
Michael V. Roberts & Steven C. Roberts

The Roberts Companies

By M. Karen Hubbard

LESSON DESCRIPTION

In this lesson, students will explore the concept of “diversification” as they explore contributions of entrepreneurial brothers, Michael and Steven Roberts. Students will read the brothers’ story then select a business on which to give a report. As individuals or groups of students share their reports, the rest of the class will complete the “Roberts Brothers Business Connections” activity sheet.

ECONOMIC CONCEPTS

- entrepreneur
- diversification
- niche

RELATED CONCEPTS

- reading comprehension
- math
- government

MATERIALS

- One copy of “Michael V. Roberts and Steven C. Roberts” reading for each student
- One copy of the “Business Cards”. Cut the cards apart, fold in half and place in a container for the students to draw
- One copy of Activity 1 - “Roberts Brothers Business Connections” for each student
- Optional: Transparency of Activity 1 – “Roberts Brothers Business Connections” for students to view on overhead as they fill it in
- 10 pieces of construction paper for the placards
- Pen/Pencil
- Paper for each group to take notes
- Optional: glue

TIME

- 60 minutes

PROCEDURE

1. Explain that an “entrepreneur” is someone who thinks of a good or service that someone would like to buy and produces it. An entrepreneur takes a risk that people will not like the good or service, and that all of the time, effort, and money he or she has spent to make the product will have been for nothing.
2. Distribute the Roberts Brothers story and explain to students that they are going to read about two entrepreneurs who were brothers and who started many different new businesses. Tell them to be prepared to explain how the brothers used law school to help them. Instruct them to underline each new business and note what it did or what consumers the brothers were aiming for. Also, ask them to be aware of the business that some of the new businesses came from.
3. When the reading is completed, help students define any words with which they are unfamiliar. Ask the following questions:
 - What did the brothers believe law school taught? (How to think and how to see new businesses more quickly.)
 - What was the first company Mike opened up and why didn't Steve help? (Roberts-Roberts & Associates – a law firm) (Steve was still in law school.)
 - Explain to students that a niche market is one in which producers provide goods/services that is appealing to a very specific group of consumers. For example, an entrepreneur could produce children's books written in Russian for Russian families who have just come to the United States. Ask students to think of goods or services that might be produced for a niche market (person riding a bike around downtown areas picking up and delivering packages) Ask students: What niche did Mike fill in the Roberts-Roberts & Associates? (Mike had much knowledge on discrimination in the workplace and he helped large companies increase the minority and women-owned company's participation on the multi-million-dollar construction projects.)
 - What was one way the brothers tried to help the people in the area in which they lived? (They became aldermen for the City of St. Louis.)
 - What does the Board of Aldermen do? (They discuss and make laws which will help the people who live in their ward/area.)

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- How long were each of the brothers on the Board and why did they leave? (Mike: 1983-1977 = 6 years, Steve: 1991-1979 = 12 years. They left because they felt that government needs new ideas so government positions needed to have new people.)
 - What kind of power did the brothers have through the Roberts Brothers Development and how did it help people? (economic power) (The brothers could help create jobs which will allow people to earn money to take care of their families.)
 - What allowed them to feel this economic power? (Their investment of \$25 million in commercial and residential redevelopment in the city of St. Louis.)
 - What does 'commercial' and 'residential' mean? (If students are not sure, have them look the words up in the dictionary/on-line.) (Commercial – buildings where there are businesses; Residential – buildings where people live)
 - Since the brothers are entrepreneurs, what could have happened to their investment (money)? (They could have lost their investment if people did not buy/rent the property.)
 - What did the brothers receive for their investment in the city? (The Mayor's Spirit of St. Louis Award)
 - What happened in 1981? (They began the Roberts Broadcasting.)
 - What did this company do? (Company formed a partnership where the Home Shopping Network would pay the brothers to take the Network's programming off the satellite and broadcast it in the St. Louis area.)
 - What did they have to do to actually get the programming? (Build a new full-power television station – WRBU-TV Channel 46.)
 - Do any of you watch programs on WRBU-TV Channel 46? Name some.
 - What did the brothers do because of this experience? (They built 11 more broadcasting facilities and sold 8 to different broadcasting companies.)

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- What did the Roberts Broadcasting company lead the brothers to start? How? (The brothers became experienced in construction by building the TV towers. This led them to start the Roberts Construction Company. Another close connected business was the Roberts Tower Company which locates, designs, builds, and owns towers for television stations – and for wireless communication industry.)
 - What company was started because of the Roberts Tower Company and why? (They started the Roberts Wireless because they became familiar with new technologies as they were running the Roberts Tower Company.)
 - What did the Roberts Wireless lead them to do and why? (They made a deal with Sprint PCS - Personal Communication Service - and developed Sprint PCS network in parts of Illinois, Kansas, Oklahoma, Arkansas, and all over Missouri, except St. Louis and Kansas City.)
 - What is unique about the Roberts Wireless company? (It is the only PCS company owned by African Americans and the broadcasting and wireless-owned businesses are among the largest minority-owned businesses in the United States.) Explain that Minority Owned Business is a for-profit business regardless of size, physically located in the U.S. which is owned/operated/controlled by U.S. citizens who are Asian, Black, Hispanic and Native American.
 - Did they just own businesses in the United States? (No)
 - Where and what kind of business did the brothers own outside of the United States? (In the Bahamas they owned the Robert Isle and Resort – 50 unit residential development.) Students could look on a map to see where the Bahamas are located compared to Missouri.
 - What made this business unique? (largest African American owned development)
 - What are some other businesses the Roberts brothers started? (Roberts Lofts on the Plaza, Robert Orpheum Theater, Roberts Towers, Roberts Custom Cabinetry and Woodworking)
 - Why did the brothers start the woodworking business? (People who saw the woodwork in the Lofts, theater and other buildings the brothers owned wanted the same fine craftsmanship in their businesses/homes.)

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- Did Mike and Steve keep all of their money for themselves? (No, they believed in reinvesting through contributions back into the community.) Why? (To make a better society in which they operated their businesses.)
 - What do the brothers like to do in their free time? (They work seven days a week, even if they are not in their office, they enjoy thinking about the business.) Why? (They enjoy what they do so it does not seem like work.)
 - Even though they were not practicing law, how do you think law school helped them in business? (They felt that law school taught them how to think and how to see opportunities more quickly. This education in law helped them to see opportunities for starting new businesses from a present business.)
4. **ACTIVITY:** Explain to students that the Brothers believed in diversification – to spread out or have different business activities. Divide the class into 12 groups. Distribute one piece of construction paper and glue. Ask each group to fold the paper in half. Each group should have a pencil/pen and paper for note taking. Have each group draw a "Business Card" from the container and glue the Business Card on the paper. Then stand it on the table/desk so the rest of the groups can see it. Instruct the groups to read over the story and find information for an oral report. The groups are to include the following information in their report:
- Tell the groups representing Mike and Steven Roberts to emphasize that the Brothers started and still run the 11 businesses the rest of the class will be reporting on. The report should also include the awards they received and the quotes the Brothers made about life/businesses.
 - Tell the groups representing the businesses that in their oral report they are to include: business name, purpose of the business, if there was a previous business which led the Brothers to start the business they are reporting on, if it was a "first" accomplished for the Brothers, and if it led to the starting of another business.
5. Distribute the Activity 1 – "Roberts Brothers Business Connections." Ask students to fill-in the activity sheet as the reports are made. Teacher uses the "Answer Activity Sheet" to guide the students. (Teacher could fill-in the activity on an overhead for the students to see.) The purpose of this activity is to help students see a "picture" of the relationships among the businesses the Brothers owned.

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6. **REPORTS:** Have each group report starting with Mike and Steven Roberts and continue in this order: Roberts-Roberts Associates, Roberts Brothers Development, Roberts Broadcasting Company, Roberts Construction Company, Roberts Tower Company, Roberts Wireless Company, Roberts Isle and Roberts Isle Resort, Roberts Lofts on the Plaza, Roberts Orpheum Theater, Roberts Towers, and Roberts Custom Cabinetry and Woodworking. Make sure the students fill-in the activity sheet correctly.

CLOSURE

1. After the reports, emphasize that the Brothers grew up in St. Louis and attended school just like the students do. They studied hard and went to college.
2. Ask: How were they successful entrepreneurs? (The Brothers thought of many goods/services. They put much time, work, and money into their businesses. People like their goods/services.)
3. Teacher could invite an entrepreneur from the community to discuss their risk and benefits of starting a business.

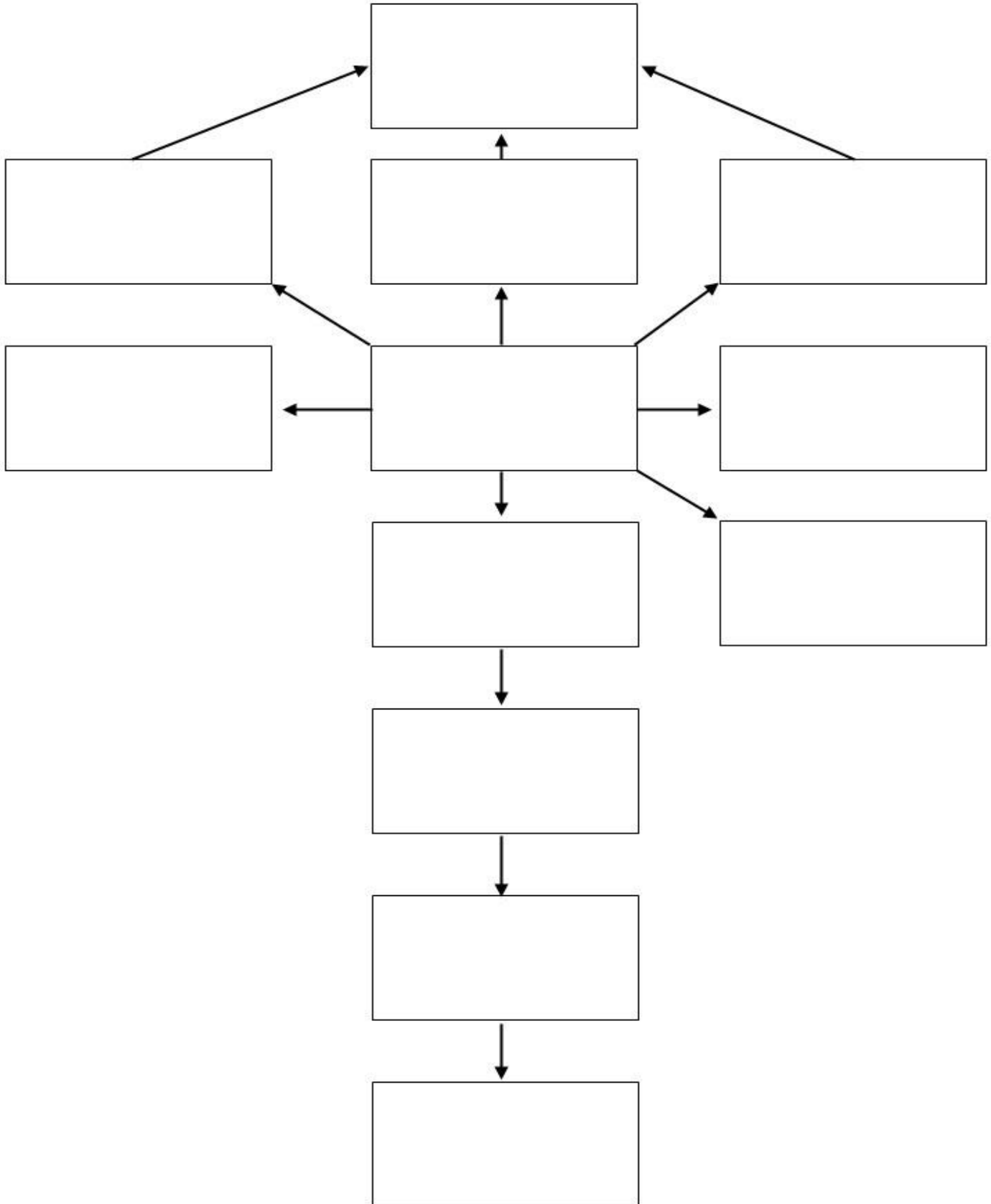
BUSINESS CARDS

Michael and Steven Roberts	Roberts-Roberts Associates
Roberts Brothers Development (Commercial/Residential Development)	Roberts Broadcasting Company
Roberts Construction Company	Roberts Tower Company
Roberts Wireless Company	Roberts Isle and Roberts Isle Resort

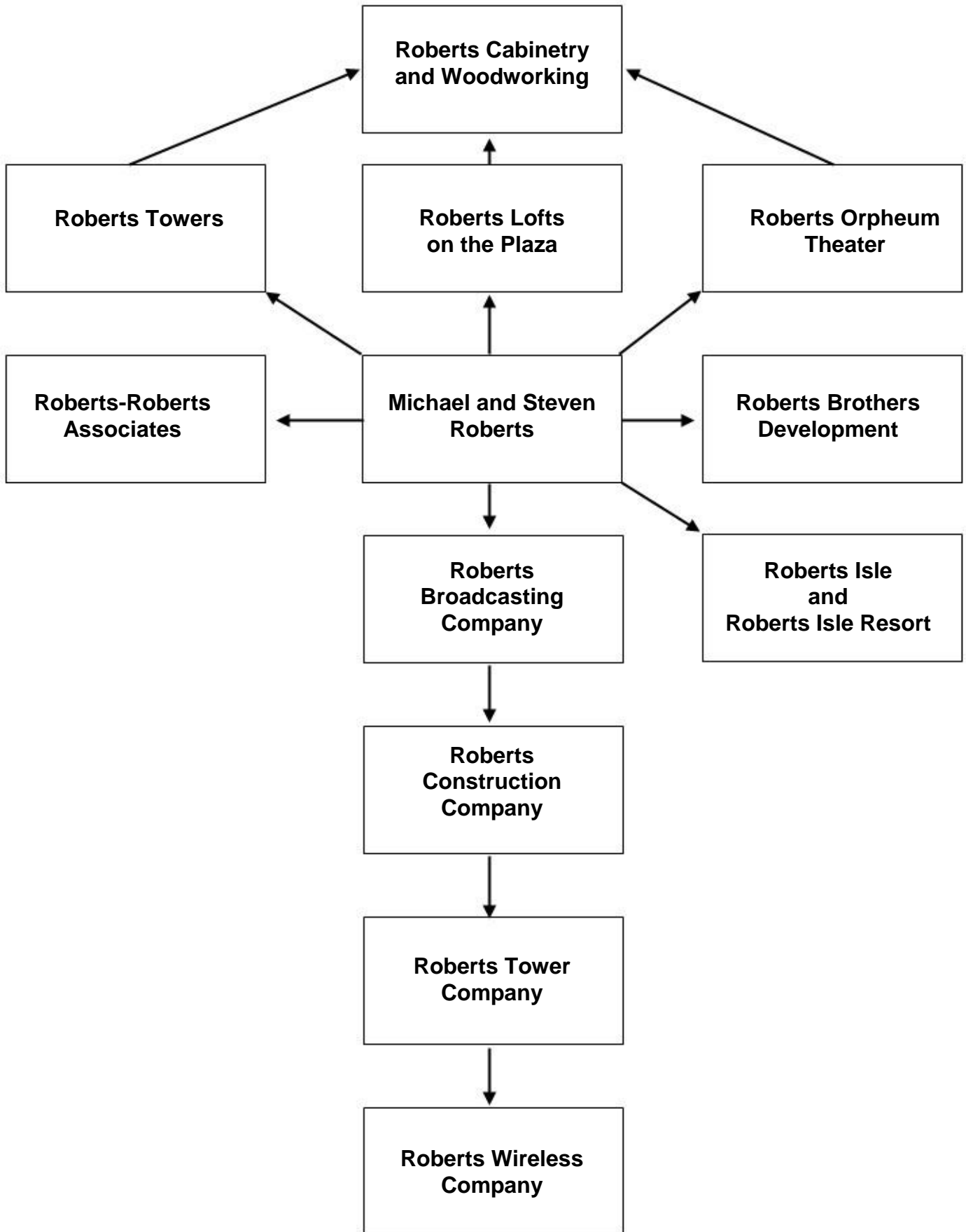
Roberts Lofts on the Plaza	Roberts Orpheum Theater
Roberts Towers	Roberts Cabinetry and Woodworking

Name: _____

Roberts Brothers Business Connections



ANSWER KEY: ACTIVITY 1 – ROBERTS BROTHERS BUSINESS CONNECTIONS



Michael V. Roberts & Steven C. Roberts The Roberts Company

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Beginnings

Michael and Steven were the first two of four children born to Victor and Delores Talley Roberts in 1948 and 1952 respectively. They were educated through high school in the St. Louis Public Schools.

As children, they were always looking for ways to earn money. Their jobs included: cutting grass, shoveling snow, and delivering newspaper. In college, they tried to sell dashikis (colorful African shirts) and other African items to bookstores.

Michael and Steven went to college as ‘Danforth fellows’ meaning they received scholarships from the Danforth Foundation. Mike attended Lindenwood University, and then earned a law degree from St. Louis University School of Law in 1974. He also attended The Hague Academy of International Law in the Netherlands. Steven attended Clark University in Massachusetts and then returned to St. Louis to earn a law degree at Washington University. They believed that law school teaches you how to think and how to perceive opportunities more quickly.

While Steve studied law, Mike opened Roberts-Roberts & Associates in 1974. Mike was knowledgeable about a relatively new area of law, discrimination in the workplace. There were many large companies who had hundreds of millions of dollars in class-action lawsuits against them because they did not employ many women or minorities. The law firm worked with private and public clients such as Anheuser-Busch, Bi-State Development, MoDOT, and Southwestern Bell. They helped the clients to increase the minority and women-owned company’s participation on the construction projects.

Both Mike and Steve served on the St. Louis Board of Aldermen. Mike was on the Board 1977-1983 and Steve’s term was 1979-1991. They left after a few years because they felt that in order for new ideas to come in, people in government positions needed to be rotated periodically. (Aldermen discuss problems, give money for community improvements, and make laws which will help the people in the area they represent.)

Roberts Brothers Development

In the two decades since they left the Board, through the Roberts Brothers Development, Mike and Steve invested about \$25 million in commercial

(business) and residential (homes) redevelopment in St. Louis city. They felt that when they were aldermen, they had political power, but now, they have economic power where they can help create jobs which will allow people to take care of their families. In 2002, they received the Mayor's Spirit of St. Louis Award for their commercial and redevelopment in the city.

TV Stations and Towers

In 1981, the Roberts met a man who was looking for African Americans who were interested in owning a TV station. They applied and were granted a license after doing some market research. This was the beginning of the Roberts Broadcasting. After obtaining their license they had no programs to broadcast. After talking to many different groups they formed a partnership with the Home Shopping Network who agreed to pay Mike and Steve to take their programming off of the satellite and broadcast it to the St. Louis market. In order to meet their broadcasting obligations, they had to build a new full-power television station which became known as WRBU-TV Channel 46. Because of this successful experience, the Roberts built eleven more broadcasting facilities. They sold eight of these stations to different broadcasting companies.

Roberts Construction Company and Roberts Tower Company

Mike and Steve became experienced in construction by building the TV towers. This led them to establishing the Roberts Construction Company. The Roberts Tower Company is a closely connected business to the construction company which designs and builds towers for television stations and for the wireless communication industry.

Through their work in building towers, the Roberts became aware of business opportunities in a number of new technologies and started the Roberts Wireless Company. They acquired a close connection with Sprint PCS (Personal Communication Services) and began developing a Sprint PCS network all over Missouri (with the exception of St. Louis and Kansas City). They also had networks in several other states. It was the only PCS company solely owned by African Americans. The Roberts' Broadcasting and Wireless businesses are among the largest minority-owned businesses in the United States.

Diversification (owning many different companies): A Key to Success

"We are diversified," Mike Roberts says, "I've always felt that's important. If you limit yourself to one sector of business opportunities in this economy you die." Other examples of the Roberts' diversification are: they opened a successful restaurant called "The Roberts Steak and Buffet" (which they sold to Cracker Barrel in 2003) and, in 2000, they opened the Roberts Aviation company in which they own and lease two different types of airplanes.

The Roberts had been visiting the Bahamas Island for twenty-five years and have private homes there. They decided to buy property on Bahamas near the

city of Nassau and called it 'Roberts Isle'. In 1998, they invested \$25 million and built a 50 unit residential development called the 'Roberts Isle Resort'. It is the largest African American owned development.

Other businesses the Roberts have started in St. Louis are: the 'Roberts Lofts on the Plaza' (large apartments), the 'Robert Orpheum Theater' (building where live plays and performers perform), and the 'Roberts Towers' (25-story energy saving structures for residential living in downtown St. Louis). As a result of clients interest in the superb craftsmanship of the cabinetry and woodworking produced for these buildings, a woodworking business called the 'Roberts Custom Cabinetry & Woodworking' was started in 2005.

In 2007, the Roberts Hotel Group earned the prestigious Ernst & Young Entrepreneur of the Year Award.

Involved and Dedicated

Mike says, "It's not a sin to make a lot of money. It's a sin when you don't know how to reinvest through contributions back in the community to make a better society in which you operate your business."

Mike and Steve Roberts have taken on many leadership roles in professional and civic organizations. Mike's contributions include: serving as a board member of the St. Louis Community College Foundation, United Way, and Better Family Life. Steve has been involved in civic organizations such as the Muny, the Repertory Theater, St. Patrick's Center, and the Missouri Historical Society.

The Roberts even like to work in their free time. "We work seven days a week not in the office but we're always thinking about business," Steve says. Mike adds, "If you enjoy what you're doing you never work a day in your life."