an interview process, you hire someone. It's just how much rope do you give somebody before you make a decision that's not working out?

Isiah Thomas:

I'm very patient. I look myself as a manager. I try to give the employee a lot of room, he or she to grow, to be creative and to take chances and to take risk because I'm an entrepreneur and I've taken chances and I've taken risk. When that person fails, I look at my job as a manager is not to scold him or her, but to really pick them back up, dust them off, and give them the courage to run again because if you reel that person in, especially the creatives, if you reel them in, you may not get the kind of help that you're looking for in your company. Now, if there are successive failures or mistakes that are constantly being made, then that's when you have to cut bait and find someone else. But for the most part, as a manager, I do give my people that I work with, I give them a lot of rope. I give them major responsibility, and I give them a timetable to try to complete the task.

Gene Marks:

So you manage a bunch of different people. You have a bunch of different entities that you supervise as well. How do you, Isiah, do that? Can you share with us some of the... How often are you having meetings? Are you doing this-

Isiah Thomas:

Every day.

Gene Marks:

Is it every day?

Isiah Thomas:

Every hour.

Gene Marks:

Walk me through a little bit, if you can, because a lot of the people that are watching and listening to this, they're running businesses themselves and they've got a lot of people reporting into them. Sometimes they have multiple organizations. What advice do you have for them? What mistakes have you made in trying to manage a group like this?

Isiah Thomas:

So, fortunately enough for myself during this period of time... My business background is startups and turnarounds, that's what I specialize in, more so startups and I have had a few turnarounds, like the one that you introduced us-

Gene Marks:

American Speedy.

Isiah Thomas:

... American Speedy Printing, that was a turnaround. Popcorn Indiana, that was a startup. The companies that I have right now in my portfolio, the majority of them have been startups. From champagne to waste removal to ticketing, these are some of the places that we play in. Real estate and development, we've had a long history there. But in the champagne space and in what we call company Gre3n, it's a veg utility space. These are different kind of people that you are working with. In the veg utility space, you are working with heavy equipment. Not only are you working with heavy equipment, but you also working with risk in terms of what we do in veg utility. We work with the utility companies. We work with energy. We work with southern companies. We work with DEMCO, SLEMCO. We're mainly in the south, Louisiana, Texas, Arkansas, and Mississippi. With those crews that we have, that's pretty intense work.

Isiah Thomas:

So, when the power goes out or when there was a storm, like we've had a big storm here in Florida, they call the power trucks and the utility trucks to come in. We have the bucket trucks that go up and try to turn on the lights, working with the utility companies with the transformers. We also have linebackers that come in and do veg management in terms of right of way clearing. So you're clearing land. You're clearing trees. There's a lot of heavy intensive work. The people that you're working with, their skill level and communication is different than the people that you're working with in the champagne space.

Isiah Thomas:

The champagne space, Cheurlin Champagne, we're the largest Black-owned champagne company in the United States, probably the largest American-owned champagne company in the United States because no Americans really owned companies. We're the only one. So that's more sales-driven. So now you are working with a different kind of force. You're working with different kind of people that you have to communicate with. So the businesses are different, but at the end of the day, what really brings it all home is you're dealing with people. How do you motivate people? How do you get along with people? The relationships that you have, how do you manage? And then how do you understand? I'm probably a more compassionate manager than I am a hard-driven, forceful manager. But when I need to be forceful, I can be, but that's not every day.

Gene Marks:

You mentioned about you're the largest Black-owned champagne company, maybe in the country, if not the world. Minority business owners, obviously. I'd like to hear your thoughts on the state of minority business ownership. Do you feel that things are going in the right direction for minority business owners? Do you feel that they're getting enough help that they need? Do you feel that minority business owners need to be doing more to help themselves? What are your thoughts in your advice for your Black, Brown-owned businesses?

Isiah Thomas:

So my business, Isiah International, I do a lot of business outside of the United States. Outside of the United States, and I hope this resonates with you, outside of the United States I classify as an American. There's no Black, White, Brown, blue, green, orange, purple people. You're an American and you do business as an

American. The only time I classify as Black and you're White or people of color is when we really are inside the United States. So the business environment inside the United States is totally different than it is in the international world.

Isiah Thomas:

So my firm is Isiah International, but inside the United States... So I classify as an American outside. Inside the United States, I get labeled a minority in Black. So, what are the business parameters around being minority and then Black? So in the minority space, the way we have to do business here in the U.S., you're classified in certain buckets and there are certain resources that are geared to you. But the way the system is set up, the fact that you are classified as handicapped minority in Black lets you know that there's a hierarchy in the system, the way it works, right? So I'll leave it there, but there's definitely a difference between minority ownership and Black ownership, and we all have our different challenges.

Gene Marks:

I've been covering small business for the past 20 years, and I've never thought of that issue from that angle. My wife is from London, so we go to England a few times a year, and you're absolutely right-

Isiah Thomas:

And you're American, right?

Gene Marks:

I'm American and she's British. But whenever I write about businesses over there, the minority aspect never really comes into it. You're just an American doing business over there.

Isiah Thomas:

Well, that happened to me when I was negotiating my deal in France. So I went over there with the intention of buying the vineyards and getting into the champagne space. As you know, they won't let an American own land in the champagne region. So we negotiated all the rights to the grapes. But in the negotiation, the lawyers were sitting on the other side, me and my team were sitting on the other side, on this side, and I said, "Well, I am a minority and I am classifying, I'm certified minority business owner."

Gene Marks:

And nobody cared, right?

Isiah Thomas:

So, no, I see the lawyers on the other side, they're wrestling through their papers and they're whispering to each other. And then the guy, he finally pipes up and he goes, "Well, what does that mean? We don't know what's that."

Gene Marks:

I had a feeling it was irrelevant to those guys.

Isiah Thomas:

I felt that big because quickly, you understand the difference between as an American, I have full rights and privileges everywhere, but in the United States we're Black, Brown, White, blue, people of color.

Gene Marks:

Yeah. God-

Isiah Thomas:

It's interesting.

Gene Marks:

... yeah, you've given me something to write about. It's a real thoughtful comment. I know we only have a few minutes left and I want to be respectful of your time. I can look this up, so I don't think this is an inappropriate question, but approximately how old are you?

Isiah Thomas:

I'm 61.

Gene Marks:

You're 61. Okay. So I'm 57. So the average age of the U.S. small business owner, believe it or not, is 55 years old. More than half of the business owners in this country are over the age of 50. So there you are. We are all thinking about the next stage, succession planning, exiting, all of that. Not that you don't want to do this for another 30 years, but what are your plans? Do you have a succession plan? Do you have an exit plan?

Isiah Thomas:

Yeah. In this country, I'm trying to build Isiah International to be a family-owned business. We're a family-owned business. So, what am I going to leave to the next generation? I can't leave them a jump shot and some news clippings, right? I want to be able to leave something where when they graduate from college, there's a place that they can come and work, and that's kind of the foundation that we've laid right now.

Isiah Thomas:

So, you'll see in my firm, you'll see a lot of family members. Why is there a lot of family members is because I've paid all their way through college and now they come back, they work in a firm and that's how they pay off their student loans. They work for a year. If they like it and they find a place within the firm that they like and they can work, then they stay. But if they don't, then they're prepared. They have skill. They have training. They have degrees and they can go and work for some other company. My exit plan is basically to leave something for my kids and people behind in the family. But in terms of me personally, I just look at my life like I'm really in the third quarter, right?

Gene Marks:

I feel the same way.

Isiah Thomas:

The way I look at it, my first 30 years is the first quarter. Second quarter is the next 30 years. I'm just entering to my third quarter, so 60 to 90.

Gene Marks:

Oh, you're very healthy.

Isiah Thomas:

Well, I plan on living till 120. I feel like 115, 120, then I'll probably check out, but that's my mindset and that's how I'm living right now.

Gene Marks:

All right. Fair enough. 30 seconds left to go, and let me just ask you in the last 30 seconds, any investments on the horizon or anything you got your eye on as far as any businesses that you're thinking about investing in?

Isiah Thomas:

I just think the game changer in the world is going to be hemp for industrial use. As the environment is calling for carbon reduction and it's calling for the next raw material to replace or work with the plastic industry, I look at hemp at that space. Sorry, the lights just went out though.

Gene Marks:

Hey, listen, thank you very much for your time. I learned a lot. I know our listeners and viewers will do the same thing. I want to wish you best of luck and we'll keep following you. Again, thank you so much. We'll let you go on your way.

Isiah Thomas:

Thank you.

Gene Marks:

Take care.

Isiah Thomas:

Bye, everyone.

Gene Marks:

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Speaker 1:

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