

## Panel # 2 – MBE Programs

**Disclaimer to reader:** This document contains the comments provided by participants at the Minority Business Development Agency Summit held on July 6 – 7, 2009 at the Hyatt Regency Washington on Capitol Hill. Participants provided input on strategy, enforcement mechanisms, and legislation that may assist minority entrepreneurs in the future. Note-takers memorialized the comments made at each of the tables. These materials are being provided in raw data format and are for informational purposes only. The views expressed herein are those of the participants and do not necessarily reflect those of MBDA or of the U.S. Department of Commerce.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 1**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Contracting officers should have incentives placed on their performance evaluations establishing and tracking contracts made to MBEs. In addition, the program managers need to have greater accountability of meeting MBE goals.
- Need to have broader reciprocity for certifications.
- Review adjusting SBE's size standards to a larger scale to reflect the current environment.
- Reevaluate the eligibility requirements for SBA contract programs such as the 8A program.
- Make the SBA mentor/protege program mandatory.
- Track, capture and allow for second tier spending for federal contracts.

**At a State/Local Level:**

- Contracting officers in state and local levels need to have incentives placed on their performance evaluations establishing and tracking contracts made to MBEs.
- Need to have a broader reciprocity for certifications.
- Track, capture and allow for second tier spending.

**In partnership with the Private Sector:**

- Contracting officers should have incentives placed on their performance evaluations establishing and tracking contracts made to MBEs.
- Need to have broader reciprocity for certifications.

- Corporations need to be open to partnerships facilitating and bringing an MBE together with another firm to partner.
- Facilitate developing strong MBEs by offering scholarships to programs such as Dartmouth School of Business and Kellogg School of Business.
- Be proactive in familiarizing MBEs with their supply chain and requirements associated with it.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 2**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Provide additional contract opportunities for successful 8A graduates.
- Provide tax credits for equity investors made on MBEs. Ohio has an effective program.
- Share best practices among private and public agencies. SBA needs to ask other federal agencies to follow best practices.
- Census data on MBEs should be gathered every two years with a six-month window time frame to present reports.
- There should be affirmative procurement programs with all federal agencies not only with U. S. Department of Transportation.
- Mentor protégé program should change its reimbursement policy .
- Evaluate separately Small Disadvantaged Business (SDB) participation; Track progress against the original proposal.
- Streamline the reporting and monitoring process among federal agencies and departments to track

**At a State/Local Level:**

- Provide tax credit for equity investors made on (MBEs). Ohio has a effective program.
- Enforce the federal procurement regulations.

**In partnership with the Private Sector:**

- Establish goals for MBE in terms of community viability and determine which local industries are effective.

### **In partnership with Academia:**

- Business schools assist in developing and training entrepreneurs to build capacity; training should focus in the entire the management team and not only the owner or Chief Operating Officer.

### **In partnership with Community-Based Organizations:**

- MBEs should be well organized and drive the agenda and obtain support from community leaders.

### **Any other comments:**

- Develop growth initiatives by obtaining equity capital and still maintain minority ownership.
- There is not a strong unified voice in Congress representing and voicing MBEs Agenda and issue related to MBEs.
- If the objective is to grow firms to size and scale, need to avoid having large MBEs hinder the growth of smaller MBEs. Development of firms needs to take place with all sizes, large and small.
- Adopt a universal certification to reduce time and money invested by MBEs when they want to do business with the government.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 3**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Develop one-stop stop certification at all levels.
- Service providers need to make sure the delivery systems are triaged enough to delivery the services and obtain the results of specific MBEs; one size does not fit all.
- There is a myopic view on how some federal agencies deliver their product to the MBEs and minority community.
- Minority businesses need to also triage themselves.
- MBEs need to recognize their business strengths and weaknesses and have constructive self-assessment.
- Service providers need to focus more on measuring expertise and have a gap analysis of the needed skills and capacity required by MBEs.

**At a State/Local Level:**

- None reported.

**In partnership with the Private Sector:**

- Increase strategic alliances and partnerships and joint ventures.
- Track MBEs' portion of ARRA obtained; establish goals and track against actual contracts received.

**In partnership with Academia:**

- Entrepreneurial parity and economic parity is the conversation we need to emphasize.
- Need to have more mentoring and more "Learned" entrepreneurs. For example, Asian males work under someone else prior to starting their own business.
- MBEs focus on lifestyle entrepreneurship compared to legacy entrepreneurship.
- Educate entrepreneurs through webinars, classroom learning or other training.
- Kellogg School of Business is visionary and teaches entrepreneurs business valuations and other training..

### **In partnership with Community-Based Organizations:**

None.

### **Any other comments:**

- Work on capacity building.
- Know who your customers are and where your products or services fit.
- There is a disconnect between what you want to do and what you are able to do.
- Master your business for wealth and diversify as you grow.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 4**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- There is a fragmented voice or no voice at all. (i.e. Hub zone versus 8A program.).
- Recommend establishing a mid-level small business program in the range of \$25 to \$100 million.
- Discussion on 8A program and extension on time period. Allow the 8A program to have a five-year extension. However, if you build your capacity then you cannot continue because you reach the size limits. Recommend submitting a 5-year plan with your plans to grow for the future. Recommend that staff evaluate the company when it has reached five years into the program. The objective is that when you reach the ninth year that the firm is ready to transition out of the program.  
  
8A net worth capital requirement is set too low.
- Mentor protégé program is a working educational program where you do not have to leave your business. There are no financial incentives for these programs, like in DOD, for the mentor protégé.

**In partnership with the Private Sector:**

- There is a lack of minority businesses in emerging businesses. How can we get minority businesses into these industries ?

**In partnership with Academia:**

- Darden Program at University of Virginia is a good program.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 5**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Need to have mechanisms for better engagement and more initiative to know what the programs are and what opportunities exist; who the local vendors are etc.
- Federal and State direct lending program should be established.
- Need to have more usage of mentor-protégé programs.
- Need tax incentives for technology transfer to MBEs
- Need more accountability from MBDA, White house and suppliers.
- Processes must be more formal and not eliminate programs when MBEs are successful.
- Recommend extension of the 8(a) time limit in the short term to take into consideration the condition of the economy.
- A support program for MBEs graduating from some of the programs such as 8(a) is needed..
- More support from SBA for the DBEs - process for implementing programs should be fine tuned.

**At a State/Local Level:**

- The same as above

**In partnership with the Private Sector:**

- Groups need to coalesce around big ticket issues.

- Reach out to the Supplier Diversity Directors.
- Partner on various projects.
- Create the momentum and expectation of how business should be done.

In partnership with Academia:

- Continue with Tuck School, and other local universities to expand business training to MBEs. Hold them accountable.

In partnership with Community-Based Organizations:

- Partner with community-based organizations and networks to share information and champion MBDA programs and goals.
- Educate minorities on programs, and also on how they need to be more competitive and ready for global business.
- Educate the community based organizations on the ARRA, TARP and other programs available and not to depend solely on them.
- Get MBEs ready and make them look three to five years ahead and prepare to be competitive.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 6**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Identify companies that are serious in growing their business internationally.
- Have tools and programs (cultural education, laws, coaching, etc) to help the businesses.
- Define what is growth (developing suppliers) such as performance level.
- Develop mentoring on their respective industry in supplier development. Provide supplier development.
- There is a gap in what MBEs are getting.
- Develop measureable/scalable processes not programs.
- Reward MBE programs by providing incentives to deliver contracts.
- Provide MBE program continuity.
- Provide tax breaks for MBEs.
- Use evaluation methods to measure the outcomes of MBE programs.
- Publicize organizations that meet or exceed their MBE goals.
- Implement policy when MBE programs are not met.

**At a State/Local Level:**

- Provide Entrepreneurial training at different levels on MBEs understanding their business.

- Provide training how MBEs can go to the next level.
- Tier entrepreneurial training at the Federal, State, and Local level.
- Train on how to utilize their present contracts such as 8(a).

In partnership with the Private Sector:

- Ensure the Private Sector meet the MBE programs and the community vote using the dollar.
- Educate the entrepreneurs on corporate values by communications from supplier diversity and the board room.
- Educate the MBEs what is the true corporate values.
- Ensure the MBEs are lifted up through corporations.
- Develop a business plan on how to do business with the corporation.
- Have supplier representatives with business experience.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 7**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Complete a list of programs of minority programs and analyze the best way to utilize the programs.
- Share best practices that were implemented in the past and use this to improve minority programs.
- Redesign MBDA as a program and make it more effective to provide services to minority businesses. Increase the funding of MBDA.
- Redefine MBDA's role in the federal, state, and local levels.
- Increase MBDA's visibility and what services it can provide to minority businesses.
- MBDA needs to interconnect with global key players so that minority firms can expand into international trade. Ensure that deals are result of international trade activities.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 8**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Require state and local governments to acknowledge MBE programs or at least supply diversity programs. They should also set goals for these programs.
- Boost the number of certifications. Goal is parity for all of the programs. If the goal is increased, it should be across the board (example: 5% across the board).
- There needs to be a focus on making the companies ready and giving them the capacity to create the product and services the government needs. They need to do an assessment of what builds capacity, and need an inventory of the capacities the government needs. It's about access to capital and bonding programs.
- Congress or the Department of Commerce needs to increase funding to MBDA and other federal certification programs to upgrade management and technical services.

**At a State/Local Level:**

- D.C. is interested in doing business with minority businesses, as is Chicago. Indiana is somewhat interested, North Carolina is interested. All states need to be interested in doing businesses with minority businesses.
- How do you build capacity? Key is access to capital and infrastructure. It must be a government priority.

**In partnership with the Private Sector:**

- You need to define capacity-building with MBEs to develop a curriculum on a tier scale to address capacity at the various levels.

**In partnership with Academia:**

- Need to have classes on entrepreneurship.
- Federal and state government should possibly partner with academia to ensure these education programs exist. Need to learn how to create partnerships.
- Business schools can help with management and marketing, provide technical assistance. The engineering side of academia can help with the development of technology.
- Some universities have monthly educational seminars.
- Need something tangible, in the form of certification, to demonstrate that working with the government/state entity and academia, so that there's an underlying partnership between the two organizations.

**In partnership with Community-Based Organizations:**

- Minority chambers/advocacy groups need to be more involved with advocacy-- education, outreach and participation.
- Umbrella organization for minority businesses. There needs to be one voice headquartered in Washington, D.C.
- Chambers need to start talking about minority businesses, instead of "black chamber" or "Hispanic chamber."
- Reciprocity between public and private certifications.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 9**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Establish high revenues companies (size and scale.) and marketing tier structures.
- Develop Industry focused groups.
- Share ideas.
- Need to build firms with capacity to obtain the appropriate service level.
- Need to identify which companies are successful with federal contractors.
- Need to cross talk between Federal and Private sectors.
- Develop formalized database.
- Reduce duplication.
- MBDA could broker their strategic partners. Example cited of Unisys and Lockheed partnering together. The relationship is based on need.
- Maintain continual investment in a company to move it forward not just throughout the life of a contract.

**At a State/Local Level:**

- Proponent of everything rising up from the local level but it should scale up.
- Take the best practices model and elevate up to each level.
- Encourage continuous change "Do your homework!"

- If you don't what agency is looking for, then it is difficult to meet their needs.
- MBEs need to do their research so MBE can match the needs of a prospective contract. Let them know you understand their business better than they know there business.

### **In partnership with Academia:**

- Challenge rules of academia and entrepreneurship to learn practical versus theoretical applications.
- Need intentional push help those two worlds come together.
- Academia needs a push by society.
- Recommend getting successful entrepreneurs to teach or share their experiences. For example, Professor. For example, Christine A Poon Director of Prudential Financial .
- Advertise being an entrepreneur . The mindset is to get a job in corporate America.
- There is a lot of potential for networks to be created. For Example, North Caroline Business Coordinates.
- Need interaction between Local and State government.
- Need support from Federal government to create these networks. On private side need more networking (less territorial)
- States and cities need to see themselves as competitors on a global level.

### **Other Comments:**

- Need international trade delegations.
- Better diversification helps foster better trade.
- Change in global diversity.
- Funding is the biggest challenge .
- Success depends on state level support.

- Diversity niches not one size fits all.
- Commitment and financial support is paramount

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 10**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a State/Local Level:**

- Maryland MBE state program is a good model. (Pros: 1) Has very strict regulations. 25% requirements for MBEs; 10% requirement for small business reserves. 2) Networking: Vendor meeting happens once every quarter as well as networking meeting for all MBE's within the state. Certain agencies will attend programs available. Cons: 1) unnecessary requirements in procurement contracts 2) certain agencies don't accept federal reciprocity for much of the work that is done.
- MBE programs should be embedded and connected in procurement opportunity process. The procurement offices within states should be cognizant of MBE programs.
- There should a be greater alignment between public and private requirements for procurement opportunities.
- Many local/state politicians are not cognizant of minority business environment in the communities they serve. This needs to change for the future. Leaders in these public positions need to surround themselves with knowledgeable people who actually work in these entrepreneurial fields.
- Need vertical integration.
- Reduce top-heavy federal and state red tape and administrative costs. Need to trickle down more resources to local community agencies who are more in touch with specific needs of local MBE's. They are subject matter experts in their own right. Equip them properly so that they may help the MBE's which they know best.

**In partnership with the Private Sector:**

- MBE programs tend to be in human resources in the private sector, and should be in the specific procurement and contracting offices.

**In partnership with Community-Based Organizations:**

- Businesses must be catalysts and collaborate in identifying issues. Must mobilize and vote in critical elections.
- Individual MBE's should have a larger forum that addresses experiences and effectiveness of certain MBE programs (public or private).

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 11**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Identify all programs (Federal, State, local and other) that address the internal issues for capacity building of MBEs.
- MBDA should identify best practices for capacity building and share this information with its Funded Center Network, allowing them to continue dialogue and discussions with CEO's and centers of influence after they return from participation in MBDA sponsored training programs such as TUCK School of Business.
- Partner with federal purchasing agencies to offer training on how to prepare bid packages to access contracts.
- Offer education and training on mentoring for MBEs on Strategic Partnering for global competitiveness.
- Partner with the U.S. Foreign Commercial Service/International Trade Administration to initiate a program that educates MBE'S on programs and services offered to be successful and leverage competitive advantage in global markets. (ie. training, market opportunities in the areas of technology, green, etc.)
- Coordinate efforts to educate Congress on the challenges, issues facing and needs of the minority business community. Also educate Congress/Legislators on how the benefits of their support will yield positive impact the U.S. economy.
- Partner with chambers of commerce and trade organizations with similar missions to collaborate to carry out this mission.
- Establish an independent organization that will advocate and champion MBDA's position with the Congress.

- Require Federal agencies to produce and disseminate minority business reports (purchasing) to MBDA on a quarterly basis as mandated in MBDA Executive Order.
- Recommend that the current Administration conduct a White House Conference on Minority and Women Business and coordinate an agenda/platform.

**At a State/Local Level:**

Same as above.

**In partnership with the Private Sector:**

Same as above.

**d. In partnership with Academia:**

- Establish a Purchasing Consortium of Colleges and Universities to educate MBE'S on the procurement opportunities with Academic Institutions.
- Establish a Purchasing Consortium with the public and private sector to leverage opportunities and buying power of MBE'S.

**e. In partnership with Community-Based Organizations:**

- MBDA Funded Centers should join forces with business and economic development-based community groups to address common goals.

**f. Any other comments:**

- Require a higher degree of transparency and accountability in performance of minority goals within Federal Purchasing Departments and establish penalties and ramifications for those that do not. As well, establish incentives for those that do. Recommend goals be tied to performance plan at end of fiscal year. (ie. MBE, SDB, Veteran Owned, Women Owned, etc.)

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 12**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Initiate Capacity Building Programs for MBE'S --- ie. Strategic Alliances and Joint Venture Programs created by MBDA.
- Emphasize and educate MBE'S on the benefits of Teaming among minority businesses and offer training on the benefits in this area.
- Initiate a Universal Certification Program that will be acceptable at the federal, state, local and private sector levels.
- Encourage SBA support of MBEs through their documentation and research.
- Collaborate with the Federal and State level Department of Transportation to discuss the inclusion of MBEs in the contract process as it relates to the Recovery Act.
- Invite leaders of government agencies (Federal, state and local) to participate in MBDA's National Conference and Economic Summits to discuss MBE participation goals and programs. Provide solutions that result in mutual benefit of partnership efforts and incentives for purchasing entities.
- Encourage SBA to create more awareness of strategic alliance and joint-venture programs for MBEs. This would allow SBA to be more sensitive to the needs MBE firms.

**At a State/Local Level:**

- Provide technical assistance specific to emerging or growing industries, ie. healthcare and environmental/energy.

### **In partnership with the Private Sector:**

- Partner with private sector to implement programs that increase capacity for MBE'S.
- Encourage collaboration through strategic partnerships of MBE firms seeking procurement opportunities, will allow these firms to increase their capacity while reducing their risk.

### **In partnership with Academia:**

- Form partnerships with College and Universities to offer training programs that educate MBE's on how to create strategic alliances and partnerships to begin to change the mindset of sole ownership of project/procurement execution.

### **In partnership with Community-Based Organizations:**

- Apply for resources through USDA. (ie. Business and Industry Loan Programs)
- Partner with OSHA to offer Safety Programs for Contractors.
- Strengthen and Build prime contractors to leverage procurement opportunities within the public and private sector.

### **Any other comments:**

- Recommend a program to assist MBEs with access to multinational companies that have a presence in USA.
- Assist MBE'S with the establishment of relationships with International companies.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 13**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Convene a follow up White house conference on minority business.
- Offer financial grant and/or tax incentives for maintaining current technology, e.g. effective websites.
- Recommend Federal tax incentives for small businesses for doing business globally.

**At a State/Local Level:**

- Recommend State tax incentives for small businesses for doing business globally.

**In partnership with the Private Sector:**

- Provide guidance to MBE'S seeking to engage in growth industries. Provide information on declining industries.
- Recommend incentives for MBE'S that partner with foreign businesses for delivering quality product and services.
- Provide support for MBE firms seeking access to Surety and Bonding Programs targeted at MBE'S.

**In partnership with Academia:**

- Encourage educational institutions to implement Entrepreneurship and Training Programs. Program curriculum would impart information on how to be competitive, generate financial reports, business plan, marketing

strategies, value proposition, global competitiveness, how to conduct research on growth industries, etc.

**In partnership with Community-Based Organizations:**

None offered.

**Any other comments:**

None offered.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 14**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Continue to create an awareness of the economic disparity of MBE'S at all levels. Utilize and update State of Minority Business Reports to substantiate.
- Promote a cohesive voice for advocating MBE concerns and challenges on the Capitol Hill.
- Disseminate information on State of Minority Business strategically and consistently throughout the Federal Purchasing and to minority chambers and trade associations. Ensure it reaches existing and newly appointed Staff.
- Reinstate MBDA role per Federal Executive Order to act as an oversight entity on Minority Business Reporting and coordination at the Federal Level.
- Recommend inclusion of MBE goals in RFP'S at the federal, state and local levels.
- Provide Executive Management Training Programs for MBE'S and share information on the benefits of "outsourcing" by using private sector expertise.
- Encourage community colleges and MSIs to teach federal government contracting (evening courses). Partner with the Federal Government to implement.
- Disseminate information on new technology and communication vehicles such as social networks, facebook, twitter, linksys, webcasting, YouTube and the benefits.
- Provide incentives for Federal Agencies that meet MBE procurement goals.

**At a State/Local Level:**

None offered.

**In partnership with the Private Sector:**

None offered.

**In partnership with Academia:**

None offered.

**In partnership with Community-Based Organizations:**

None offered.

**Any other comments:**

None offered.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 15**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Recommend raising the personal net worth limits and size standards for SBA.
- Advocate high-level support on the importance of MBE'S contribution to the U.S. economy. (ie. With emphasis on Job Creation) This must include a public statement and tangible actions by supporters. Perhaps a "Call to Action" Format.
- Forge partnerships with alternative lenders to provide additional sources of capital for MBE'S seeking to grow and expand their businesses. Examples include: bridge/gap financing, venture capital, angel investor networks, etc.
- Initiate revisiting the Community Reinvestment Act (CRA) Program and recommend incentives for lenders that meet and/or exceed minority business lending goals. Diffuse the notion of social program and collaborate with state and federal regulatory agencies to make the business case & value proposition for a revenue generating business model and why minority lending is "good business".

**At a State/Local Level:**

- Advocate SBA to raise the personal net worth limits and size standards for MBE firms.
- Recommend all states initiate MBE purchasing goals for minorities. Michigan and California are headed in the wrong direction.

**In partnership with the Private Sector:**

- Encourage Business to Business linkages with programs targeted at MBEs. Many success stories point to the benefit of this business model. (ie. mentor-protégé models, business incubators, etc.)
- Advocate access to capital programs for MBEs to meet the needs of MBEs like bridge capital.

- Advocate the diversification of client and supplier base and encourage Public and Private sector leaders to step up and lead by example. Encourage their colleagues to do the same.
- Share best practices of public and private sector entities that provide models of a company that practices good supplier diversity. (ie. Johnson Controls and American Express)
- Maintain a pipeline of successful MBE'S that are willing to Mentor up and coming MBE firms.

### **In partnership with Academia:**

- Encourage the implementation of Minority Entrepreneurship business education programs.
- USC Fast Track is an example of a good minority entrepreneur education program.
- Teach strategic thinking to minority entrepreneurs. Position MBEs for the future, not today.
- Recommend Post-Graduate education and collaborate to coordinate programs targeted at increasing the capacity of MBE'S.

### **In partnership with Community-Based Organizations:**

- Collaborate on execution of Minority Entrepreneurship Education Programs. Teach MBE'S the benefits of diversifying contract portfolio with public and private sector opportunities.
- Recommend implementation of a Business Finance Program to educate MBE'S on how to use financing to expand business. Assist entrepreneurs with understanding the importance of financial statements and keeping their back room in order.
- Recommend programs that help MBE'S stay out of financial crisis and over burdened with debt.
- Recommend partnership programs that educate MBE'S on how to apply for contracts. (ie. GSA Training – How to get on the Federal Supply Schedule)

### **Any other comments:**

- Emphasize the importance of Social networking and offer training on the uses for MBE firms.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 16**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Provide training and prepare minority businesses to compete in the global marketplace.
- Recommend sharing of networking programs between government agencies.
- Recommend sharing of venture capital programs to assist minority businesses with obtaining capital funding.
- Create an accountability standard for Federal Agencies to achieve minority purchasing goals.
- Encourage procurement organizations to conduct and host business to business forum on forecasted opportunities.
- Encourage sharing of best practice (knowledge) between all federal agencies to better serve the minority business community.
- Require more than two federal governmental agencies to meet title 6, government agencies to meet minority business goals.
- Streamline the process for the minority business to get certification. Implementation of a Universal Certification Program.
- Recommend waiver of bonding or Federal Program to assist MBE'S that have the ability to complete construction projects. Another option is recommend Federal Government offer a program to mitigate risk associated with bond requirements for MBE'S.
- Provide incentives and encourage support from the prime contractors on bonding for subcontractor.

**At a State/Local Level:**

Same as above.

**In partnership with the Private Sector:**

- Assist the minority business community with strategies for competing in the global marketplace.
- Partner with large global firms such as Wal-Mart to connect MBEs to global markets.

**In partnership with Academia:**

- Educate Minority businesses on how to bid on contracts and how to become more knowledgeable of the bid and bonding process.

**In partnership with Community-Based Organizations:**

None offered.

**Any other comments:**

None offered.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 17**

**Moderator:**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Encourage MBE'S to advocate in a unified voice to educate policy makers on the regulations/laws that impact their contributions to the growth of the U.S. economy.
- Advocate incentives for Federal Agencies that are transparent, responsible and accountable for meeting minority business purchasing goals. Also, recommend penalty for those that do not meet goals.
- Request forecasted opportunities from Federal Agencies to better posture MBE'S for securing partnerships, joint ventures and teaming arrangements to ensure a competitive advantage to secure these forecasted opportunities.
- Recommend a follow up and follow through program for 8(a) Graduates.
- Encourage the use of MBEs in solicitation process.
- Recommend that the U.S. Census conduct a survey of the State of Minority Business Enterprises (SBO) MBE firms every 2 years with a 6 month window to determine demographic and growth trends. (Note: The current system is every 5 years, and 2 years for results to be interpreted - 7 years is too long)
- Conduct US Census for SBO data more frequently than 5 years in partnership with academia, chambers, trade associations, and bring in other outside experts. Create a win-win and offer as part of Business Library, Research & Development and Resource Information for business publications.
- Promote and provide MBEs with information and data regarding growth industries rather than continuing to promote declining industry trends.
- Recommend refocusing on in/back sourcing manufacturing to the USA. More "Made in the USA" product manufacturing. Offer incentives for U.S. MBE firms that create jobs and manufacture these products.

- MBDA should reinstate authority to require Federal Agency reporting of minority business goals as mandated in its Federal Executive Order and assist the OSDBU Offices with identifying vetted MBE firms to help meet these goals.
- Offer tax incentives to corporations that procure MBE services based on new policy/legislation as it relates to affirmative procurement goals.
- Incentivize Corporations that adhere to policies/legislation specifically tied to affirmative procurement goals based on regulatory authority.
- Create a regulatory authority in partnership with private/public sector to enforce affirmative procurement goals in a unified voice.
- Increase number and improve quality of acquisition staff in Federal Government.
- Recommend contracting forecast are disclosed before the contracting phase by Federal Agency. Forecasts should be real and timely. Forecast can be up to 3 years in advance. Require that each Federal agency do a forecast. Recommend enforcing accountability standards of the agency forecasts to see if what was forecasted was actually contracted.
- Recommend Universal Certification Program that would impact local, state, federal, public and private sector.

### **At a State/Local Level:**

- Recommend minority business coordinators in the state/county.
- Recommend state by state network of minority business coordinators. (North Carolina and Ohio have these).
- Make the business case and value proposition for purchasing with MBE firms and provide incentives. (Tax Incentives --- accelerated depreciation over a period of time 5-10 years or as long as goals are met.)
- Recommendation: All states should use DOT model which requires goals established at national level to trickle down to state level as a mandatory requirement.

### **In partnership with the Private Sector:**

- Partner with lending community to educate MBE's on solutions to grow a business using debt and equity financing options.

- Establish a new financing alternative for MBE'S –“ MBE Business Consortium Fund and/or Emerging Minority Business Loan Pool” to assist growing MBE firms.
- Hold large prime contractors accountable - next time they do not include MBEs in contract, create penalty for the prime that holds them accountable.
- Establish tangible penalties for non-adherence to affirmative procurement goals.
- Carrot and stick approach: Reward contractors who adhere to affirmative procurement goals. Penalize prime contractors who do not.
- Encourage adequate procurement staff at MBE firms. This would apply to small, medium, and large MBE'S. Educate them on the benefits

### **In partnership with Academia:**

- Continue to offer training and development programs through partnerships like the Tuck School of Business.
- Partner with MSI's and HBCU's to establish entrepreneurial training programs to future business owners and current MBE firms. Assist with design of curriculum and participate as visiting professors where applicable. (Succession Planning, Operational Strategies and Growth Trajectory)

### **In partnership with Community-Based Organizations:**

- Expand collaborative efforts with trade association, minority chambers and other business development organizations to advocate on behalf of the MBE community.

### **Any other comments:**

- Share best practices of MBEs who have successful programs.
- Share best practices for teaming, joint venturing and strategic partnerships and alignment with key MBE firms and other larger non-minority firms in positions of influence.
- Build Capacity of MBE firms to add credibility and stability to ensure success and a more fair advantage when competing on procurements. Institute a transition program for MBE firms with revenues of \$100 million to \$250 million. (Wealth Building and maximum Job Creation to spur growth in the U.S. economy)

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 18**

**Moderator:**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- Consolidate the certification process for universal minority program such as, 8a, set a side, and contracts.
- Expand the Mentor Protege' programs across all federal agencies.
- Training of procurement to incorporate Green initiatives in their overall procurement and other emerging initiatives.
- MBDA specifically, include usage of wide range of social media networks to convey message to share success stories and hot issues.
- Advocate additional financial resources to expand the programs at the federal level.
- Provide capacity building mechanism to better position small business to implement infrastructure projects.
- Promote teaming with federal government agencies to facilitate 8a, set-a-side to Native American Business.
- FACC needs more emphasis on procurement training directly involving minority programs.
- Cross usage of minority programs need to be consolidate to a more universal.

**At a State/Local Level:**

- Consolidate the certification process for universal minority program such as, 8a, set a side, and contracts

### **In partnership with the Private Sector:**

- Incorporate Franchising as a model for expansion and or encourage MBE to become Franchise Owner.

### **In partnership with Academia:**

- Formalize and MBE mentoring program.
- Develop online education modules for MBE's that enhance their ability to operate, structure and manage business enterprises. Training would lead to certification of MBE/MBA degree.

### **In partnership with Community-Based Organizations:**

- TARP money will expire in about 2 years the banks should reinvestment the money back into the community as opposed to giving back to treasury. However, they should be held accountable and transparent with allocations.

### **Any other comments:**

None offered.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 19**

**Moderator:**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- If the way to obtain contract opportunities is to deal with companies of size and scale, why do we have restrictions on size. Why not have standards based on MBE status or capital restrictions. Increase limits on 8A businesses.
- Enforcement of multi-national companies to comply with diversity goals.
- Have rules currently relaxed by the American Recovery Act to be permanent statutes.
- Amend Regulation B of the Federal Reserve Board which does not allow for tracking commercial loans based on race, sex and gender. Historical data shows that tracking information on MBEs demonstrates that minority firms are good investments.
- Relax bundling contracting rules allowing for more MBEs and small businesses.
- Recruit, train and maintain MBEs that are approaching their graduated size standards.
- Develop expertise on GSA Schedule;
- Utilize the MBDA Portal for information on MBE related issues.
- Mentor/protégé programs should have goals and be accountable rather than just educational. Mentors should be identifying MBEs that will meet their criteria for future projects.
- Revise goals for set asides to make them higher goals.

- Establish legal framework for accountability and accessibility for federal, state and local government and prime contractors who are receiving the majority of federal contracts to attain higher minority participation.
- AARA needs to provide a better breakdown on funds by states, identifying specific officials that have responsibility for administering funds
- Require an extended time frame for “good faith efforts” to identify MBEs.

**At a State/Local Level:**

Same as above.

**In partnership with the Private Sector:**

None offered.

**In partnership with Academia:**

None offered.

**In partnership with Community-Based Organizations:**

- Unify the lobbying forces to have one voice focusing on MBEs issues and participation.
- Develop a Congressional relationship and support for drafting and sponsoring a bill that will address specific economic development laws affecting minority businesses.
- Formulate community groups which have an active interest and incorporate: Information disparity studies; meet decision makers (ie. Federal Reserve President) to put pressure on more minority loans to banks during acquisition. (i.e. Greenlining Institute out of California is the classic example).

**Any other comments:**

- MBDA needs to have sufficient funding to pay for disparity reports made by NAIC and other well-known entities to document that MBEs are good investments.

**Panel Number: 2**

**Panel Name: *MBE PROGRAMS***

**Table Number: 20**

**Moderator:**

**Given the challenges MBEs have in growing their businesses and in competing in the global economy, what are your recommendations for future programs or strategies which should be implemented to support MBEs in the 21<sup>st</sup> century? (Please provide answers from (a) through (f).)**

**At a Federal Level:**

- **Marketing Programs:** Programs need to be marketed well to show what they are really about. At the end of the day it is the banks decision, so the programs need to get more attention.
- **More SBA Loans or specific Banks:** Make more loans available through the SBA for minority businsses. Additionally, specific banks that are committed to minority businesses should receive Federal grants.
- **Executive Order to Umbrella all Agencies:** An executive order should be signed that makes sure that minority businesses receive a percentage of contracts (Recovery Act) in all Federal Agencies. Needs to have incentives and consequences for non-adherence.
- **Oversight with Consequences:** Departments that oversee and monitor contract grants need bigger staffs (budgets). This is a real disparity that needs to be addressed.
- **Increase the MBDA Budget:** The MBDA budget was \$73m+ in the 1970's and today it is \$31m. The budget should be four times the level from the early 70's. Specifically the funds should be increased in the current centers.

**At a State/Local Level:**

- **Stabalize State Budgets:** Some States are cutting funding and employees (California and Illinois). Action needs to be taken to help stabalize these States through down times in the economy. Political landscape is a problem (political posturing). MBDA should take the lead to help educate MBE's and Summit participants on the current and future impact this could have on the U.S. economy and make the State and Local officials aware of MBDA programs.

### **In partnership with the Private Sector:**

- **Marketing MBDA to Capital Firms:** Design a marketing campaign to help educate the financial community on MBDA and its programs and services. Establish a referral system in partnership with lending institutions.
- **Need Established Procedures for Private Sector:** MBE Stakeholders are the eyes and ears, but we need to communicate to the private sector more about MBDA and we need to communicate to MBDA what we hear out their in the private sector on minority business issues.

### **In partnership with Academia:**

- **Expand MBDA Programs:** Bring back old MBDA Academia programs that no longer exist.
- **Educating Academia:** Spread the word about MBDA and MBEs. Discussion on Green Innovation Program.

### **In partnership with Community-Based Organizations:**

None offered.

### **Any other comments:**

None offered.