

**National Advisory Council on Minority Business Enterprise Meeting**  
Meeting Minutes  
February 6, 2012

Minutes of the National Advisory Council on Minority Business Enterprise Meeting  
("NACMBE" or "the council") Meeting held on February 6, 2010

**I. Call to order:**

At 10:59 A.M. on February 6, 2012 the fifth meeting of the NACMBE was called to order by Mark Hoplamazian, Chairperson of the NACMBE.

**II. Attendance**

The Following members were in attendance:

- Mark Hoplamazian, Chairman
- Janice Savin-Williams, Vice Chair
- LaMae Allen-DeJongh, Accenture
- Paul Hsu, HSU Enterprise Group, LLC
- Anthony Jimenez, Micro Tech
- Javier Palomarez, United States Hispanic Chamber of Commerce
- Elizabeth Plaza, Pharma Bio-Serv
- Richard Rizzo, Perini Building Company
- Roy Roberts, Alliance of Professionals & Consultants, Inc
- Ed Sanchez, Lopez Foods
- Michael Schell, former Alcoa Executive
- David Segura, Vision IT, Inc.
- Shelley Stewart, Jr., Tyco International
- Chiling Tong, International Leadership Foundation
- Purnima Voria, National U.S. India Chamber of Commerce
- Joset B. Wright, National Minority Supplier Development Council
- Ash Luthra, LSL Industries

Guest speakers included John Bryson, U.S. Secretary of Commerce; Dennis Alvord, Executive Director, CommerceConnect, U.S. Department of Commerce; Michael Masserman, Director of the Office of Advisory Committees, U.S. Department of Commerce; and Don Graves, Executive Director of the President's Jobs Council and Deputy Assistant Secretary, U.S. Department of Treasury.

National Director David A. Hinson, National Deputy Director Alejandra Castillo, Senior Program Manager Ivonne Cunarro, Business Development Assistant Demetria Gallagher, Michael Masserman attended on behalf of the U.S. Department of Commerce's Minority

Business Development Agency. Katina Rojas-Joy attended on behalf of the U.S. Department of Commerce Office of Business Liaison

### **III. Introduction**

Chairman Hoplamazian begins the meeting with a brief overview of an earlier meeting with Secretary Bryson. This meeting included: discussion of NACMBE's personal dedication to minority business development; NACMBE's recommendation for a more focused approach for data collection and analysis of minority-owned businesses data; the need for a simplification and better coordination of minority business development activity on federal, state and municipal levels; a brief description of a future, more proactive, MBDA role in minority business development; a recommendation to include SBA under Commerce; and a brief discussion of the President's reorganization plan for the Commerce Department.

Chairman Hoplamazian set the goals for the meeting:

- Expand on the recommendations of NACMBE
- Discuss how each recommendation may align with those from all three NACMBE's subcommittees.

### **IV. Secretary Bryson**

Secretary Bryson gave brief remarks on MBDA's efforts with the NACMBE and asks all attendees to briefly introduce themselves.

After introductions Secretary Bryson discusses the following:

- The problem of high unemployment, and difficulties in accessing capital by minority-owned businesses as well as small businesses in general.
- January employment data is encouraging and showing growth, and the federal government will continue making a difference to help businesses continue to grow, support a robust private sector and in turn create more jobs.
- Secretary Bryson outlined the President and the Commerce Department's top priorities:
  - Encourage the manufacturing sector, especially high-tech manufacturing
  - National Export Initiative to double exports by 2014.
  - Encourage more direct investment in the United States

### **V. BusinessUSA, Dennis Alvord**

#### **A. Goals of BusinessUSA**

- A Presidential Memorandum set the mission for BusinessUSA to create a one stop shop portal to all federal services and programs that help businesses grow, innovate and expand.
- Within 90 days the BusinessUSA website portal had to be established with a focus on helping small businesses and exports.
- The portal identifies more than 250 unique programs across 12 federal agencies.

- Some of the goals of BusinessUSA include:
  - Increasing coordination between existing call centers.
    - The website will identify where businesses can call for solutions to their specific topics/questions (i.e exports, intellectual property, etc) as well as a catch-all phone number for all other questions.
    - Ultimately get to a single call center with an interactive voice response on the front end to direct clients.
  - Establish standards for customer service. BusinessUSA is not a consolidation of assistance, just a consolidation of access to assistance.
  - Make available also resources from state and local enterprise assistance providers to the extent that is possible through BusinessUSA.
  - The beta product of BusinessUSA will be used to elicit business community feedback and refine the product.

#### **B. Initial Features**

- Resource Finder with categories that allows businesses to go in and search based on the maturity and need of the business (i.e starting business, beginning to export, mature exporter, etc.)
- New Federal Search feature within BusinessUSA that aggregates grants.gov, FedBizOpps, and SBA's Green search engine, as well as federal government business blogs
- Data.gov community to aggregate data from across the federal government and includes a discussion thread
- BusinessUSA Button or Widget for partners to access BusinessUSA from their websites

#### **C. Next Steps**

- Explore social media and provide greater training to field offices to enhance customer experience with BusinessUSA.
- Enlist NACMBE and other partners to cross promote BusinessUSA at events.
- Beyond the initial 90 days, they are seeking additional funding from 12 participating federal agencies to enable refinements and enhancements of the website for rest of the fiscal year.
- Commerce and SBA are co-chairs in leading BusinessUSA.

### **VI. Council on Jobs and Competitiveness**

#### **Don Graves, Executive Director of Council on Jobs and Competitiveness**

##### **A. Overview**

- The Council on Jobs and Competitiveness was created by the President to gain recommendations from the private sector, academia, labor, and other representatives for the creation of jobs in the short term and long term.
- To facilitate the work of the Council, it was subdivided in working groups with discrete areas of focus including Infrastructure, Innovation, Education, Tax, Regulatory Issues, Competitiveness, Small Business, and High Growth Companies.
- Jobs Council will work with NACMBE to align recommendations

- Jobs Council developed 53 recommendations, of which 33 have been, or are being, implemented.
- The Council also identified 17 recommendations which could gain the bipartisan support from Congress and could be enacted legislatively.
- NACMBE expressed their concern with the very small representation of minority-owned businesses and lack of veteran-owned business representation on the Council.
- The Council's listening and action sessions are open and inclusive of small/minority business participation
- NACMBE/MBDA has proposed to do a presentation before the Jobs Council

## **VII. Michael Masserman, Director, Office of Advisory Councils**

### A. Overview

- The Office of Advisory Councils manages 22 different advisory committees, including 17 industry trade committees, one of which is specific to international trade policy and trade negotiation strategy impacting minority and small businesses.
- The Council focused on the work of the Industry Trade Advisory Committee (ITAC) on Small and Medium Enterprises and the President's Export Council (PEC)
  - Minority businesses are in prime position to help achieve goal of the National Export Initiative (NEI) to double U.S. exports by 2014.
- One of the key issues raised by the International Trade Advisory Committee on SMEs is that SMEs would benefit from greater understanding and access to available federal resources that support SME exports.
  - SMEs don't know about the resources from Commerce, SBA and Export-Import Bank to facilitate exports.
- The Trade Promotion Coordinating Committee was also created to ensure trade agencies are coordinating their programs and policies. The TPCC has a small business working which can drive some of the ideas benefitting SMEs and minority businesses forward.
- Masserman proposed to create a pilot program in cities with high export activity to link minority businesses and minority chambers to available resources on municipal, state and federal levels.
  - How can we link the NACMBE, President's Export Council, ITAC and use the Trade Promotion Coordinating Committee to initiate a pilot program.
  - How can we also target MBEs who are already exporting to one country and get them to export to other countries.
  - How are we also partnering with states and associations to create local linkages to the NEI strategies.
- The Council raised concerns that the NEI Export Strategy Document contained many recommendations but with limited reference to MBEs. The focus has been on SMEs but not MBEs. This is an opportunity for NACMBE to create the MBE strategy.
- The Council discussed how the advisory councils and BusinessUSA may overlap in providing access to business resources. The website export.gov will be accessed also through the BusinessUSA portal.
- The main objective is how to educate and disseminate information on available resources
- Council members also discussed that the Jobs Council and the Export Councils could benefit from more representation from the minority business community.

- Council members asked how they can partner with entities that are helping companies become more competitive beyond the services of the Foreign Commercial Service.
- Council members also expressed the interest in a pilot program that could take advantage of Ex-Im Bank finance guarantees with exports to 8 targeted countries.
- Council Chairman advised that there is a need to get right the whole foreign network concept to support MBEs given the multiple agencies, advisory councils and initiatives currently in place to increase export activity.

**VIII. Subcommittee on Definition of MBE and Role of MBDA**  
**Anthony Jimenez, Subcommittee Chair**

A. Subcommittee has been charged with creating MBE definition

- Establish one clear MBE certification process for MBEs that would be administered by NMSDC and utilized by every federal, state and municipal government
- The certification lends legitimacy to the company as an MBE. It could also be used as a license indicating the firm is investment ready, for example.
- Currently proposal defines MBEs as companies with 51 percent minority ownership.
  - For publicly owned firms, NMSDC defines minority publicly owned businesses as MBEs with minority control of 30-31% of the stock.
  - Should the Council recommend the NMSDC definition for publicly held companies which are MBEs. This is part of NMSDC Growth Initiative.
  - Should participation of MBES in federal program targeting MBEs be capped based on the MBE's wealth.
- Mentorship Program
  - Proposal for a program to encourage successful 8(a) graduates to mentor newer 8(a) firms
  - MBDA has proposed that 8(a) firms that are halfway through the 8(a) program become clients of MBDA. This would facilitate the firm's transition from a successful 8(a) firm to a larger minority business enterprise.
  - There is a high failure rate of 8(a) firms which graduate from the program.
  - The goal is to make 8(a) firms good companies, not just good government contractors
  - DOC and commerce agencies restructuring
- DOC Restructuring
  - The Council had proposed the creation of a Business Development Agency/Business Administration Enterprise.
  - How can the Council's recommendations support the White House proposal that calls for the restructuring of trade and commerce agencies.
  - Recommendation to focus all resources of the U.S. government through one agency, MBDA, to really serve MBEs, the MBE community. A one-stop shop for minority businesses. Have one agency be the interface with the Export Initiative, the Jobs Council, etc.

## B. Funding for Access to Capital program

- Secure a loan from the U.S. government to create a capital access repository. Then secure a well-established bond underwriting team to repackage the loans into the open bond market.
- This makes the access to capital fund recyclable
- This has been done with the Ohio Enterprise Bond Fund program
- This will allow MBEs to avoid going public for more capital and maintain minority ownership.
- The fund could be also integrated with the Strategic Partnership initiative of subcommittee three.
- The Council discussed how to raise the funds from the private sector.

## C. Need for Better Data

- Need for statistical analysis
- MBDA should have the data collection and repository and analytical responsibility but it also needs more resources.
- Subcommittee three is conducting data analysis to inform recommendations from all three subcommittees.

## **IX. Subcommittee on the Creation of MBE Forum** **Chilling Tong, Subcommittee Chair**

### A. MBE Forum

The committee discussed the forum's focus, format and strategy.

- Focus on globalization and access to capital for globalization
- Forum will benefit MBEs in the following ways:
  - Identify successful business practices and models to share with other MBEs
  - Help MBEs globalize their businesses
  - Access to capital for globalization
- Format of forum
  - Networking, Matchmaking, Education and Training
    - Matchmaking MBEs with corporations and financing institutions
    - Find MBEs in high growth sectors to make them more appealing to corporations
  - Use MBDA network and organizational capability to facilitate forum
  - Probably start with ten corporations and 20 MBEs to match two MBEs per corporation.
  - Screen MBEs and corporations for matches prior to forum, to ensure both parties have interests
  - This will be smaller and more customized than NMSDC or MBDA matchmaking opportunities, focused on globalization and access to capital for globalization
  - Size of MBEs invited to the forum ranges between \$10 million and \$500 million
  - Will partner with corporations from the Billion Dollar Roundtable, NMSDC, and YPO.
  - There needs to be an incentive for corporations and MBEs to participate
  - Select MBEs also committed to hiring domestically.

- Partner with government agencies such as Ex-Im Bank, ITA, and others for export readiness and training
- Pilot forum should be in a state with high MBE concentration
  - Phase I: CA, FL, NY, TX
  - Phase II: GA, IL
- Forum Funding
  - Both federal and private sector
- Out come and metrics
  - Measure number of participants, # of business opportunities created, # of jobs created, # of businesses that have expanded globally, and \$'s invested
- Proposed Timeline
  - Formalize a pilot program
  - Create a web portal for member to log in and communicate
    - 2<sup>nd</sup> quarter of this year
  - Select the first group of MBEs
    - 2<sup>nd</sup> or 3<sup>rd</sup> quarter of this year
  - Establish metrics by 3<sup>rd</sup> quarter of this year
  - First forum would be in 2013
- Consideration that there must also be a local organizational structure for this forum to take hold
- Discussion on having matchmaking, exports and mentorship all in one forum versus a more focused goal.

**X. Subcommittee 3 NACMBE Time Line and Action Items**  
**Lamae Allen deJongh, Subcommittee Char**

A. Updates

- Received OMB approval to do focus groups
  - 6 focus groups are planned
- Focus groups will consist of MBEs, two co-facilitators from subcommittee 3, and reps from MBDA. If willing, a representative from Jobs Council
- Focus groups will be informal, with scripted questions from subcommittee facilitators. Informal but qualitative
- Scripted questions to be recirculated for the councils review

B. Preliminary Recommendations

- Focus on standardization and simplification
- Driving revenue growth, export growth, and job creation.
- Five themes from a process standpoint: Train and educate; Certify; Expand access to capital; Build strategic partnerships and supply chain integration; Mine data, analyze the activity and measure results
  - Train and Educate: Educate MBEs on resources available, how to use these resources, what is their intended use. Train MBEs on how to build capacity, fill the gaps in knowledge as to implement strategic plans and strategic alliances, and achieve revenue growth domestically and/or through exports. The recommended curriculum

is currently being formed. There is synergy with the goals to educate included in the Jobs Council report.

- Certify: Establish a standard certification process that includes a trusted indicator of performance. It should be a sign that MBE is ready for strategic partnership, and they understand how to run or manage a business.
- Expand access to capital: Role of MBDA to provide access to creative financing vehicles and provide advice on the finance structure. How to incentivize capital from private equity and venture capital firms for MBE growth.
- Building strategic partnerships and supply chain integration: How do you partner and make it a win-win situation. Use of commitment agreements to get the biggest return on the partnership investment and access capital. Be very deliberate and specific on expectations beyond capital access, for example, as with the expectations on expertise and advice from the corporation to the MBE on how to grow exports. Consider business incentives for corporations to partner with MBE, perhaps tax incentives, lower tax rates.
- Data: MBDA could be source of MBE data. Provide analytic ability to be predictive based on the data. Also utilize university and graduate students
- Initiatives that align with Subcommittee three recommendations include the National Export Initiative, a partnership with the National Institute of Technology, BusinessUSA, the new market export initiative, which includes UPS and the U.S. Postal Service, the Jobs Council, and programs at SBA, ITA, and the NSMDC, among other.

#### **XI. Overview**

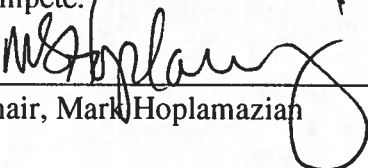
- Council agreement to align NACMBE's recommendation with the Jobs Council and export initiatives to give it more momentum
  - Obtain copy of Jobs Councils listening sessions
- Consideration on the overlap of the various councils and initiatives
  - Create a list of all government resources for minority businesses to include in recommendation to strengthen the argument for a rationalization of these resources.

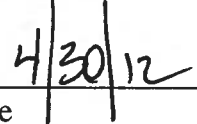
#### **XII. Next Steps**

- Deadline for the council's report is June
- A draft of final report will be distributed prior to next meeting for review
- Next meeting TBA

#### **XIII. Meeting Adjourned at 06:35 PM**

I hereby certify that, to my best knowledge, the foregoing summary of minutes is accurate and complete.

  
\_\_\_\_\_  
Chair, Mark Hoplamazian

  
\_\_\_\_\_  
Date