

**Annual Performance Report
Fiscal Year 2004
October 1, 2003 – September 30, 2004**

U.S. DEPARTMENT OF COMMERCE



MINORITY BUSINESS DEVELOPMENT AGENCY

***“MBDA can achieve Entrepreneurial Parity for minority business enterprises (MBEs)
by actively promoting their ability to grow and to compete in the global economy”***
(U. S. Department of Commerce FY 2004 Performance & Accountability Report)

Prepared by
The Office of Performance and Program Evaluation
In cooperation with the National Enterprise Centers and the Office of Information Technology
April 2005

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National Director's Message

Preface

I am pleased to issue the Minority Business Development Agency's Fiscal Year 2004 Annual Performance Report. This report highlights quantitative data and analyses, describing the accomplishments of the agency in servicing minority business firms nationwide.

In 2004, MBDA was a proud recipient of a Gold Medal Award for Leadership, "for its reorganization and transformation from an administrative agency culture to an entrepreneurial organization. The challenge MBDA faced was how to reinvent itself to address the new needs of its clients, and continue to provide quality customer service in a changing environment. The result will provide millions of dollars for new financing and contracts to minority owned firms, foster growth, and demonstrate the Department's commitments to ensuring minority enterprises are viable stakeholders."

MBDA has continued to implement the Strategic Growth Policy, which was developed as a holistic approach to address its goal of achieving proportionality between the rapidly increasing minority population and rate of minority business development, measured in numbers of firms, gross receipts and employment. MBDA strives to maintain its entrepreneurial vision and commitment to minority business enterprises for the purpose of wealth creation.

I would like to extend my deepest gratitude to the efforts of our funded network of grantees, National Enterprise Centers, our strategic partners but especially the minority business community for their entrepreneurial spirit and valuable contribution to the domestic and global economy.

Together, we will pursue a pro-growth national economy in which MBDA will continue to make the business case, that Minority Business Enterprise is a national priority. MBDA is honored to lead the efforts of this important task.

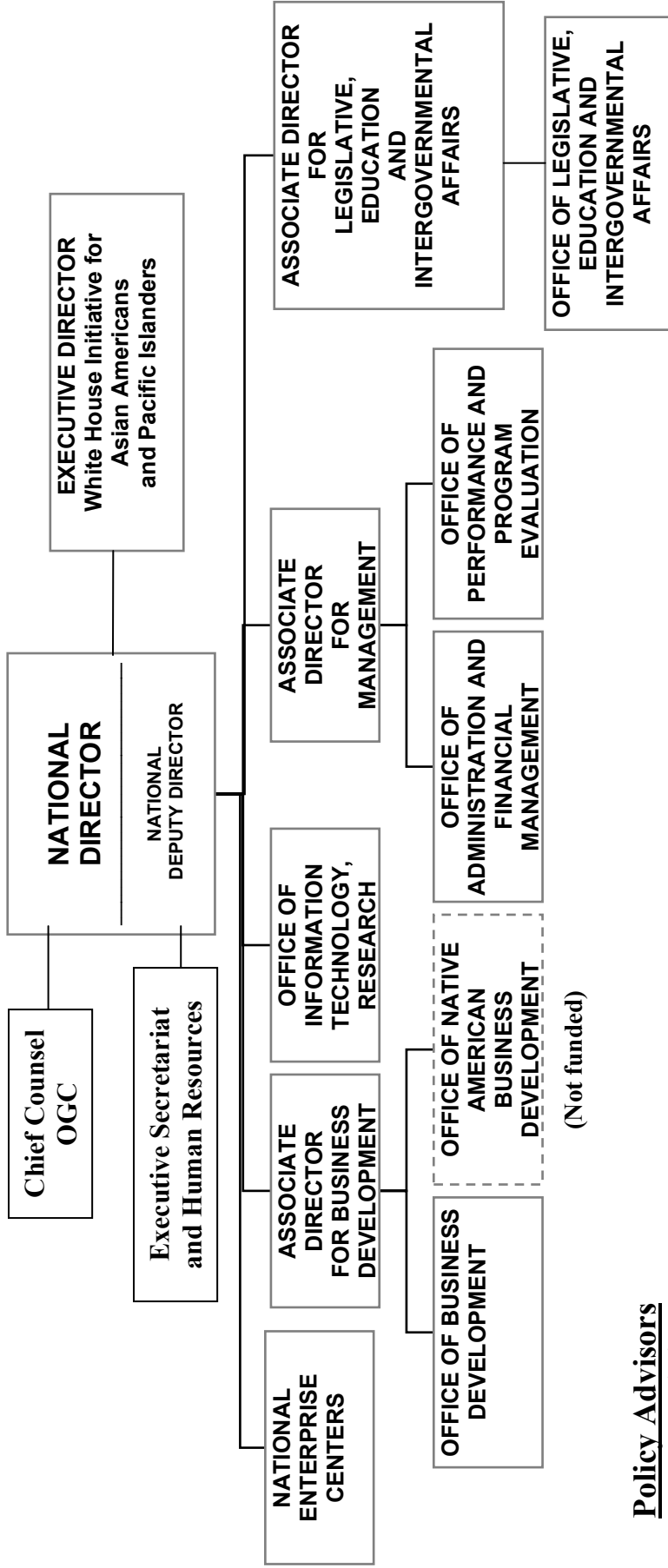


Ronald N. Langston
National Director
Minority Business Development Agency
U.S. Department of Commerce

(April 2005)
Washington, D.C.

MBDA Organization Chart

(As of April 2005)



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This report was prepared by the Minority Business Development Agency, Office of Performance and Program Evaluation (OPPE). Edith McCloud served as the team leader with assistance from Mary Choi, Melda Cabrera, Jerry Miller, Chuck Harrison, Kate Seiver Feldman and Tanya Washington.

Executive Summary*

The Annual Performance Report for Fiscal Year 2004 demonstrates the impact that MBDA leadership has made on minority business enterprise through its entrepreneurial attitude and teamwork in delivering quality services to the community. The Performance goals and critical outcome measures have been exceeded. Agency management, staff and the funded projects have made a sincere effort to provide accurate, reliable and validated data to support management decisions.

The agency strives to make continuous improvements in the reporting of financial and contractual transaction awards. Strategic partnerships have identified many new opportunities and provided value-added resources to support the services of the Business Development Centers and Minority Business Opportunity Committees. Likewise, the Strategic Growth Initiative, introduced in 2004 and supported by training from the Amos Tuck Business School at Dartmouth College, is now in full operation to service medium and large size minority firms to meet the challenge of a fast growing minority population and a U.S. labor force predicted to grow more slowly. The MBDA Portal has successfully become a Virtual Business Center offering new tools, services and a message board for information exchange for minority business enterprises (MBEs) to better compete in the world-wide economy.

MBDA programs delivered a significant Return on Investment (ROI) in comparison to the previous year. For example the MBOC program increased its ROI from \$141 for each dollar in funding to \$288 (104%). MBDA is now able to show a Return on Investment for Agency staff activities and the National Enterprise Centers. Only one region fell short of its annual transaction goals for the year. The tables and charts in this report will address the seven measures being tracked for the year.

MBDA can achieve Entrepreneurial Parity for MBEs by actively promoting their ability to grow and to compete in the world-wide economy.

** Agency data obtained from the MBDA MBDC / NABDC and MBOC on-line performance systems; Staff activity spreadsheets; Project narratives submitted by regional staff; and summary reports from the Arkansas Roundtable and EMBL projects.*

Organizational Assessment for FY 2004

In FY 2004, MBDA focused on three key activities for entrepreneurial success:

- 1. Access to capital and contract opportunities;**
- 2. Technology and educational training; and**
- 3. New policy initiatives that will “move the numbers and meet the bottom line.”**

Consistent with the President’s Management Agenda, MBDA placed a high priority on its ability to plan and implement its goals and objectives. MBDA implemented a Strategic Growth Policy (SGP) to promote assistance to medium and large minority firms as well as smaller firms with high growth potential. As a result, MBDA was able to exceed its performance goal in transaction dollars and made a significant impact on employment (jobs) and the tax base in minority communities.

MBDA now serves minority firms more efficiently in terms of cost and the quality of services. For example, the Agency has been able to facilitate more business deals and financial packages; obtain added resources and assistance through new partnerships and training; redefine the Regional and District offices into National and Regional Enterprise Centers for minority business; and improve the MBDA Portal into a Virtual Business Development Center with tools, services and information.

Agency funded Programs and Services

As mentioned, MBDA focused services on firms with the ability to create jobs and have an economic impact on geographic areas with a high concentration of the minority population. Specifically, MBDA targeted clients with \$500,000 or more in annual receipts and smaller firms with a rapid growth potential. MBDA has serviced these firms in the following ways:

- **National Enterprise Centers (NEC) Staff Activities** – MBDA established staff performance goals for the National Enterprise Centers. In FY 2004, the NECs assisted clients of size and capacity with referral and marketing services to prepare them to compete for prime contract awards and financial capital opportunities.
- **Minority and Native American Business Development Centers (MBDCs and NABDCs)** – MBDA re-engineered its BDC programs to implement the SGP. A customized training program was developed in partnership with the Amos Tuck Business School at Dartmouth College and provided staff and business consultants with the higher skill levels necessary to implement the SGP. BDC projects also established many new alliances within their community to add resources and potential opportunities.

- **Minority Business Opportunity Committees (MBOCs)** – These committees are located in selected areas of each region to focus on increasing the dollar values and number of contract awards. Committee members are volunteers from all sectors, especially local government. They identify opportunities for MBE competition. MBOCs also work to develop the management skills and business acumen of minority entrepreneurs.
- **Special Projects** – MBDA will often fund special projects, such as the Arkansas Minority Business Development Roundtable to work in communities that require special attention or lack business skills to compete for business opportunities. The Roundtable identified local activities that require micro grant funding that will support the minority community. As funds are identified, other special initiatives will be funded.
- **Emerging Minority Business Leaders Program (EMBL)– Youth Entrepreneurship Advocacy**
The EMBL is a special initiative mandated by Congress that works with selected minority students who are interested in business and entrepreneurship as a career. A partnership has been made between MBDA and the West Virginia High Tech Consortium Foundation housed at Wheeling Jesuit College. The EMBL offers a variety of services, educational programs, technology innovation and commercialization, career and business development resources to minority students looking to gain a competitive edge.
- **The MBDA Equity Capital Access (MECA) Committee** – MBDA regional and headquarters staff work as a committee to identify marketing and financial capital to better serve minority firms. This included selecting minority firms to make presentations to venture capitalists to secure financing and to compete for larger contract opportunities.
- **Phoenix – Opportunity Bid Matching System** - This on-line system allows an MBE firm to register with the Minority Business Development Agency’s database of minority business enterprises using the Internet. With this tool, the firm will be able to receive access to contract opportunities and other information vital to the success of the business.
- **Advocacy and Outreach Activities** – MBDA co-sponsors the Annual Minority Enterprise Development Week (MED Week) to promote the success of minority firms throughout the country and create strategic partnerships with government and private sector leaders to identify new opportunities for business development.

MBDA Goals and National Performance Summary
Fiscal Year 2004
October 1, 2003 – September 30, 2004

In Fiscal Year 2004, MBDA reinforced its national leadership position as the only federal agency specifically created to foster the growth and development of Minority Business Enterprise (MBE). **Performance demonstrated by funded projects and agency staff is the highest in the last 10 years.** The entrepreneurial leadership resulting from the agency's reorganization in 2003 can now be seen in the new policies and program designs that were implemented to increase MBE participation in the global marketplace. The focal point was the Strategic Growth Policy (SGP). The National Enterprise Centers worked to encourage projects to identify and service firms with high growth potential. New opportunities were identified from public and private partnerships that resulted in larger contract awards and access to financial capital for growth and expansion.

MBDA reports to the Department of Commerce and the Office of Management and Budget under one unified goal, **to increase access to the marketplace and financing for Minority-owned businesses.** Internally, MBDA focused on four specific goals to address the agency's business plan of tactical objectives and activities.

Goal 1: To improve Organizational Efficiency, Effectiveness and Responsiveness at MBDA

MBDA continued to make improvements and become more citizen-focused in support of the President's Management Agenda. The Agency became more entrepreneurial in completing its work products and, with a limited budget, became more resourceful and innovative in accomplishing its mission. The agency encouraged staff training and skills development such as the Tuck training. Agency employees received over 7,400 hours in training during the past year. Most major tasks and activities were performed by *teams*.

Frequent management and staff meetings were successful in planning events and kept employees informed. MBDA plans to establish a process to measure unit costs for business development activities later this year. The Office of Performance and Program Evaluation (OPPE) successfully completed an evaluation of the MBOC program during 2004. Recommendations made will be used to improve program work requirements and performance in the next solicitation. OPPE is responsible for maintaining current verification guidelines that can be used by agency staff and funded projects to document award transactions.

Enhancements were made to the Agency Internet Portal. Agency staff and projects made Information Technology Continuous Improvement Requests (CIRs) that provided new sources of information and technology to improve the tools and services available. The Portal now serves as an Information Clearinghouse and the center for referral of opportunities and resources to registered minority firms.

Goal 2: To improve opportunities (Contracting/Procurement) for minority-owned businesses to have access to the marketplace

The new BDC program was implemented in January 2004. New skill standards for assistance to clients were introduced through a tailored training course provided to agency business development specialists and project consultants. All MBDA programs worked to obtain contracts for clients, however, the new BDC program worked to obtain larger prime awards for high-growth potential firms. Aided by various on-line tools, the Internet Portal and the Phoenix Bid-Matching System identified and provided opportunities to over 22,000 minority firms. MBDA increased its outreach activities by encouraging new strategic partnerships by the funded projects. Strategic alliances were established with departmental international trade offices to assist the expansion of MBEs into global markets. Other partnerships were established with public and private sector prime contractors. The MBDC/NABDC program contributed **60%** of total procurement dollars, while the MBOC contributed **29%**, the NEC staff **8%** and the Arkansas Roundtable **3%**. MBDA exceeded its dollar value goal for contract awards by 126% for the year.

Goal 3: To improve Access to Capital Opportunities awarded to MBEs

In FY 2004, the agency worked to integrate staff support into the service delivery model. MBDA staff worked with clients and projects to provide brokering services and to make referrals to financial organizations. Higher profile firms were identified and relationships were built with the financing industry. The MBDA Portal now offers the **Capital Resource Locator** to identify banks and financial institutions to assist minority firms. Selected staff identified venture capital and angel investors for certain industry sectors and investment potential. A Capital Access Steering Committee met with officials of the Treasury Department and the Federal Reserve Bank to coordinate efforts and maintain dialogue to support the interest and needs of MBE clients. The MBDC/NABDC program contributed **80%** of total financial awards, while the MBOC contributed **17%**, the NEC staff **1%** and the Roundtable **2%**. MBDA was able to exceed its goal for Financial Dollars in awards by 151%.

Goal 4: MBDA will become a Knowledge Center for MBEs in the public and private sector

MBDA recognized its role to advocate with the public and educate government and corporate executives about its mission to foster the growth and expansion of minority business enterprise. Agency legislative staff developed working relationships with congressional staff and prepared frequent newsletters and briefing material to maintain ongoing communication. The Agency's Internet Portal continues to provide a resource of information and services regarding National and Regional activities and outreach opportunities for MBEs. The upgraded Portal served as a Virtual Business Development Center for minority business.

The 2004 National and local Med Week celebrations were well attended and recognized the major contributions of minority firms to the nation's economy. The agency negotiated several interagency agreements and strategic alliances with organizations such as the California Black Chamber of Commerce, National Urban League and National Business Associations to add value to the services available within the minority community. Likewise, the funded network established over 200 partnerships to support local services to clients.

MBDA National Performance Summary

Table 1 Performance Measure Summary

National Performance Measures	FY 2004 National Targets	BDC Reported Accomplishments	MBOC Reported Accomplishments	Regional and Headquarters Staff Accomplishments	Arkansas Roundtable Accomplishments	FY 2004 Totals (Rounded)	Percent of FY 2004 Goal
Dollar Value of Contracts	\$800 Million	\$ 485.0 Million	\$367.5 Million	\$119.6 Million	\$33.6 Million	\$1.0 Billion	126%
Number of Contracts	3,200	1,070	1,070	28	89	2,257	71%
Dollar Value of Financial Transactions	\$400 Million	\$483.0 Million	\$101.7 Million	\$8.1 Million	\$10.0 Million	\$602.8 Million	151%
Number of Financial Transactions	550	443	203	11	21	678	124%
Summary Total for Transaction Dollars	\$1.2 Billion	\$968.0 Million	\$469.2 Million	\$127.7 Million	\$43.6 Million	\$1.6 Billion	134%
Number of Clients assisted	25,000	5,214	739 (Beneficiaries)	22,922	600	29,475	118%
National and Regional Partnerships	150	117	107	7	N/A	231	154%
Employee Training Hours	5,500	NA	NA	7,446	NA	7,446	135%
Percent Transactions Verified	100%	95%	96%	100%	100%	98%	98%
Budget Allocations	\$9.94 Million Program Allocations	\$8.31 Million	\$1.63 Million	\$0.827 million (10 Staffers)	\$0.175 Million	\$10.942 Million	110% of Program Allocation
* Return on Federal Investment (ROI)	National ROI Target \$121	BDC \$117	MBOC \$288	Agency Staff \$154	Special project \$249	Total MBDA \$146	121% of ROI Target for 2004

*MBDA calculates the Federal "Return on Investment" by dividing the Dollars from Contracts and Financings obtained for clients by the federal dollars invested in that program.

National Performance Highlights in FY 2004

Fiscal 2004 has been a very successful year for the MBDA staff and funded projects. The Agency exceeded six of its seven national goals. Contributing to this success was the MBDA reorganization that was implemented last June; the leadership of senior managers and project directors; the Strategic Growth Policy; new partnerships and alliances within the minority community; the team concept used to complete work products; the value added from training for staff and project consultants, especially the Tuck Business Seminars that focused on how to pursue market opportunities and how to allocate resources to meet objectives; and finally, the revamped MBDA Portal that reaches the minority communities to provide tools and services.

The Agency delivered **\$1.6 billion** in award transactions for clients, exceeding the national goal of **\$1.2 billion by 134%** with a combined Return on Investment of **\$146** for each federal dollar invested.

Despite this success, approximately ten funded projects fell short of their transaction dollar goals.

Below are some highlights from the **BDC and MBOC Electronic Performance Systems that should be noted:**

- MBDCs and NABDCs assisted **5,214** clients with Management and Technical Assistance (M&TA) and provided over **60,500 hours of M&TA**. This represents an average of **12** hours assistance per client.
- Total Annual Receipts reported by BDC clients was over **\$2.8 billion** with **36,151** employees.
- Firms assisted by BDCs had an average of **13** employees.
- African American clients (**43%**) were the largest ethnic group receiving M&TA assistance from BDCs.
- **Total Clients Assisted** include: BDC clients; MBOC Beneficiaries; Arkansas Roundtable Beneficiaries; Registered Phoenix firms receiving at least one opportunity match; clients assisted by MBDA staff; and student clients assisted in the West Virginia Emerging Minority Business Leaders Program (EMBL).
- **MBEs in California, Puerto Rico and Texas** obtained the largest amount in contract and financial dollars.
- Hispanics Americans received the most contract dollars (**39%**). African Americans were second with 32%.
- The average value of a contract obtained for a client was **\$443,066**.
- **Asian Americans, Hasidic Jews and Hispanic Americans** represented the ethnic groups with the most businesses having annual receipts greater than \$1 million.
- The **Federal Government provided** the most dollars in contract awards (**24%**) **with an average contract valued at over \$600,000**.
- Minority firms in the **Construction Industry** received the greatest number of contracts (**30%**) and the most contract dollars (**27%**).
- MBDA **employees received 7,446 hours of training** during the year.
- MBDA received the **Department of Commerce Gold Medal** for its leadership and performance in FY 2004.

Table 2 MBDA Projects funded during FY 2004

MBDA Organization	MBDCs	NABDCs	MBOCs	Special Projects	Total Projects Funded during the Fiscal year	Regional ROI	Program Costs FY 2004
Headquarters	0	0	0	1	1	N/A	\$0.6 M
Atlanta NEC	8	1	3	0	12	\$122	\$1.912 M
Chicago NEC	4	1	3	0	8	\$155	\$1.171 M
Dallas NEC	8	3	1	1	13	\$161	\$2.448 M
New York NEC	7	0	1	0	8	\$135	\$1.962 M
San Francisco NEC	10	3	1	0	14	\$139	\$2.625 M
Totals	37	8	9	2	56	N/A	\$10.718 M

Table 2 represents the number of different projects that were funded at least one quarter of the fiscal year within the NEC. The variances appear for the first year of the new MBDC and NABDC programs due to the overlap of the fiscal year and the funding cycles that occurred. These projects are each identified in the later sections of this report under their region. The Dallas NEC showed the highest Regional Return on Investment with **\$161 for each dollar** of federal program funding. The Chicago region was second with **\$155 per \$1 invested**.

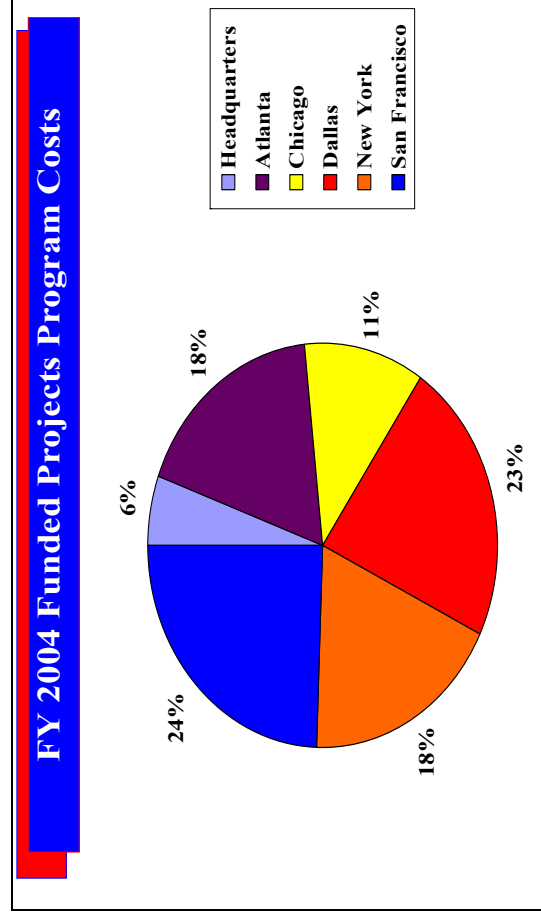


Chart 1 – Percent MBDA Program Costs by NEC

Chart 2 - Program and Staff Contribution

FY 2004 Program's Contribution to Total Transaction Dollars

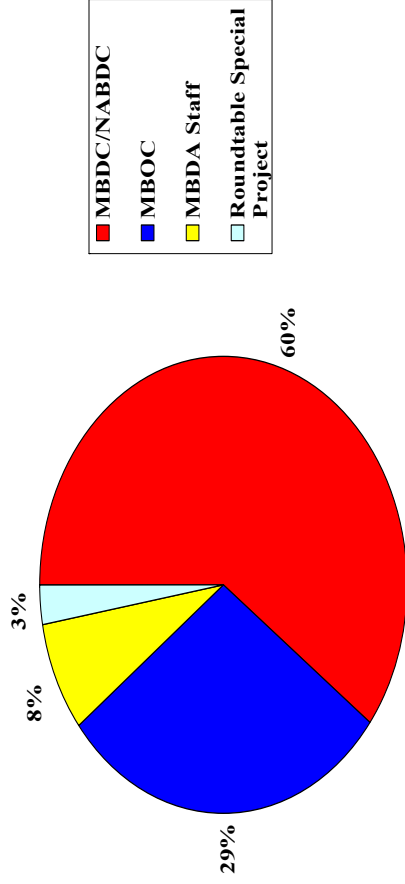


Table 3 Program Return on Investment (ROI)

Return on Investment (ROI) for MBDA Programs and Staff (\$ Millions Rounded)						
MBDA Programs	Federal Program Funding	Total Transaction Dollars	Program ROI in FY 2004	Program ROI in FY 2003	Percent Change in FY '04 from FY '03	
MBDC/NABDC	\$8.310 M	\$968.0 M	\$117 per \$1	\$95 per \$1	+23%	
MBOC	\$1.633 M	\$469.2 M	\$288 per \$1	\$141 per \$1	+104%	
Roundtable Special Project	\$0.175 M	\$43.6 M	\$249 per \$1	\$186 per \$1	+34%	
MBDA Staff	\$0.827 M	\$127.7 M	\$154 per \$1	N/A	N/A	
Totals (All)	\$10.118 M	\$1,480.8 M	\$146 per \$1	\$99 per \$1	+48%	

Table 3 above shows the total transaction dollars obtained by each program and the respective Rate of Return. The new BDC program improved 23 % in FY 2004 while the second year of the MBOC program improved 104%. The final performance year for the Arkansas Roundtable increased by 34%. All funded programs together increased the ROI by 48% in FY 2004.

Table 4 Client Assistance Reported by Ethnic Group

Ethnic Group	BDC Clients	BDC Hours of M&TA	BDC and MBOC Contracts Obtained	BDC and MBOC Value of Contracts	BDC and MBOC Financings Obtained	BDC and MBOC Value of Financings
1	2	3	4	5	6	7
African American	2,242 (43%)	21,154 (35%)	555 (26%)	\$ 266.7M (31%)	197 (30%)	\$ 96.6M (17%)
Asian American	496 (10%)	6,923 (11%)	420 (20%)	\$ 82.4M (9%)	87 (13%)	\$ 134.7M (23%)
Hispanic American	1,389 (27%)	17,399 (29%)	627 (29%)	\$ 333.5M (38%)	166 (26%)	\$ 163.3M (28%)
Native American	773 (15%)	12,918 (21%)	420 (19%)	\$ 158.1M (19%)	178 (28%)	\$ 160.3M (27%)
Hasidic Jew	131(2 %)	454 (1%)	109 (5%)	\$ 8.8M (2%)	11 (2%)	\$ 26.0M (4%)
Other Minority Clientele (no ethnic category)	183(3 %)	1,503 (3%)	9 (1%)	\$ 3.1M (1%)	8 (1%)	\$ 4.4M (1%)

This table represents the six major ethnic categories of clients receiving assistance from MBDA funded projects.

African Americans clients represented the largest ethnic group receiving the most hours of management and technical assistance (35%) from BDCs while Hispanic American clients were second at 29% of total hours.

The breakout for the number of contracts from BDCs and MBOCs was evenly divided among the four major groups. Surprisingly, Native Americans (27%) were second to Hispanics (28%) in the dollars for financings obtained. The NABDC program did a very good job supporting their clientele and obtaining both contracts and financings.

Chart 3 below combine's columns 5 and 7 above to reflect total transaction dollars obtained.

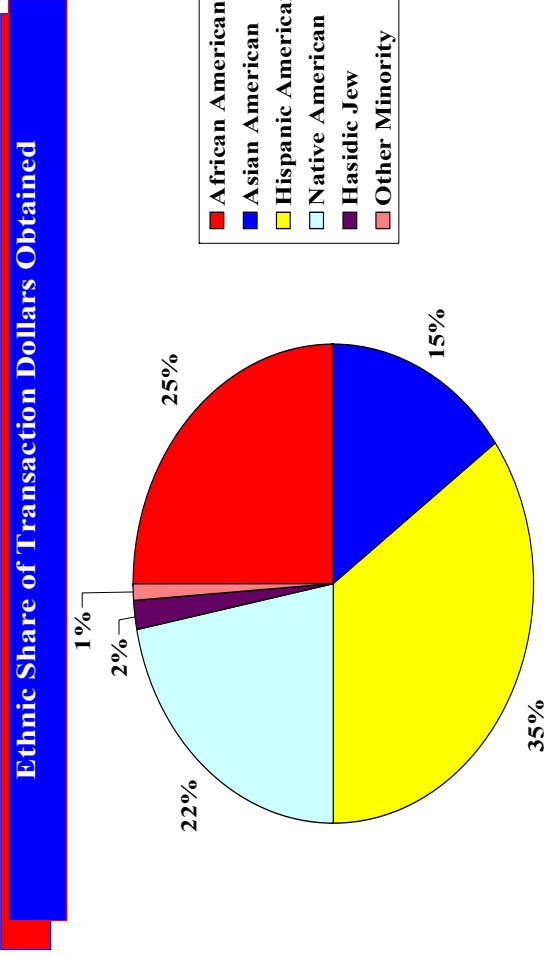


Table 5 Gross Receipts

Percent of BDC Firms Reported with Annual Gross Receipts (58% of firms reporting current receipts)				
Ethnic Group	\$0	\$1- \$299,999	\$300,000 - \$999,999	Greater than \$1,000,000
African American	32%	49%	10%	9%
Asian American	27%	35%	16%	22%
Hasidic Jew	44%	16%	14%	26%
Native American	35%	35%	12%	18%
Hispanic American	24%	38%	17%	21%
Other Minority – Disadvantaged	33%	46%	9%	12%
Totals by Range	30%	41%	13%	16%

The above table identifies firms reported by BDCs with information on annual gross receipts.

- In 2004, many BDCs did not update data on gross receipts for approximately 42% of clients assisted. This should be corrected in FY 2005 with new annual receipts information.
- Based on existing data, **29%** of reported clients had receipts greater than \$300,000. The threshold for SGP is \$500,000. This means that many smaller firms are still being serviced.
- However, it is assumed that these clients represent high growth firms that will soon show an increase of 5-10 % in receipts for FY 2005. We expect to see this as a result of the “Needs Analyzer” and Tuck training.
- In reviewing each ethnic group, Hasidic Jew clients had the greatest percent of its firms with receipts above \$300,000 (**40%**). This means that the reporting project has sought out larger firms for service as requested. Both Asian and Hispanic American clients had **38%** within this size range for their ethnic group.
- **Sixteen percent of all clients reported had receipts greater than one million dollars.**

Percentage of Firms by Ethnic Group with Receipts Greater Than \$300,000

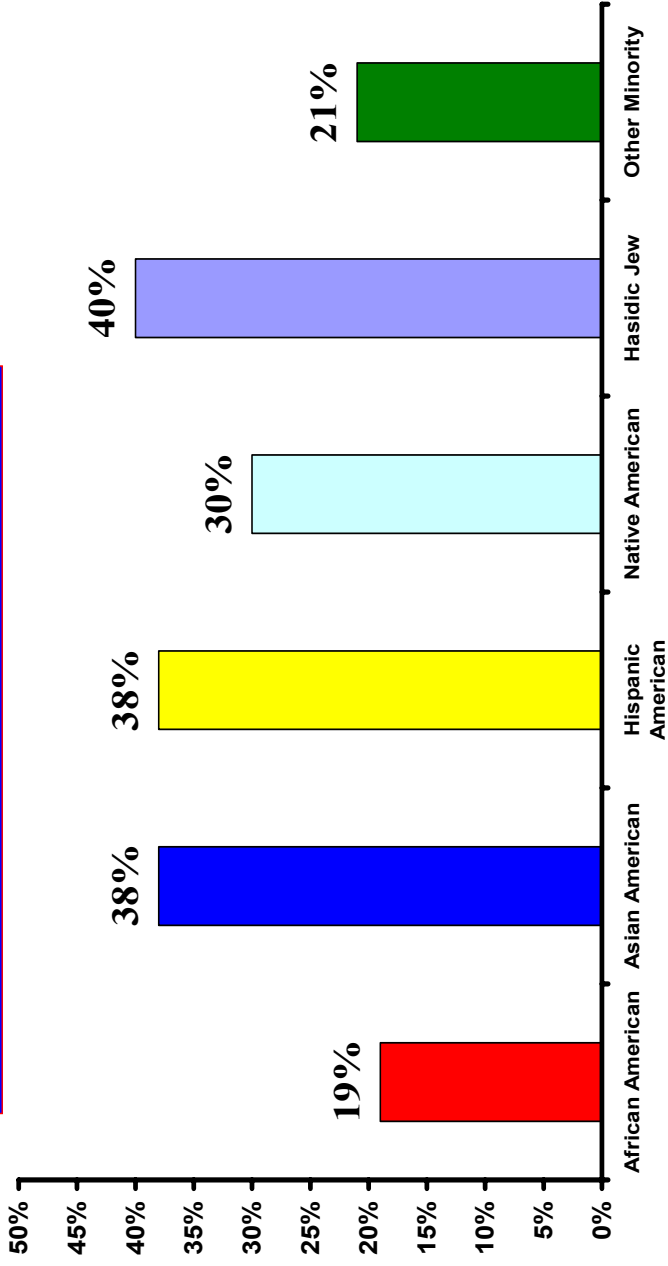


Chart 4 Ethnic Group Firms with Gross receipts greater than \$300,000

This chart will summarize the ethnic groups by the percentage of firms exceeding \$300,000 in annual gross receipts. Other minority are disadvantaged clients without a specific ethnic category.

MBE Contract Procurements Obtained by Major Industry
Table 6

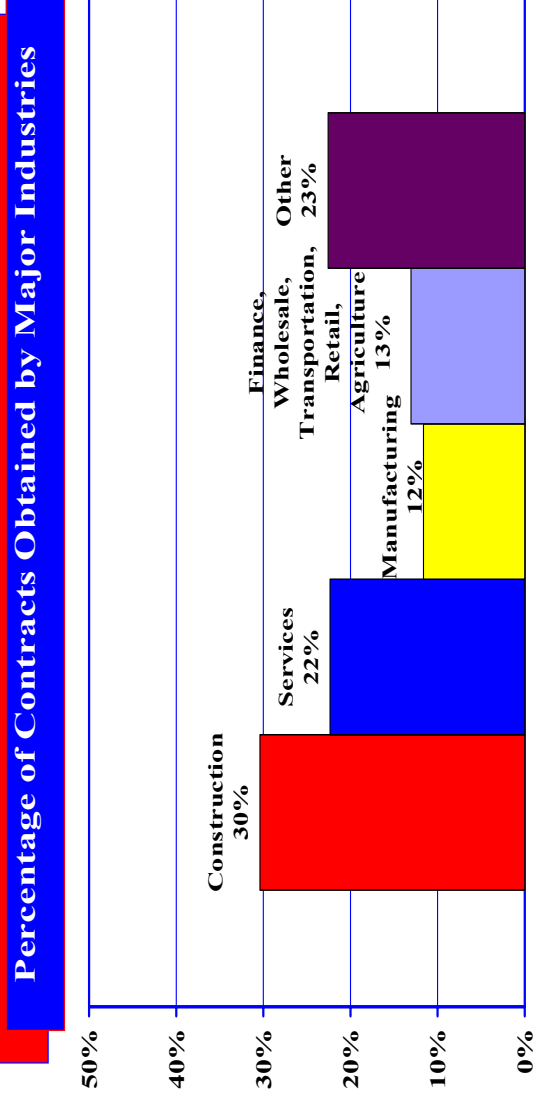
Industry	Number of Awards	Dollars of Contracts
Construction	649 (30%)	\$ 226.6 million (27%)
Services	477 (22%)	\$ 148.9 million (18%)
Manufacturing	248 (12%)	\$ 56.3 million (7%)
Finance, Information, Administration	81	\$ 67.1 million
Wholesale Trade	69	\$ 20.6 million
Retail Trade	68	\$ 5.0 million
Agriculture, Forestry, Fishing and Hunting	15	\$ 8.8 million
Transportation, Warehousing	46	\$ 6.7 million
Awards not Identified by Industry	482 (23%)	\$ 311.8 million (37%)

Clients Served by Industry Table 7

Services	24%
Construction	15%
Wholesale Trade	7%
Manufacturing	7%
Retail Trade	4%
Finance, Insurance, & Real Estate, Information, Administration	3%
Agriculture, Forestry, Fishing and Hunting	2%
Transportation, Warehousing & Public Utilities	2%
Clients not Identified by Industry	36%

The two tables above closely relate, identifying Clients by Industry receiving assistance and the contract awards by Industry for these clients. Clients working in the Construction and Services industries (39%) received over \$375 million (45%) in procurement contract awards through MBDA funded projects. Unfortunately, a large number of clients and awards were not identified by industry in the Performance Reporting System. This should be corrected at the program level during 2005 with IT changes to the data system.

Chart 5



Procurement Contracts Identified by Source of Award
Table 8

Source of Award	Number of Awards	Total Dollars	Average value
Federal Government	328 (15.4%)	\$ 206.3 million (24.2%)	\$628,000
State Government	52 (2.4%)	\$ 59.3 million (7.0%)	\$1.1 Million
Local Government	281 (13.1%)	\$ 46.6 million (5.5%)	\$166,000
Private Sector	474 (22.1%)	\$ 175.4 million (20.6%)	\$370,000
Other Sources Not Categorized	1005 (47%)	\$365 million (42.7%)	\$363,185

Consistent with previous years, the Federal Government provided the most dollars in contract awards to clients assisted by MBDA programs. The average dollar value of a federal award was \$628,000. However, the private sector has made a large contribution providing over 22% of the awards and almost 21% of the total dollars. Again, the performance system did not identify 47% of the contract sources. This should be corrected in 2005 by the program and IT. See chart below.

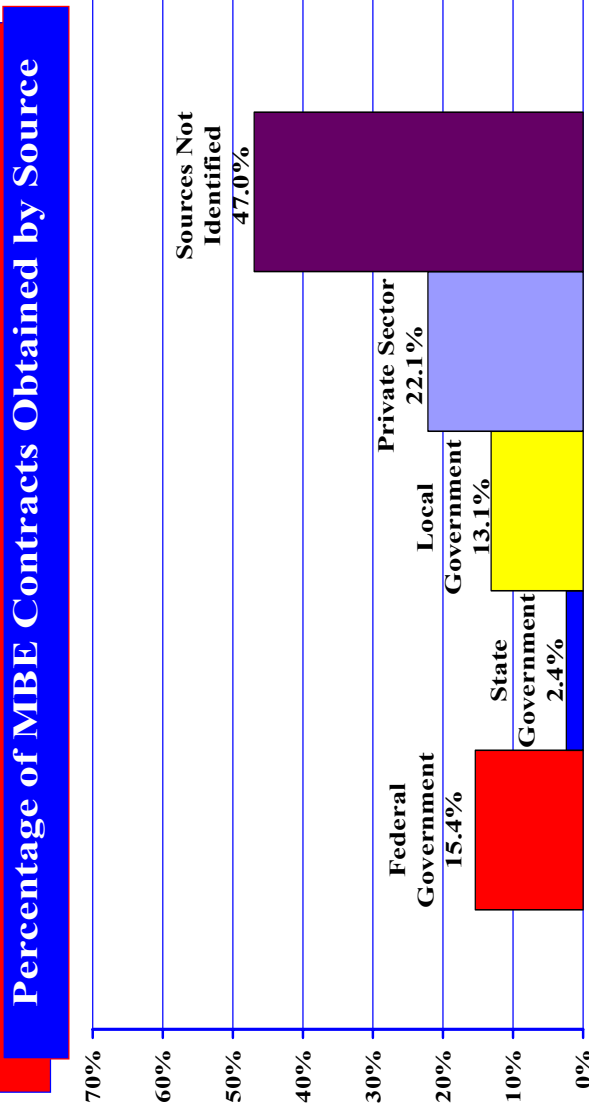


Chart 6

MBDA National Enterprise Centers (NECs) Summary and Highlights

Table 9 Atlanta NEC Performance

Atlanta National Enterprise Center Performance Measures	BDC FY 2004 Targets	BDC Accomplishments (% Goal)	MBOC 2004 Targets	MBOC Accomplishments (% Goal)	Regional Staff Activities Reported	FY 2004 Totals (% Goal)
Dollar Value of Contracts	* NA	\$ 84.3 Million	\$109.1 Million	\$98.9 Million (91%)	\$5.5 Million	\$188.7 Million
Number of Contracts	NA	288	NA	106	5	399
Dollar Value of Financial Packages	NA	\$37.1 Million	\$76.2 Million	\$33.1 Million (43%)	\$4.2 Million	\$74.4 Million
Number of Financial Packages	NA	114	NA	9	4	127
Number of Clients	725	1,351 (186%)	NA	87 (Beneficiaries)	9	1,447
Regional Strategic Partnerships	NA	21	NA	40	0	61
Total Transaction Dollars	\$133.5 Million	\$121.4 Million (91%)	\$185.2 Million	\$132.0 Million (71%)	\$9.7 Million	\$263.1 Million (83%)
Percent Verified	100%	100%	100%	95%	100%	98%
Budget Targets	\$1.912 Million	\$1.43 Million	\$.483 million	\$.483 Million	\$.248 Million	\$2.16 Million
Return on Federal Investment (ROI)	BDC Target \$70	BDC Actual \$85	MBOC Target \$383	MBOC Actual \$273	Staff \$39	Region Total \$122

* NA indicates that the program did not require a goal / target for that performance measure in FY2004.

Atlanta NEC Highlights

The Atlanta National Enterprise Center (NEC) oversees an eight state area that includes most of the south, eastern coastal states, Puerto Rico and the Virgin Islands. In FY 2004, Atlanta managed a total of eight Minority Business Development Centers (MBDCs), one Native American Business Development Center and three Minority Business Opportunity Committee (MBOC) projects. In total, this Center managed \$1.913 million in program funds for MBDA. The NEC produced an overall Return on Investment of **\$122** which exceeded its ROI of **\$91** for the previous year. Atlanta NEC staff delivered an ROI of **\$39** for FY 2004.

Key to this NEC's performance is the large number of clients that were serviced by BDC projects. BDC assisted firms reported 6,302 employees and \$488.7 million in annual receipts. Three BDCs and one MBOC did not reach 100% of their transaction dollar goal. Likewise, the three MBOCs, identified below, contributed over 50% of total NEC dollars for the year.

Table 10

Atlanta MBDC (Old) (Oct – Dec 31 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	44	13 30%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 0.1 M
Dollar Value of All Transactions	\$ 4.5 M	\$ 0.1 M 2%

N/A indicates that the program did not require a goal / target for that performance measure in FY2004.

Table 11

Georgia Statewide MBDC (New) ROI \$9 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	102	34 33%
Number of Contracts	N/A	6
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$ 1.6 M
Dollar Value of Financial Transactions	N/A	\$ 0.6 M
Dollar Value of All Transactions	\$21.0 M	\$ 2.2 M 11%

The Georgia MBDC was successful in accomplishing some of its goals; however, the major challenge it faced was in the Dollar Value of Awarded Transactions category. The MBDC was funded in January 2004 as a new center with a new operator. Additionally, the geographical territory of the MBDC was expanded from the Atlanta minority serving area (MSA) to Georgia statewide. Prior to 2004, the Georgia MBDC was funded to provide services only in the Atlanta MSA. Thus, 2004 represented the first year a MBDC in Georgia was funded to provide services statewide.

The MBDC established an advisory board, contributed fully to the regional MED Week activities, participated in numerous outreach events, secured clients, collaborated with public and private sector entities, started the process of bringing a plan room to the MBDC, and begun closing financial transactions.

Table 12

Louisville MBDC 2003 (Old) (Oct – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	35	41 117%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 0.1 M
Dollar Value of All Transactions	\$ 3.0 M	\$ 0.1 M 3%

Table 13

Miami/Ft. Lauderdale MBDC (Old and New) ROI \$20 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	166	614 370%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	28
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 6.7 M
Dollar Value of All Transactions	\$ 21.7 M	\$ 6.7 M 31%

The Miami MBDC built strategic relationships with chambers of commerce; banks and other funding sources; federal, state and local government departments; educational institutions; economic development agencies; the international trade community; major corporations with diversity programs; and the media. These relationships helped the MBDC to gain access to lending and procurement programs, and marketing opportunities to clients. Sponsorship and hosting of the annual MED Week program has proved to be a tremendous source of marketing and public relations success for the MBDC.

Table 14

North Carolina Statewide MBDC ROI \$163 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	103	57 55%
Number of Contracts	N/A	6
Number of Financial Transactions	N/A	9
Dollar Value of Contracts	N/A	\$ 21.7 M
Dollar Value of Financial Transactions	N/A	\$ 7.7 M
Dollar Value of All Transactions	\$ 21.0 M	\$ 29.4 M 140%

The NCMBDC did an exceptional job for a first time grant recipient. They achieved over 100% of their awarded transactions. There were many challenges in obtaining clients. Staffs of the Grantee and MBDC are active on a number of boards and committees that directly impact the small and minority business community. The NC MBDC's achievement can be contributed to its network of relationships in the public and private sector.

Table 15

NC Cherokee/Ashville NABDC (Old and New) ROI \$57 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	45	137 243%
Number of Contracts	N/A	178
Number of Financial Transactions	N/A	30
Dollar Value of Contracts	N/A	\$ 10.0 M
Dollar Value of Financial Transactions	N/A	\$ 0.7 M
Dollar Value of All Transactions	\$ 13.9 M	\$ 10.7 M 77%

There are a small number of SGI businesses to call on in the Cherokee NABDC MSA. This region has a large impact on small businesses. They were challenged with getting their clients to complete the Business Needs Analyzer. The center must rely on reports from purchasing contractors that report on a quarterly basis and continues to encourage and communicate with procurement staff to get the data on successful transactions in a timely manner. The center will pursue private sector relationships and structure their marketing approach to capture the SGI client.

Table 16

Puerto Rico Island Wide MBDC (Old and new) ROI \$271 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	125	194 155%
Number of Contracts	N/A	83
Number of Financial Transactions	N/A	40
Dollar Value of Contracts	N/A	\$ 44.1 M
Dollar Value of Financial Transactions	N/A	\$ 20.9 M
Dollar Value of All Transactions	\$ 23.0 M	\$ 65.0 M 283%

One of the key success elements was the partnership with the Puerto Rico Products Association (PRPA), the operator since 1976. The PRPA provides full support to the MBDC and makes accessible all the programs and activities to promote it, such as a radio program, business magazines, conferences, convention, exhibitions, etc. The Center works closely with certified development corporations for the 504 SBA program and provides notifications of government (local, federal, municipal) and private sector contract opportunities on an individual basis.

Table 17

Raleigh/Durham/Charlotte MBDC (Old) (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	46	71 154%
Number of Contracts	N/A	4
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	\$ 0.6 M
Dollar Value of Financial Transactions	N/A	\$ 0.1 M
Dollar Value of All Transactions	\$ 4.4 M	\$ 0.7 M 16%

Table 18

South Carolina Statewide MBDC (Old and New) ROI \$27 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	124	190 153%
Number of Contracts	N/A	11
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$ 6.3 M
Dollar Value of Financial Transactions	N/A	\$ 0.2 M
Dollar Value of All Transactions	\$ 21.0 M	\$ 6.5 M 31%

The operator had two offices for the first quarter of the evaluation period. However, at the start of the new program period, only one office was available for the MBDC to meet with clients. The capability of the MBDC to serve clients was impacted by the staffing pattern being reduced for the three quarters in CY 2004 to one full-time consultant and three part-time consultants, including a part-time Project Director. The Atlanta NEC will closely monitor and conduct site visits at the completion of each quarter to review transaction goals that are not met.

Table 19

Birmingham MBOC ROI \$33 (Oct 2003 – Sep 30 2004)	FY 2004 Target	MBOC Accomplishments %
Number of Beneficiaries	N/A	21
Number of Contracts	N/A	34
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	\$ 0.9 M	\$ 4.5M (500%)
Dollar Value of Financial Transactions	\$ 0.6 M	\$0.6M (100%)
Dollar Value of All Transactions	\$1.5 M	\$ 5.1M (340%)

Through the Mayor's Office of Economic Development, the Birmingham MBOC (BMBOC) has been able to reach out to organizations in the Birmingham economic development community such as, commercial /industrial realtors, international business consultants, community revitalization organizations, and other Alabama counties/municipalities and become a more effective advocate for local minority-owned businesses.

Throughout calendar year 2004, the BMBOC has utilized the Business Locator as a tool to facilitate meetings with local contract/procurement officers who are not a part of the present BMBOC network and when a bid/request for proposal is received and it cannot be posted on the Opportunity Database. The Business Locator has assisted the BMBOC become a more effective broker for local minority-owned businesses. The Center benefits from a project director and executive director with experience in procurement and relationships with a large number of diverse companies.

Table 20

Florida MBOC ROI \$318 (Oct 2003 – Sep 30 2004)	FY 2004 Target	MBOC Accomplishments (%)
Number of Beneficiaries	N/A	46
Number of Contracts	N/A	49
Number of Financial Transactions	N/A	3
Dollar Value of Contracts	\$ 8.0M	\$ 34.3M (429%)
Dollar Value of Financial Transactions	\$ 0.4M	\$ 6.1M (1525%)
Dollar Value of All Transactions	\$ 8.4 M	\$ 40.4M (481%)

Many private firms will not share their opportunities or verify specific contract award information unless a high level of trust is established. Private Sector contractors can restrict opportunities to firms that they want to include. The Florida MBOC Project Director has 15 years of supplier diversity experience and ten years of Federal Procurement experience. The Executive Director has twenty-two years of supplier diversity experience and relationships with hundreds of companies. The Center continues to enhance the Phoenix database by obtaining detailed information regarding MBE capabilities.

Table 21

Puerto Rico MBOC ROI \$433 (Oct 2003 – Sep 30 2004)	FY 2004 Target	MBOC Accomplishments (%)
Number of Beneficiaries	N/A	20
Number of Contracts	N/A	23
Number of Financial Transactions	N/A	4
Dollar Value of Contracts	\$100.2 M	\$ 60.1M (60%)
Dollar Value of Financial Transactions	\$75.2.0 M	\$ 26.4M (35%)
Dollar Value of All Transactions	\$175.3M	\$ 86.5M (49%)

The Puerto Rico MBOC (PR MBOC) owes its success to having an excellent Advisory Committee chaired by a prominent businessman along with a very committed group of local entrepreneurs, public sector members and bankers. Teamwork between the PR MBOC and MBDA is key in the coordination of activities, such as our Annual Conference in San Juan, which successfully brings together Federal Agencies and businesses. Raising the MBOC profile in the community is among the elements that play a fundamental role in our efforts. A working relationship with State Government Agencies allows the Puerto Rico MBOC to be their Advisors and partners in major endeavors of benefit to minority firms.

Table 22 Chicago NEC Performance

Chicago National Enterprise Center Region Totals	BDC 2004 Targets	BDC Accomplishments (% Goal)	MBOC 2004 Targets	MBOC Accomplishments (% Goal)	Regional Staff Activities Reported	FY 2004 Totals (% Goal)
Dollar Value of Contracts	NA	\$29.5 Million	\$38.2 Million	\$80.9 Million (158%)	0	\$110.4 Million
Number of Contracts	NA	59	NA	101	0	160
Dollar Value of Financial Packages	NA	\$59.6 Million	\$10.1 Million	\$23.2 Million (171%)	\$.8 Million	\$83.6 Million
Number of Financial Packages	NA	32	NA	27	1	60
Number of Clients	333	326 (84%)	NA	95 (Beneficiaries)	1	421
Regional Strategic Partnerships	NA	19	NA	26	0	45
Total Transaction Dollars	\$61.4 Million	\$89.1 Million (183%)	\$48.3 million	\$104.1 Million (216%)	\$.8 Million	\$194.0 Million (171%)
Percent Verified	100%	100%	100%	98%	100%	99%
Budget Targets	\$.721 Million	\$.721 Million	\$.45 Million	\$.45 Million	\$.083 M	\$1.254 Million
Return on Federal Investment (ROI)	BDC Target \$85	BDC \$124	MBOC Target \$107	MBOC \$231	Staff \$96	Region Total \$155

Chicago NEC Highlights

The Chicago NEC covers an eight state geographic area within the mid-western part of the country. During FY 2004, this region was responsible for managing five BDCs and three MBOCs with a program budget of \$1.17 million. This was the smallest budget of all the NECs. The regional staff contributed an ROI of \$96. In summary, the Chicago NEC delivered an **ROI of \$155** for FY 2004. This was the second largest in the agency. Regional BDC firms reported 2,934 employees and receipts of \$97.3 million.

The three MBOCs supported the region by securing **\$104.1 million** in contracts and financings which was **54%** of total award transactions for the year. The BDC program also did their share reporting **183%** of its goal for transaction dollars.

Table 23

Chicago MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	23	91 396%
Number of Contracts	N/A	7
Number of Financial Transactions	N/A	11
Dollar Value of Contracts	N/A	\$ 5.8 M
Dollar Value of Financial Transactions	N/A	\$ 7.2 M
Dollar Value of All Transactions	\$ 2.2 M	\$ 13.0 M 591%

This project is no longer funded.

N/A indicates that the program did not require a goal / target for that performance measure in FY2004.

Table 24

Illinois Statewide MBDC ROI \$2 (April – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	67	7 10%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 0.4 M
Dollar Value of All Transactions	\$ 15.7 M	\$ 0.4 M 3%

The Illinois MBDC faced challenges in all of the performance categories. The BDC was scheduled to start in January 1, 2004, but did not receive the award until April 2004, however, the award was made retro-active to January. A significant amount of time and attention was devoted to participating in many MBDA-mandated functions, such as the Tuck Executive Training, the MBDA National Conference, and the Regional and National MED Week activities. The CNEC is working with this project to get them to a satisfactory level of performance. A plan of action to address and improve performance has been requested from the recipient, and we have also met to discuss how performance can be improved. One event that we are scheduling is hosting a Federal Acquisition /GSA training workshop for MBE customers.

Table 25

MINNESOTA/IOWA NABDC ROI \$204 (April – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	57	79 139%
Number of Contracts	N/A	7
Number of Financial Transactions	N/A	12
Dollar Value of Contracts	N/A	\$ 20.8 M
Dollar Value of Financial Transactions	N/A	\$ 3.7 M
Dollar Value of All Transactions	\$ 9.0 M	\$ 24.5 M 272%

The success of the Minnesota/Iowa NABDC is attributed to obtaining Memorandums of Understanding (MOU) with major procurement organizations. The NABDC established MOUs with the Minnesota Economic Development Association (MEDA) and the Minnesota Statewide Procurement Technical Assistance Center (PTAC). Logistical problems were encountered due to the project's location (Twin Cities) and the slow developing relationships with the outside geographic service area. The MOUs established better serve the state of Minnesota where there is a more diverse population and businesses in high growth sectors. Many of the reported transactions for 2004 were due to these partnerships. In addition, the NABDC did a great job maintaining strong working relationships with long-term clients of the NABDC. For example, the NABDC has been assisting a client named Ed's Construction since its inception. During the start-up period the center assisted the company with the development of its business plan and to obtain financing. In FY 2004, the center assisted Ed's Construction with obtaining an \$18 million dollar contract with the Army Corp of Engineers.

Table 26

Michigan Statewide MBDC ROI \$4 (April – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	87	8 9%
Number of Contracts	N/A	1
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$ 0.5 M
Dollar Value of Financial Transactions	N/A	\$ 0.3 M
Dollar Value of All Transactions	\$ 15.7 M	\$ 0.8 M 5%

The Michigan Statewide Business Development Center is now making its best effort to accomplish performance activities. The MSMBDC was unable to accomplish all of the mandated goals outlined within the performance system. The MSMBDC staff spent a considerable amount of time launching the center and hiring staff. In addition, much of the year was spent marketing the center. However, in spite of the delay and setbacks, the MSMBDC was able to build strong regional relationships. The work of the Executive Director and Project Director in obtaining strategic partnerships with key business members from the financial sectors, corporate sectors and other economic development sectors should improve the numbers in the coming year. The Chicago NEC expects this project to be a top performing center in 2005. The many alliances established within the State should lead to substantial transactions for 2005.

Table 27

Ohio Statewide MBDC (Old and New) ROI \$210 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	99	141 142%
Number of Contracts	N/A	44
Number of Financial Transactions	N/A	5
Dollar Value of Contracts	N/A	\$ 2.4 M
Dollar Value of Financial Transactions	N/A	\$ 48.0 M
Dollar Value of All Transactions	\$ 21.0 M	\$ 50.4 M 240%

The Ohio Statewide MBDC's success in FY 2004 can be directly linked to its strong performance in obtaining Financial packages and bonding, particularly during the Second and Third Quarters of the Fiscal Year. This resulted in achieving 240% of its Dollar Value for all transactions. The Ohio MBDC also uses the resources of the Procurement Technical Assistance Center (PTAC), a statewide network that provides many opportunities to the center for its clients. Additionally, the Ohio Statewide MBDC has built a strong working relationship with the Comerica Bank. A new MOU with Comerica is expected by mid-2005.

Table 28

Chicago MBOC ROI \$207 (Oct 2003 – Sep 30 2004)	FY 2004 Target	Accomplishments (%)
Number of Beneficiaries	N/A	37
Number of Contracts	N/A	30
Number of Financial Transactions	N/A	8
Dollar Value of Contracts	\$ 22.5 M	\$ 39.8M (177%)
Dollar Value of Financial Transactions	\$ 7.5 M	\$ 11.9M (159%)
Dollar Value of All Transactions	\$ 36.6 M	\$ 51.7M (141%)

The Chicago MBOC met or exceeded all of its goals for 2004. The success of the CMBDC is attributed to its continuous outreach in the minority business community, effective utilization of its strategic partners and its implementation of a Mergers and Acquisition program. This is a program whereby the Minority Business Development Council and the MBOC work with buyers and sellers of companies in a wide variety of industries. Their first transaction was a huge success. They represented Creative Printing Services (CPS), from Des Plaines, Illinois, in a stock sale to Haves McNeal. The original owners were interested in having a minority-owned firm buy their business. CPS is a \$19 million dollar full-line commercial printer.

Table 29

Wisconsin MBOC ROI \$276 (Oct 2003 – Sep 30 2004)	FY 2004 Target	Accomplishments (%)
Number of Beneficiaries	N/A	24
Number of Contracts	N/A	32
Number of Financial Transactions	N/A	9
Dollar Value of Contracts	\$ 4.5 M	\$ 20.1M (446%)
Dollar Value of Financial Transactions	\$ 1.1 M	\$ 7.5 M (682%)
Dollar Value of All Transactions	\$ 7.4 M	\$ 27.6M (373%)

The Wisconsin MBOC can attribute its success (ROI of \$276 and Dollar Value of all Transactions – 373%) to extensive use of its MBE Database by the WMBOC’s Beneficiaries and Sources. Also, the Wisconsin MBOC held a series of “Bankers Roundtables” which resulted in meeting all of its financial goals for the year. Wisconsin MBOC has worked closely with the State and the Wisconsin Department of Transportation, (WISDOT) to become an integral part of the “Marquette Interchange Project” that will repave all major roads and highways in the state over the next few years. Representatives from the State Department of Commerce and general contractors often sit down with the Committee to better pinpoint opportunities for MBEs. Through these meetings, opportunities are entered into the MBOC’s database. As a result of his hard work and participation, Rueben Anthony, of WISDOT, was the Regional and Local MED Week Winner 2004.

Table 30

Northwest Indiana MBOC ROI \$248 (Oct 2003 – Sep 30 2004)	FY 2004 Target	Accomplishments (%)
Number of Beneficiaries	N/A	34
Number of Contracts	N/A	39
Number of Financial Transactions	N/A	10
Dollar Value of Contracts	\$ 11.2 M	\$ 21.0M (188%)
Dollar Value of Financial Transactions		
Dollar Value of all Transactions	\$1.5 M \$ 15.6 M	\$ 3.8 M (253%) \$ 24.8M (159%)

Table 31 Dallas NEC Performance

Dallas National Enterprise Center Region Totals	BDC 2004 Targets	BDC Accomplishments (% Goal)	MBOC 2004 Targets	MBOC Accomplishments (% Goal)	Regional Staff Activities Reported	Arkansas Roundtable Special Project Accomplishments	FY 2004 Totals (% Goal)
Dollar Value of Contracts	NA	\$190.0 Million	\$7.5 million	\$15.0 Million (200%)	0	\$33.6 Million	\$238.6 Million
Number of Contracts	NA	319	N/A	77	0	89	481
Dollar Value of Financial Packages	NA	\$142.6 Million	\$.7 million	\$2.1 Million	0	\$10.0 Million	\$154.7 Million
Number of Financial Packages	NA	216	N/A	7	0	21	243
Number of Clients	1,124	1,824 (162%)	N/A	25 (Beneficiaries)	0	600 (Beneficiaries)	2,449
Regional Strategic Partnerships	NA	10	NA	11	0	NA	21
Total Transaction Dollars	\$176.2 Million	\$332.6 Million (189%)	\$8.2 Million	\$17.1 Million (209%)	0	\$43.6 Million	\$393.3 Million (213%)
Percent Verified	100%	96%	100%	94%	NA	100%	98%
Budget Targets	\$2.073 Million	\$2.073 Million	\$.2 Million	\$0.2 Million	NA	\$0.175 Million	\$2.448 Million
Return on Federal Investment (ROI)	BDC Target \$85	BDC \$160	MBOC Target \$41	MBOC \$86	NA	Special Project \$249	Region Total \$161

Dallas NEC Highlights

The Dallas NEC extends over eleven states, between Canada to Mexico, along the central part of the country. During FY 2004, this region managed eight MBDCs, three NABDCs, one MBOC and one Special Project with a program budget of **\$2.448 million**. The Dallas NEC exceeded all ROI projections for both the BDC and MBOC programs. Firms assisted by BDCs reported **14,727 employees** and **\$1.2 billion** in annual receipts. In summary, the Dallas NEC delivered an **ROI of \$161** for FY 2004, the largest in the agency. NEC staff did not report any transaction activities during the year.

The Arkansas Minority Business Development Roundtable Special Project reported an **ROI of \$249**. This special project out-performed all other funded programs in the region. Dallas funded projects serviced **2,449 clients** during the year and the Dallas BDC programs achieved the greatest production in transaction dollars in the nation.

Table 32

Corpus Christi MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	31	3 10%
Number of Contracts	N/A	4
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	\$ 1.5 M
Dollar Value of Financial Transactions	N/A	\$ 0.5 M
Dollar Value of All Transactions	\$ 3.0 M	\$ 2.0 M 67%

N/A indicates that the program did not require a goal / target for that performance measure in FY2004.

The Corpus Christi metropolitan area had a break in service and was refunded under Grijalva and Allen for only three months. It took the better part of the first year to reestablish the center's presence in the business community. MBDA recently eliminated funding for this center due to budget restraints and its focus on high growth minority firms.

Table 33

EI Paso MBDC (Old and New) ROI \$174 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	60	71 118%
Number of Contracts	N/A	4
Number of Financial Transactions	N/A	4
Dollar Value of Contracts	N/A	\$ 1.6 M
Dollar Value of Financial Transactions	N/A	\$ 24.5 M
Dollar Value of All Transactions	\$ 17.5 M	\$ 26.1 M 149%

For a number of years, the Center has been successful in obtaining financing and completing 8 (a) packages for clients. The performance shown is a combination of the old project and new project under the same operator. This has translated into the Center meeting its performance goals at an excellent level. In addition, the Center has built important resources in the area which has assisted in servicing clients at a high level. Although there was a delay in the start date until April 2004, the Center was still able to satisfactorily accomplish its performance goals. In addition, there were turnovers in staff (particularly in the project director position) which had a major influence on performance. The Center has made strides to improve performance and stabilize staff.

Table 34

Dallas/Ft. Worth/Arlington MBDC (Old and New) ROI \$89 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	131	98
Number of Contracts	N/A	8
Number of Financial Transactions	N/A	29
Dollar Value of Contracts	N/A	\$ 22.6 M
Dollar Value of Financial Transactions	N/A	\$ 5.1 M
Dollar Value of All Transactions	\$ 27.3 M	\$ 27.7 M
		102%

Grijalva & Allen has operated the Dallas/ Fort Worth MBDC for the past 4 years. The Center has staff with very strong business backgrounds, which include banking, marketing and construction, who target MBEs with large capacities and is able to acquire financing and bonding to participate in larger business deals. It has strategic relationships with major financial institutions, bonding companies, trade associations, chambers of commerce and developers. Its performance is tied directly to continued funding and strategic relationships. We anticipate an even greater impact during the next performance report due to the Tuck training.

Table 35

Denver MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	15	22
Number of Contracts	N/A	12
Number of Financial Transactions	N/A	N/A
Dollar Value of Contracts	N/A	\$ 1.4 M
Dollar Value of Financial Transactions	N/A	N/A
Dollar Value of All Transactions	\$ 2.6 M	\$ 1.4 M
		54%

The Denver MBDC has been operating at a good level but due to budget constraints it is no longer funded. The data is for a three month period.

Table 36

Houston MBDC (Old and New) ROI \$121 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	260	801 239%
Number of Contracts	N/A	35
Number of Financial Transactions	N/A	10
Dollar Value of Contracts	N/A	\$ 45.4 M
Dollar Value of Financial Transactions	N/A	\$ 2.8 M
Dollar Value of All Transactions	\$ 29.2 M	\$ 48.2 M 165%

Grijalva & Allen has operated the Houston MBDC for the past 8 years. The keys to the Center's success are its continuous funding and its established relationships with public and private entities, which include the City of Houston, Metropolitan Transit Authority, JP Morgan Chase Bank, Associated General Contractors, Houston Minority Business Council and other organizations. We anticipate an even greater impact during the next performance report due to the Tuck training.

Table 37

North/South Dakota Statewide NABDC (Old and New) ROI \$80 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	93	58 62%
Number of Contracts	N/A	12
Number of Financial Transactions	N/A	6
Dollar Value of Contracts	N/A	\$ 6.7 M
Dollar Value of Financial Transactions	N/A	\$ 5.7 M
Dollar Value of All Transactions	\$ 12.0 M	\$ 12.4 M 103%

The North Dakota NABDC has been operated by the United Tribes Technical College since 1980. During this period, the Center has established strategic partners and other resources throughout both North and South Dakota, which include tribal governments, state agencies, federal agencies, the Bureau of Indian Affairs and other agencies within the Department of Interior. We anticipate a greater impact during the next performance report due to the Tuck training.

Table 38

New Mexico Statewide MBDC (Old and New) ROI \$265 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	125	220 176%
Number of Contracts	N/A	24
Number of Financial Transactions	N/A	19
Dollar Value of Contracts	N/A	\$ 33.3 M
Dollar Value of Financial Transactions	N/A	\$ 25.1 M
Dollar Value of All Transactions	\$ 19.2 M	\$ 58.4 M 304%

NEDA Business Consultants has operated the New Mexico Statewide MBDC for the past 20 years and achieved the highest production for a BDC within the region. This Center has a strong relationship with the Statewide 8(a) Association. The staff identifies contracts for 8(a) firms and works to obtain bid and performance bonds when needed. The Center team is active on local, regional and national boards and committees, and works with the two National Labs located in the State on contracts for its clients. The Center is very active with local banks in order to secure loans, lines of credit and bonds. This relationship with the community and the quality of the work makes the Center successful. All goals for the past several years have been achieved. The Tuck Training and the needs analyzer will have a significant impact on the Center's performance during the next performance period.

Table 39

Oklahoma Statewide NABDC (Old and New) ROI \$422 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	190	257 135%
Number of Contracts	N/A	154
Number of Financial Transactions	N/A	109
Dollar Value of Contracts	N/A	\$ 51.2 M
Dollar Value of Financial Transactions	N/A	\$ 48.0 M
Dollar Value of All Transactions	\$ 20.1 M	\$ 99.2 M 494%

The Native American Resource Center has been operating the Oklahoma Statewide NABDC for 9 years. Their market niche is the construction field. The Center has upgraded many companies to prime contractor status. These firms obtain procurement leads from the Center. The Center staff is experienced professionals. The NABDC works closely with the City of Tulsa, the American Indian Chamber of Oklahoma, and many strategic partners. The Tuck Training and the needs analyzer will have a significant impact on the Center's performance during the next report period.

Table40

Oklahoma City MBDC (Old and New) ROI \$121 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	90	99 110%
Number of Contracts	N/A	36
Number of Financial Transactions	N/A	8
Dollar Value of Contracts	N/A	\$ 14.3 M
Dollar Value of Financial Transactions	N/A	\$ 4.5 M
Dollar Value of All Transactions	\$ 12.0 M	\$ 18.8 M 157%

Langston University has operated the MBDC for the past 4 years. The Center has built a very good relationship with resources, such as city officials, hospital administrators, and construction companies, etc. The Center's staff meets with these organizations several times during the month on various projects as well as draws upon the resources of the University to meet some of its clients' needs. Networking with the organizations is a key in knowing the person or persons to make the deals. The Tuck Training and the needs analyzer will have a significant impact on the Center's performance during the next period.

Table 41

San Antonio MBDC 2004 (Old and New) ROI \$123 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	108	129 119%
Number of Contracts	N/A	23
Number of Financial Transactions	N/A	25
Dollar Value of Contracts	N/A	\$ 11.1 M
Dollar Value of Financial Transactions	N/A	\$ 20.4 M
Dollar Value of All Transactions	\$ 22.4 M	\$ 31.5 M 141%

The San Antonio MBDC has been operated by the University of Texas at San Antonio for more than 20 years. Its high performance is due to the resources of the University staff, especially the business school; campus procurement opportunities and electronic tools. The San Antonio MBDC also has an excellent relationship with the public and private sector along with 18 strategic partners.

Table 42

New Mexico Statewide NABDC (Old and New) ROI \$37 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	110	66 60%
Number of Contracts	N/A	7
Number of Financial Transactions	N/A	5
Dollar Value of Contracts	N/A	\$ 0.9 M
Dollar Value of Financial Transactions	N/A	\$ 6.0 M
Dollar Value of All Transactions	\$ 13.9 M	\$ 6.9 M 50%

The New Mexico NABDC recently had a change in the operator. Although, the new operator has managed a successful NABDC in Oklahoma, the Center staff had to exert a lot of time and effort to develop a new client base. In addition, there were turnovers in staff (particularly in the project director position) which had a major influence on performance. The Center has made strides to improve performance and stabilize staff.

Table 43

South Texas MBOC ROI \$86 (Oct 2003 – Sep 30 2004)	FY 2004 Target	MBOC Accomplishments (%)
Number of Beneficiaries	N/A	25
Number of Contracts	N/A	77
Number of Financial Transactions	N/A	7
Dollar Value of Contracts	\$ 7.5 M	\$ 15M (200%)
Dollar Value of Financial Transactions	\$ 0.7 M	\$ 2.1M (300%)
Dollar Value of All Transactions	\$ 8.2 M	\$ 17.1M (209%)

After a slow start, in the first six months of 2003, the MBOC was making significant performance improvement in the second six month period. Many of the contractual and financial transactions which they began in the first six month period were being award during this period. This carried over into the first period of FY 2004. The staff also became more knowledgeable in obtaining transaction documentation. In addition, the MBOC was able to conduct successful Procurement Matchmaking tours and International Trade missions.

Table 44

Arkansas Minority Business Development Roundtable (AMBDR) ROI \$249 (October 1, 2003 – September 30, 2004)	
Performance Measures	FY 2004 Accomplishments
Beneficiaries	600
Number of Financial Transactions	21
Number of Contracts	89
Dollar Value of Financial Transactions	\$10.0 M
Dollar Value of Contracts	\$33.6 M
Dollar Value of All Transactions	\$43.6 M

The members of this special demonstration project represent large State and Local Agencies, Private Firms, Federal Government Agencies, banks and profit / non profit service providers that played a major role in its success. They identified large procurement projects, i.e., the Clinton Library, transportation projects and city governmental projects that was referred to minority businesses. **The firms completed the work on time and within budget.** The Roundtable held business expositions, workshops, network events and conferences. The AMBDR made sub-grants for various groups that supported MBEs. Many contract opportunities were identified by the AMBDR members.

Table 45 New York NEC Performance

New York National Enterprise Center Region Totals	BDC FY 2004 Targets	BDC Accomplishments (%Goal)	MBOC FY 2004 Targets	MBOC Accomplishments (% Goal)	Regional Staff Activities	FY 2004 Totals (% Goal)
Dollar Value of Contracts	N/A	\$52.0 Million	\$107.3 Million	\$89.6 Million (89%)	\$.07 Million	\$141.7 Million
Number of Contracts	N/A	193	N/A	217	4	413
Dollar Value of Financial Packages	N/A	\$97.7 Million	\$12.7 Million	\$36.3 Million (213%)	\$.9 Million	\$134.9 Million
Number of Financial Packages	N/A	16	N/A	135	2	153
Number of Clients	751	790 (105%)	N/A	233 (Beneficiaries)	3	1026
Regional Strategic Partnerships	NA	21	NA	8	0	29
Total Transaction Dollars	\$144.8 Million	\$149.7 Million (103%)	\$120.0 Million	\$125.9 Million (107%)	\$.97 Million	\$276.6 Million (105%)
Percent Verified	100%	96%	100%	100%	100%	99%
Budget Allocation	\$1.76 Million	\$1.76 Million	\$1.2 Million	\$0.2 Million	\$0.082 Million	\$2.043 Million
Return on Investment (ROI)	MBDC Target \$82	BDC \$85	MBOC Target \$600	MBOC \$630	Staff \$12	Region Total \$135

New York NEC Highlights

The New York NEC services a geographic area along the eastern and north eastern coast. A total of seven MBDC projects and one MBOC were funded in FY 2004 with a program budget of **\$1.96 million** dollars. The region secured a combined **ROI of \$135** for FY 2004. The MBOC achieved a **ROI of \$630**, the highest for any one project in the nation. This project secured 135 financial packages for a total of \$36.3 million dollars. The BDC assisted firms reported 3,827 employees and annual receipts of \$336.5 million. The BDCs secured 193 contracts totaling \$51.0 million dollars and 16 financial packages totaling \$97.7 million dollars. Regional staff activities also contributed. Staff was able to secure \$70,000 dollars in contracts and \$900,000 in financial awards. Fortunately, the region was able to reach **105%** of its total transaction goal for the year.

Table 46

Manhattan/Bronx/Westchester MBDC (Old and New) ROI \$59 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	125	95 76%
Number of Contracts	N/A	57
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$ 15.7 M
Dollar Value of Financial Transactions	N/A	\$ 1.3 M
Dollar Value of All Transactions	\$ 25.2 M	\$ 17.0 M 68%

N/A indicates that the program did not require a goal / target for that performance measure in FY2004.

The Manhattan MBDC continued its efforts to meet performance expectations, despite a change in the Director and professional staff. Historically the Center’s performance has been good. The Center continued to target the technology, wholesale and construction industries aside from an increased focus on leveraging its strategic partners and other resources.

Table 47

New Jersey Statewide MBDC (Old and New) ROI \$95 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	125	87 70%
Number of Contracts	N/A	17
Number of Financial Transactions	N/A	5
Dollar Value of Contracts	N/A	\$ 2.4 M
Dollar Value of Financial Transactions	N/A	\$ 25.1 M
Dollar Value of All Transactions	\$ 25.2 M	\$ 27.5 M 109%

The Center’s overall performance was good. During the first quarter of the performance period, the Center experienced a slow performance pace due to the loss of an experienced Executive Director and some staff members. However, the Center has regrouped and is operating well. The Center continues to focus on the high-tech and growth sectors.

Table 48

Philadelphia MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	46	66 143%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 0.3 M
Dollar Value of All Transactions	\$ 4.4 M	\$ 0.3 M 7%

This project is no longer funded.

Table 49

Pennsylvania Statewide MBDC ROI \$13 (Jan – Sep 10 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	121	23 19%
Number of Contracts	N/A	2
Number of Financial Transactions	N/A	N/A
Dollar Value of Contracts	N/A	\$ 2.9 M
Dollar Value of Financial Transactions	N/A	N/A
Dollar Value of All Transactions	\$ 20.8 M	\$ 2.9 M 14%

This new Center experienced slow start-up problems which included delayed programmatic implementation, slower than expected staff hiring, and a gradual learning curve regarding new MBDC programmatic direction. These constraining factors contributed significantly to a very low performance for the Center. This report reflects a nine month performance period, however, during this period, they were able to develop a pipeline of potential deals that will soon be fruitful.

The Center has been able to solidify its relationships with the finance and procurement sectors and translate its concerted efforts into some significant and tangible results during the subsequent operating period.

Table 50

Queens/Nassau/Suffolk MBDC (Old and New) ROI \$193 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	150	332 221%
Number of Contracts	N/A	8
Number of Financial Transactions	N/A	4
Dollar Value of Contracts	N/A	\$ 9.3 M
Dollar Value of Financial Transactions	N/A	\$ 46.4 M
Dollar Value of All Transactions	\$ 25.2 M	\$ 55.7 M 221%

The Queens MBDC continued to translate its extensive base in business consulting and collaborate partnerships into a strong performance-oriented operation. While they experienced a change in the Director, they have been able to maintain operations and performance results. The Center continued to focus on the key industry sectors such as public works, construction, and transportation development projects. The organization has a very strong strategic partnership network.

Table 51

Washington Metro MBDC ROI \$56 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	105	6 6%
Number of Contracts	N/A	2
Number of Financial Transactions	N/A	N/A
Dollar Value of Contracts	N/A	\$ 12.0 M
Dollar Value of Financial Transactions	N/A	N/A
Dollar Value of All Transactions	\$ 16.4 M	\$ 12.0 M 73%

The Washington Metro MBDC encountered an array of start-up and programmatic operational problems that contributed to the center's overall low-performance and stymied productivity. The loss of a key strategic partner had a dramatic impact on the Center's proposed programmatic direction and expected performance outcome. Hence, the Center has found it essential to undergo an operational and programmatic restructuring to re-establish a viable operational base and enhance its potential to perform on a solid consistent basis.

Table 52

Williamsburg (Brooklyn) MBDC (Old and New) ROI \$108 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	108	181 166%
Number of Contracts	N/A	90
Number of Financial Transactions	N/A	3
Dollar Value of Contracts	N/A	\$ 9.7 M
Dollar Value of Financial Transactions	N/A	\$ 24.6 M
Dollar Value of All Transactions	\$ 18.0 M	\$ 34.3 M 191%

The Williamsburg (ODA) MBDC continued to maintain a very high performance aided by a very seasoned Director and strong technical staff. The Center has targeted specific industry sectors that deliver a strong bottom line and return on investment. The Center is active with numerous public and private sector financial institutions.

Table 53

National Capital MBOC ROI \$630 (Oct 2003 – Sep 30 2004)	FY 2004 Target	Accomplishments (%)
Number of Beneficiaries	N/A	233
Number of Contracts	N/A	217
Number of Financial Transactions	N/A	135
Dollar Value of Contracts	\$ 74.9 M	\$ 89.6M (119%)
Dollar Value of Financial Transactions	\$ 12.7 M	\$ 36.3M (286%)
Dollar Value of All Transactions	\$107.3 M	\$ 125.9M (117%)

The National Capital MBOC experienced a strong performance outcome this performance period. The MBOC's performance in the Financial Awards category was excellent. Also, it generated a strong performance in the Contracts Awarded area. The MBOC unexpectedly experienced the loss of its highly regarded Executive Director during the latter part of the performance period. She resigned to assume a higher level position with the State Government which caused a key staff vacuum for the organization and impacted on the overall performance. The MBOC has recently selected a new Director with an impressive business experience background to enhance and reinforce its strong overall performance.

Table 54 San Francisco NEC Performance

San Francisco National Enterprise Center Region Totals	BDC FY 2004 Targets	BDC Accomplishments (% Goal)	MBOC FY 2004 Targets	MBOC Accomplishments (% Goal)	Regional Staff Activities	FY 2004 Totals (% Goal)
Dollar Value of Contracts	N/A	\$130.2 Million	\$56.1 Million	\$83.1 Million	\$5.7 Million	\$219 Million
Number of Contracts	N/A	211	N/A	569	1	781
Dollar Value of Financial Packages	N/A	\$146.0 Million	\$5.2 Million	\$7.0 Million	\$2.2 Million	\$155.2 Million
Number of Financial Packages	N/A	66	N/A	25	4	95
Number of Clients	1,329	923 (69%)	N/A	299 (Beneficiaries)	16	1,238
Regional Strategic Partnerships	NA	46	NA	22	0	68
Total Transaction Dollars	\$207.0 Million	\$276.2 Million (133%)	\$61.3 Million	\$90.1 Million (147%)	\$7.9 Million	\$374.2 Million (140%)
Percent Verified	100%	91%	100%	92%	100%	95%
Budget Targets	\$2.324 Million	\$2.324 Million	\$0.3 Million	\$0.3 Million	\$0.082 Million	\$2.7 Million
Return on Investment (ROI)	BDC Target \$89	BDC \$119	MBOC Target \$204	MBOC \$300	Staff \$96	Region Total \$139

San Francisco NEC Highlights

The San Francisco region covers eight western states, to include Hawaii and Alaska. In FY 2004, this office managed ten MBDCs, three NABDC and one MBOC with a program budget of **\$2.7 million** dollars. Between funded projects and the regional staff activity, the region was able to secure an **ROI of \$139**. The MBOC was able to secure a return of \$300. Regional staff produced an **ROI of \$96**, the highest for staff in the country. Under the BDC program, this region was able to secure more contracts than financial packages, 211 vs. 66, respectively. However, financial transactions were greater in dollar value than contracts, \$146.0 million vs. \$130.2 million. The BDCs assisted only 69% of the targeted number of clients expected in FY 2004. However, BDC assisted firms reported 8,361 employees and annual receipts of **\$718.9 million**. The MBOC project secured a large dollar value in contracts (\$56.1 million) when compared to financial packages (\$7.0 million). This one project also secured more contracts (569) than all the BDCs (211) in the region. A total of 299 minority business entrepreneurs benefited from the MBOC.

Table 55

Alaska Statewide MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	15	9 / 60%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 0.9 M
Dollar Value of All Transactions	\$ 4.2 M	\$ 0.9 M / 22%

N/A indicates that the program did not require a goal / target for that performance measure in FY2004.

The Alaska MBDC has earned limited successes through its “grass roots” approach within the community. Any success for this Center can be attributed to its project director who has active ties throughout the Native Community. Through the connections of the operator, it has garnered a substantial revolving loan funds with a Federal Agency, and has also secured grants from another Federal Agencies to use for its MBE clientele.

Table 56

Arizona Statewide MBDC (Old and New) ROI \$120 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	92	57 / 62%
Number of Contracts	N/A	17
Number of Financial Transactions	N/A	6
Dollar Value of Contracts	N/A	\$ 21.4 M
Dollar Value of Financial Transactions	N/A	\$ 2.8 M
Dollar Value of All Transactions	\$ 22.7 M	\$ 24.2 M / 107%

Due to a late award, the Center did not start operations until April 2004. There were numerous challenges posed by unanticipated start-up issues, new database requirements, and time for training. These challenges had largely been met by the end of FY 2004. In the fourth quarter of FY 2004, the Center exceeded its goal for the Dollar Value of Awarded Transactions. The Center has worked successfully with its Strategic Partners and high growth clients. The Center continues to struggle to meet its goals for new clients, jobs and new resources. However, it is beginning to see better results in all areas.

Table 57

Arizona Statewide NABDC (Old and New) ROI \$471 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	98	49 50%
Number of Contracts	N/A	3
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$15.0 M
Dollar Value of Financial Transactions	N/A	\$ 73.6 M
Dollar Value of All Transactions	\$ 13.4 M	\$ 88.6 M 661%

Despite numerous challenges posed by unanticipated start-up issues, new database requirements, and time for training, the challenges for the NABDC was met by the end of the third quarter of FY 2004. The Center maintained high market promotion throughout the year. The Dollar volume of Awarded Transactions for FY 2004 was outstanding. The Center continues to struggle to meet goals for new clients, jobs and new strategic partners. This Center is committed to using new approaches and is seeing better results in these areas.

Table 58

California Statewide NABDC 2004 (Old and New) ROI \$60 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	160	63 39%
Number of Contracts	N/A	21
Number of Financial Transactions	N/A	1
Dollar Value of Contracts	N/A	\$ 17.2 M
Dollar Value of Financial Transactions	N/A	\$0.1 M
Dollar Value of All Transactions	\$ 21.1 M	\$ 17.3 M 82%

The California NABDC focuses its efforts on a balanced approach for business and market development. This includes assisting clients in obtaining applicable certifications, contacting opportunities, and programs, especially 8(a) certification. Through an automated bid matching system, local, state and federal opportunities are disseminated on a regular basis. This has been a very successful system producing over 5,400 matches and multi-million dollar contract awards, providing valued added services to the client base.

Table 59

Central/Northern California MBDC ROI \$31 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	150	40 27%
Number of Contracts	N/A	7
Number of Financial Transactions	N/A	12
Dollar Value of Contracts	N/A	\$ 1.8 M
Dollar Value of Financial Transactions	N/A	\$ 6.3 M
Dollar Value of All Transactions	\$ 20.3 M	\$ 8.1 M 40%

The Central/Northern California MBDC has focused on a smaller number of clients, providing basic procurement services that had the greatest impact for the client. In addition, the Center makes a concerted effort to establish a significant presence within the community. The Center continues to experience problems that need to be addressed. The NEC will be assisting this critical project.

Table 60

East Los Angeles MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	50	7 14%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	N/A
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	N/A
Dollar Value of All Transactions	\$ 6.7 M	N/A 0%

This Project is no longer Funded.

Table 61

Honolulu Island Wide MBDC (Old and New) ROI \$107 (Oct 2003 – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	170	224 132%
Number of Contracts	N/A	117
Number of Financial Transactions	N/A	6
Dollar Value of Contracts	N/A	\$ 25.3 M
Dollar Value of Financial Transactions	N/A	\$ 0.8 M
Dollar Value of All Transactions	\$ 18.3 M	\$ 26.1 M 143%

The Honolulu Island Wide MBDC provides a full menu of services to clients. Federal opportunities make up a significant portion of the economic activity on the Island of Oahu.

Table 62

Inland Empire MBDC ROI \$82 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	147	56 38%
Number of Contracts	N/A	13
Number of Financial Transactions	N/A	13
Dollar Value of Contracts	N/A	\$ 6.2 M
Dollar Value of Financial Transactions	N/A	\$ 15.0 M
Dollar Value of All Transactions	\$ 31.8 M	\$ 21.2 M 67%

Initially, the Inland Empire MBDC (IEMBDC) emphasized efforts in several outreach programs and initiatives relevant to their respective five counties. The five counties have been under-represented in the past, providing this project with a unique and exclusive opportunity in capturing the MBE market. The IEMBDC needed to sharpen its strategic focus to align efforts with loan brokers, lending institutions and MBE trade organizations to develop deals, identify strategic partners that would add value to the performance of the existing staff and enhance the services provided to the clients. This has started to be beneficial and should help in meeting this assigned goals and in keeping with the mission and goals of MBDA.

Table 63

Los Angeles Metro MBDC ROI \$65 (Jan – Sep 30 2004)	FY 2004 Target	BDC Accomplishments %
Number of Clients	145	160 110%
Number of Contracts	N/A	N/A
Number of Financial Transactions	N/A	7
Dollar Value of Contracts	N/A	N/A
Dollar Value of Financial Transactions	N/A	\$ 17.0 M
Dollar Value of All Transactions	\$ 22.7 M	\$ 17.0 M 75%

The LA Metro MBDC has been very proactive in its business development efforts through out the year of 2004. The Center developed a new and innovative model to meet and exceed the MBDA goals and objectives for 2004. It has formalized relationships with strategic partners. Also the center established a new model for client service that relies on an extended team concept. A number of new services were provided including, business training, certification and effective match making. The Center was able to get very competitive financing for clients through banking relationships. LA Metro MBDC participated in a number of innovative projects to support the MBDA transformation.

Table 64

Northwest NABDC (Old and New) ROI \$271 (Oct 2003 – Sep 30 2004)	FY 2004 Target		BDC Accomplishments %
	Number of Clients	105	
Number of Contracts	N/A	21	
Number of Financial Transactions	N/A	1	
Dollar Value of Contracts	N/A	\$ 26.4 M	
Dollar Value of Financial Transactions	N/A	\$25.0 M	
Dollar Value of All Transactions	\$ 14.1 M	\$ 51.4 M	365%

The Northwest NABDC focuses its efforts on marketing development, 8(a) assistance and Mentor-Protégé matching. These elements seem to produce the highest impact per employee hours for the Center. While the contracts are typically quite large, often reaching the million-dollar range, the Center also claims the performance bonding that is a result of that procurement, doubling the impact of a successful marketing effort. This Center has recently taken to teaming its MBE's by having one of its larger MBE's secure a contract and then encouraging sub-contracts to smaller MBEs. Thus, the MBE obtains bonding and contracting through the Center's efforts and the Center in turn encourages the MBE to partner with one of its other clients

Table 65

South Los Angeles MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target		BDC Accomplishments %
	Number of Clients	68	
Number of Contracts	N/A	9	
Number of Financial Transactions	N/A	N/A	
Dollar Value of Contracts	N/A	\$ 16.0 M	
Dollar Value of Financial Transactions	N/A	N/A	
Dollar Value of All Transactions	\$ 10.7 M	\$ 16.0 M	150%

The success of this project is highly contributed to the hard work and efforts of this operator, The Los Angeles Urban League and its many innovative approaches and initiatives implemented for the development of their constituents. Unfortunately, it is no longer funded.

Table 66

Washington Statewide MBDC ROI \$38 (Jan – Sep 30 2004)	FY 2004 Target BDC	BDC Accomplishments %
Number of Clients	67	14 21%
Number of Contracts	N/A	2
Number of Financial Transactions	N/A	14
Dollar Value of Contracts	N/A	\$ 0.5 M
Dollar Value of Financial Transactions	N/A	\$ 4.5 M
Dollar Value of All Transactions	\$ 15.1 M	\$ 5.0 M 33%

The Washington Statewide Minority Business Development Center is new to the MBDA family. It opened its doors to serve MBEs on March 1, 2004. It has developed an expertise in finding access to capital for MBEs to fund various 8(a), construction, and commercial real estate projects. This Center has mastered the art of Managing Strategic Relationships as taught by Professor Leonard Greenhalgh of the Amos Tuck School. The Center uses the SPARSE Organization method to manage complex relationships with strategic partners to create value for MBEs through a set of processes. The new economic development effort of the Center is to work with the local and county governments where it is housed to develop a bonding program for MBEs. While the Washington Statewide MBDC was faced with staffing obstacles at the onset, their approach support the perception that they will successfully meet organizational goals.

Table 67

West Los Angeles MBDC (Old) (Oct 1 – Dec 31 2003)	FY 2004 Target	BDC Accomplishments %
Number of Clients	62	95 153%
Number of Contracts	N/A	1
Number of Financial Transactions	N/A	2
Dollar Value of Contracts	N/A	\$ 0.4 M
Dollar Value of Financial Transactions	N/A	N/A
Dollar Value of All Transactions	\$ 5.9 M	\$ 0.4 M 7%

Table 68

Los Angeles MBOC ROI \$300 (Oct 2003 – Sep 30 2004)	FY 2004 Target	MBOC Accomplishments (%)
Number of Beneficiaries	N/A	299
Number of Contracts	N/A	569
Number of Financial Transactions	N/A	25
Dollar Value of Contracts	\$ 56.1 M	\$ 83.1M (148%)
Dollar Value of Financial Transactions	\$ 5.2 M	\$ 7.0 M (135%)
Dollar Value of All Transactions	\$45.7M	\$ 90.1M (197%)

In addition to the MBOC’s dedication and committed efforts in meeting its assigned goals, the project has focused on best practices for beneficiaries and the avoidance of ‘harvesting.’ These include:

- **Information** – MBE firms often become isolated and lack information on policies and programs that affect what they do and how they do it.
- **Introductions** – Most MBE firms do not know who to contact or how the City Contracts are published and awarded. The Staff uses their on-line system to introduce prime contractors to MBE firms.
- **Increased Capacity** – MBEs require access to new markets and/or capital. The MBE also need highly functioning operational models and judicious use of their resources.
- **Inspiration** – MBEs need support so that they will not feel that they are in the battle alone. The LAMBOC staff provides continuing support and encouragement to all MBE that come in contact with the MBOC Team.

Agency Projections for Fiscal Year 2005 and 2006

MBDA was anticipating a \$5 million budget increase for FY 2005 that unfortunately did not occur. Therefore, goals were adjusted, accordingly. This is the last year for the current MBOC solicitation, while the BDC programs enter their second year. The Agency will have three new goals to track in FY 2005. The **number of new jobs created** and the **percent increase in client gross receipts** pertain to the BDC program services. The first year of the BDC program provided benchmarks for our data projections. In 2003, MBDA completed a survey to establish an **American Customer Satisfaction Index**. The University of Michigan used a sample of clients of the BDC, MBOC and Phoenix database to track program success and Internet Portal satisfaction. In FY 2005, we plan to include clients of the National Enterprise Centers in our survey group. This will give management a better picture of BDS staff and program consultant progress after attending training at the Amos Tuck Business School at Dartmouth College. In 2006, the agency will retire three measures and focus more on outcome results. National and Regional strategic partnerships will continue to add new sources of resources for the programs.

Table 69

MBDA Agency* and National Performance Measures	FY 2005 Target	FY 2006 Target
Total Number of all Clients receiving services	30,000	30,050
Number of Contract awards obtained **	2,300	Will Retire**
Dollar value of Contract awards obtained	\$.8B	\$.9B
Number of Financial Awards obtained **	650	Will Retire**
Dollar Value of Financial Awards Obtained	\$.45B	\$.5B
Number of employee training hours **	6,810	Will Retire**
Number of National and Regional Strategic Partnerships	200	200
Number of New Job Opportunities Created	1,800	1,900
Percent Increase in Client Gross receipts	5%	6%
Percent increase in American Customer Satisfaction Index (ACSI)	5%	N/A (every 2-3 years)

**** OMB and the Department requested that we retire certain measures in FY 2006.**

Appendix

MBDA Historical Accomplishments:

Since 2002, MBDA has set a course to better define its performance measures, revise program work requirements, and establish programs that will impact the minority community through new contract opportunities and financial transactions. MBDA continues to maintain the goal to establish strategic partners in both the BDC and MBOC programs in support of Department objectives. This has added value and new sources of resource for our projects to meet goals and support client needs. Working with the Amos Tuck Business School, MBDA has provided training for Business Development Staff and funded project consultants to standardize operations and improve the skills of service providers. In FY 2004, the BDCs and MBOCs were asked to report new strategic partnerships for their projects. This resulted in a large number of new alliances being established.

Table 70

Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual
* Total Number of Clients receiving services *	new	new	5,600	7,647	29,583
Number of Contract awards obtained	New	New	New	3,492	2,475
Dollar value of Contract awards obtained	\$1.2B	\$1.6B	\$1.3B	\$.7B	\$1.0B
Number of Financial Awards obtained	556	1,155	1,512	539	679
Dollar Value of Financial Awards obtained	\$.2B	\$.6B	\$.4B	\$.4B	\$.6B
Number of employee training hours	New	New	9,817	9,874	7,446
Number of National and Regional Strategic Partnerships	New	New	6	6	231

* The total number of clients receiving assistance in FY 2004 includes: BDC clients; MBOC Beneficiaries; Arkansas Roundtable Beneficiaries; Registered Phoenix firms receiving at least one opportunity match; clients assisted by MBDA staff; and student clients assisted in the West Virginia EMBL program. The number of contract awards decreased in FY 2004 due to an increase in larger /primary awards obtained for high growth minority firms.

Performance Trends between FY 2003 and FY 2004

The primary difference between 2003 and 2004 is the production by the Agency in meeting the bottom line for transaction dollars. The table below will compare national and regional changes between the two time periods.

Performance Data FY 2003 National FY 2004 National Increase/Decrease

National ROI	\$102	\$146	+ 43 %
Total Transaction \$	\$1.1 Billion	\$1.6 Billion	+46 %
M&TA Clients (BDC)	7,647	5,214	- 32%
Strategic partnerships	6	231	++
Agency Staff Activities	\$10 Million	\$ 127.7 Million	1,200 %
Staff Training Hours	9,874	7,446	- 25%
# Clients with Receipts Greater than \$300,000	27%	29%	+7 %

- BDC and MBOCs continue to access larger primary awards for clients.
- Agency Staff Activities are critical in meeting the bottom line and customer satisfaction.
- Reduction in M&TA clients appears necessary to focus on service needs to larger firms.
- Long-term National and Regional partnerships are necessary to increase resources and obtain new contract opportunities. In 2004, the Agency included national and regional alliances rather than just national partnerships to support its projects.
- Continued training for staff and consultants to establish higher standards for service delivery must remain a high priority.
- The Strategic Growth Initiative offering service to larger minority firms based on annual receipts and high growth markets have been very successful in 2004 and will continue to support the Agency in meeting future performance goals.

MBDA Program Assistance to MBEs by State
Table 71

State	NEC Region	MBEs Assisted	Hours of assistance	# of Financings	\$ of Financings	# of Contracts	\$ of Contracts	Total Transaction \$	*State Rank
Alabama	Atlanta	22	1	2	\$ 0.65 M	34	\$ 4.30 M	\$ 4.95 M	24
Alaska	SF	12	72	2	\$ 0.91 M	0	\$ 0.00 M	\$ 0.91 M	30
Arizona	SF	110	1,589	8	\$ 76.48 M	22	\$ 35.88 M	\$ 112.4 M	5
Arkansas	Dallas	3	47	0	\$ 0.00 M	1	\$ 0.01 M	\$ 0.01 M	35
California	SF	881	7,149	60	\$ 45.50 M	616	\$ 124.64 M	\$ 170.1 M	1
Colorado	Dallas	25	369	0	\$ 0.00 M	13	\$ 2.06 M	\$ 2.06 M	26
Delaware	NY	2	4	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
D.C.	NY	58	50	26	\$ 5.22 M	72	\$ 17.44 M	\$ 22.66 M	20
Florida	Atlanta	654	4,575	33	\$ 14.07 M	40	\$ 33.15 M	\$ 47.22 M	12
Georgia	Atlanta	48	947	3	\$ 0.61 M	6	\$ 1.64 M	\$ 2.25 M	25
Hawaii	SF	224	4,128	6	\$ 0.87 M	117	\$ 25.30 M	\$ 26.17 M	18
Idaho	SF	5	28	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Illinois	Chicago	123	894	20	\$ 19.29 M	27	\$ 28.25 M	\$ 47.54 M	11
Indiana	Chicago	42	45	10	\$ 3.79 M	41	\$ 26.74 M	\$ 30.53 M	15
Iowa	Chicago	3	115	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Kansas	Chicago	3	46	0	\$ 0.00 M	1	\$ 0.07 M	\$ 0.07 M	34
Kentucky	Atlanta	40	467	1	\$ 0.10 M	0	\$ 0.00 M	\$ 0.10 M	33
Louisiana	Dallas	2	4	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Maine	NY	1	0	0	\$ 0.00 M	1	\$ 0.00 M	\$ 0.00 M	--
Maryland	NY	135	65	81	\$ 15.84 M	106	\$ 56.59 M	\$ 72.43 M	7
Michigan	Chicago	9	105	3	\$ 0.48 M	1	\$ 0.50 M	\$ 0.98 M	29
Minnesota	Chicago	74	825	12	\$ 3.73 M	7	\$ 20.79 M	\$ 24.53 M	19
Missouri	Chicago	1	37	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Montana	Dallas	1	2	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Nebraska	Chicago	1	7	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
Nevada	SF	3	18	0	\$ 0.00 M	1	\$ 0.65 M	\$ 0.65 M	31
New Hampshire	NY	1	20	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	--
New Jersey	NY	100	1,303	5	\$ 25.09 M	11	\$ 2.17 M	\$ 27.26 M	17
New Mexico	Dallas	247	3,145	21	\$ 35.09 M	27	\$ 33.69 M	\$ 68.79 M	8
New York	NY	600	3,280	10	\$ 72.29 M	180	\$ 33.11 M	\$ 105.4 M	6
North Carolina	Atlanta	261	3,100	40	\$ 8.52 M	176	\$ 31.73 M	\$ 40.25 M	14
North Dakota	Dallas	42	1,791	5	\$ 5.38 M	12	\$ 6.65 M	\$ 12.03 M	21

* States without transactions dollars are not ranked.

State	NEC Region	MBEs Assisted	Hours of Assistance	# of Financings	\$ of Financings	# of Contracts	\$ of Contracts	Total Transaction \$	*State Rank
Ohio	Chicago	142	797	5	\$ 48.00 M	51	\$ 11.78 M	\$ 59.78 M	9
Oklahoma	Dallas	355	5,997	122	\$ 53.95 M	196	\$ 66.21 M	\$ 120.16 M	4
Oregon	SF	14	99	0	\$ 0.00 M	3	\$ 1.41 M	\$ 1.41 M	27
Pennsylvania	NY	86	391	1	\$ 0.28 M	6	\$ 6.25 M	\$ 6.52 M	22
Puerto Rico	Atlanta	212	3,707	42	\$ 46.02 M	106	\$ 104.12 M	\$ 150.14 M	2
South Carolina	Atlanta	190	995	2	\$ 0.17 M	11	\$ 6.30 M	\$ 6.46 M	23
South Dakota	Dallas	16	434	1	\$ 0.35 M	0	\$ 0.00 M	\$ 0.35 M	32
Tennessee	Atlanta	5	40	0	\$ 0.00 M	14	\$ 1.04 M	\$ 1.04 M	28
Texas	Dallas	1151	11,899	74	\$ 50.20 M	148	\$ 97.39 M	\$ 147.59 M	3
Virginia	NY	46	26	28	\$ 15.24 M	39	\$ 26.64 M	\$ 41.88 M	13
Washington	SF	83	1,736	15	\$ 29.57 M	20	\$ 25.47 M	\$ 55.04 M	10
Wisconsin	Chicago	25	1	9	\$ 7.46 M	32	\$ 20.12 M	\$ 27.58 M	16
Totals	All NECs	6,058	60,349	566	\$585.15 M	2,138	\$852.09 M	\$1,437.24 M	-----

MBDA had 56 projects funded during FY 2004 for different quarterly periods. Each provided services to clients and beneficiaries.

Clients in the states of California, the Commonwealth of Puerto Rico, Texas, Oklahoma, Arizona, and New York received the most dollars in contracts and financing transactions as a result of this assistance. A ranking for each state appears above.

The MBDA Phoenix Bid-Matching System also had over 37,000 minority businesses registered to obtain notification of contract opportunities. MBDA uses its Internet Portal to reach clients in states without a funded project. Over 3.5 million hits occurred last year. Tools such as the Resource Locator, Capital Access Locator, Business Locator, Business Plan Writer and Community Exchange Bulletin Board is available for immediate free access and on-line assistance.

