

# MBDA Annual Performance Report

Fiscal Year 2007  
*October 1, 2006 – September 30, 2007*



MBDA's Investment in Minority Business is Strengthening the Nation's Economy and Enhancing America's Competitiveness and Innovation in the World Marketplace









# National Director's Message

It gives me great pleasure to present MBDA's Annual Performance Report for Fiscal Year 2007 and to mark the sixth consecutive year that MBDA and its network of Centers has increased revenues for its clients and created new jobs for Americans. MBDA's year end results exceeded its performance goals set under the Government Performance and Results Act, achieving \$1.2 billion in dollar value of contract awards and over \$500 million in financial awards obtained for minority enterprises. MBDA experienced another milestone in FY 2007—the 25th Anniversary of Minority Enterprise Development (MED) Week. We commemorated this historic occasion with the theme, *Celebrating the Legacy of Innovation and Competitiveness*. Former MBDA directors joined eleven Lifetime Achievement Award winners at a special White House reception and over 800 people attended the 25<sup>th</sup> Anniversary MED Week Conference.

Our programs are more efficient, effective and customer-driven. MBDA staff has taken aggressive action to: (1) support its local Centers through enhanced training programs and fostering business-to-business activities; (2) establish clear goals that result in contract and financial awards for minority-owned businesses; (3) create a verifiable performance measurement system that rewards centers for good performance; and, (4) build strategic alliances with external entities to leverage opportunities and resources benefiting the Centers and their clients.

MBDA is scoring high marks from the minority business community and the Administration. According to the American Customer Satisfaction Index, first implemented by MBDA in 2003, overall customer satisfaction with MBDA and its network of Centers is up in 2007. MBDA's strong points, according to its customers, are its Minority Enterprise Development Week (MED Week) events and Business-to-Business Forums, the Agency's website tools, and the staff of its Centers and the Agency. The President's Office of Management and Budget (OMB) has rated MBDA as adequately managing its programs and delivering measurable results, under the OMB Program Assessment Rating Tool (PART). We are equally proud to report that MBDA ranked as one of the top three bureaus at the Department of Commerce in five different categories measuring employee satisfaction.

Stimulating minority entrepreneurship and business ownership is in the strategic interest of the United States. Evidence abounds that investments in minority business entrepreneurs can produce *measurable* results. Partnerships with minority business entrepreneurs offer *infinite* possibilities leading to growth. Looking forward, I believe the U.S. minority business enterprise community will be the source of our strength and our competitive advantage in a 21<sup>st</sup> century worldwide economy. At MBDA, we are committed to assisting minority business entrepreneurs in taking charge of their destiny and realizing their dreams.

*Ronald N. Langston*  
National Director  
Minority Business Development Agency  
U.S. Department of Commerce  
Washington, D.C.





# Table of Contents

**National Director’s Message . . . . . 1**

    Vision and Mission Statements . . . . . 4

    Agency Goals . . . . . 5

    MBDA Organizational Chart . . . . . 6

    Executive Summary . . . . . 7

**FY 2007 Management Highlights . . . . . 8**

    FY 2007 Organizational Assessment Chart . . . . . 9

    Operational Efficiencies . . . . . 10

    Program Assessment Rating Tool (PART) . . . . . 10

    Internal Controls . . . . . 11

    Strategic Planning . . . . . 11

    Outreach and Advocacy . . . . . 12

    Business Development Programs . . . . . 12

    Best Practices . . . . . 14

**FY 2007 Performance Highlights . . . . . 16**

**MBDA National Performance Summary for FY 2007 - Table 1 . . . . . 16**

- National Highlights . . . . . 16
- Trends and Observations . . . . . 18
- Summary of MBDA Funded Projects and Agency Business Development Services in  
    FY 2007 with ROI - Table 2 . . . . . 18
- Nationwide Transactions Obtained by size of client firms – Table 3 . . . . . 19
- Number and Percentage of Minority Firms assisted by Ethnic Category with  
    Annual Receipts Range – Table 4 . . . . . 19
- Client Services by Minority Group Category –Table 5 . . . . . 20
- MBE Firms Receiving Services by Industry – Table 6 . . . . . 20
- MBE Firms Obtaining Contract Awards by Industry Classification – Table 7 . . . . . 21
- Dollar Value of Contracts by Industry – Chart 3 . . . . . 21
- Contract Awards Obtained from Award Sources – Table 8 . . . . . 22
- Source of Procurement Dollars – Chart 4 . . . . . 22
- Financial Awards obtained by source in FY 2007 – Table 9 . . . . . 23
- Percentage of Financial Awards by Source – Chart 5 . . . . . 23
- MBDA Nationwide Network in FY 2007 –Map 1 . . . . . 24



<b>Atlanta NEC</b> .....	<b>25</b>
• Atlanta NEC Performance – Table 10.....	25
• Atlanta NEC Transactions by size of firms – Table 11.....	25
• Atlanta Funded Centers.....	26
<b>Chicago NEC</b> .....	<b>28</b>
• Chicago NEC Performance – Table 12.....	28
• Chicago NEC Transactions by size of firms – Table 13.....	28
• Chicago Funded Centers.....	29
<b>Dallas NEC</b> .....	<b>31</b>
• Dallas NEC Performance –Table 14.....	31
• Dallas NEC Transactions by size of firms – Table 15.....	31
• Dallas Funded Centers.....	32
<b>New York NEC</b> .....	<b>34</b>
• New York NEC Performance – Table 16.....	34
• New York NEC Transactions by size of firms – Table 17.....	34
• New York Funded Centers.....	35
<b>San Francisco NEC</b> .....	<b>37</b>
• San Francisco NEC Performance – Table 18.....	37
• San Francisco NEC Transactions by size of firms – Table 19.....	37
• San Francisco Funded Centers.....	38
<b>Appendices</b> .....	<b>42</b>
• MBDA Efficiency Measure.....	42
• MBDA long- term Performance Measure.....	42
• MBDA Project Effectiveness Measure.....	42
• MBDA Performance during the George W. Bush Administration –Table 20.....	43
• MBDA Assistance by State in FY 2007 – Table 21.....	43
• The State of Minority Business Enterprises – Table 23.....	45
• Summary Statistics by Group – Table 24.....	46
• Growth in Number of Firms and Gross Receipts 1997-2002 – Chart 5.....	46
• Acronyms.....	47



## How to Use this Report

This Annual Performance Report (APR) for FY 2007 provides comprehensive MBDA management and performance data, enabling the President, Congress, and the American people to assess MBDA's performance as provided by the requirements of the:

- Reports Consolidation Act of 2000 and other laws
- Government Management Reform Act of 1994
- Government Performance and Results Act (GPRA) of 1993
- Chief Financial Officers (CFO) Act of 1990

The assessment of MBDA's performance contained in this report compares performance results to the Agency's strategic goals and performance goals. MBDA's Strategic Plan and previous APRs are available on the MBDA Web site at <http://www.mbda.gov>. MBDA welcomes feedback on the form and content of this report.



This report is organized into the following major components:

**National Director's Message** - The National Director's message includes a review of various actions undertaken to improve performance and a discussion of how MBDA is effectively managed.

**Management Highlights** - This section provides an overview of the management and performance information contained in the Performance Section and Appendices. The Management Highlights section includes an FY 2007 organizational assessment for MBDA, agency goals, an overview of management challenges and accomplishments, and best practices.

**Performance Highlights** - This section provides detailed annual performance information as required by GPRA. Included in this section is a detailed discussion and analysis of the Agency's regions and funded projects.

**Appendices** - This section provides relevant MBDA performance as well as data related to minority businesses.

### VISION STATEMENT

"MBDA WILL PERFORM AS AN ENTREPRENEURIAL ORGANIZATION SERVING ENTREPRENEURS."

### MISSION STATEMENT

"MBDA WILL ENHANCE THE NATIONAL GROWTH AND EXPANSION OF MINORITY BUSINESS ENTERPRISE."





## MBDA GOALS

**M**BDA is assigned just one national goal by the Office of Management and Budget and the Department of Commerce (DOC):

**MBDA will increase access to the marketplace and financings for minority-owned businesses.**

This goal supports DOC Goal #1:

**To support the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.**

For the past four decades, MBDA has seen minority business enterprise grow from 300,000 to nearly 4 million. Likewise, the minority population has increased at a more rapid rate going from 6 percent of the total U.S. population to 35 percent. Recent Census data indicates minority firms are contributing over \$661 billion in total gross receipts to the U. S. Economy. These firms employ nearly 4 million people.

In FY 2007, MBDA did exceptionally well with limited resources. By focusing on the Agency's Strategic Growth Initiative (SGI) and directing its assistance to larger and rapid growth potential firms, MBDA has continued to reach its performance goals and increase the size of contract and financial awards; thereby increasing minority firm gross receipts and creating new jobs in the minority community. MBDA has relied heavily on new partnerships and the added resources they can provide, especially in offering services to startups and smaller firms that are dependent on MBDA referrals. The services offered by the MBDA Internet Portal attract many small MBEs in areas with limited local resources.

### INTERNAL AGENCY GOALS

MBDA continued to promote four primary goals and perform many activities in support of these objectives.

**GOAL 1: *Improve organizational efficiency, effectiveness and responsiveness***

MBDA held senior management meetings each quarter to maintain focus on leadership competencies for leading change, leading people,



and building coalitions. These meetings were performance driven, as data was tracked and new direction and business acumen was provided by senior management to resolve issues and improve results. Customer Relations Management, accuracy of information and quality of work products underlines each task. Regional staff is encouraged to take intervention actions in support of poor performing projects. The Internet Portal has a new look and feel making it easier for the public to access assistance tools. Training remains an on-going requirement for staff and consultants. Projects that attained a satisfactory evaluation or better ratings for the year were renewed.

**GOAL 2: *Improve opportunities (contracts/procurements) for minority owned business to have access to the marketplace***

To support the Gulf Coast Recovery, MBDA established five Centers (two MBOCs and three MBECs) in New Orleans, Alabama and Mississippi. MBDA held twelve B2B Forums on a National and Regional basis to promote partnerships between large MBEs with other MBEs to build capacity to pursue large contract opportunities. Regional staff continued to identify SGI firms for referrals to funded projects. MBDA established MOUs with Perini Building Company, Costco and the Los Angeles Unified School District. These MOUs assisted specific regional projects. The MOUs helped to meet annual goals. Special activities such as Native American and Asian American mentor protégé meetings have been held.



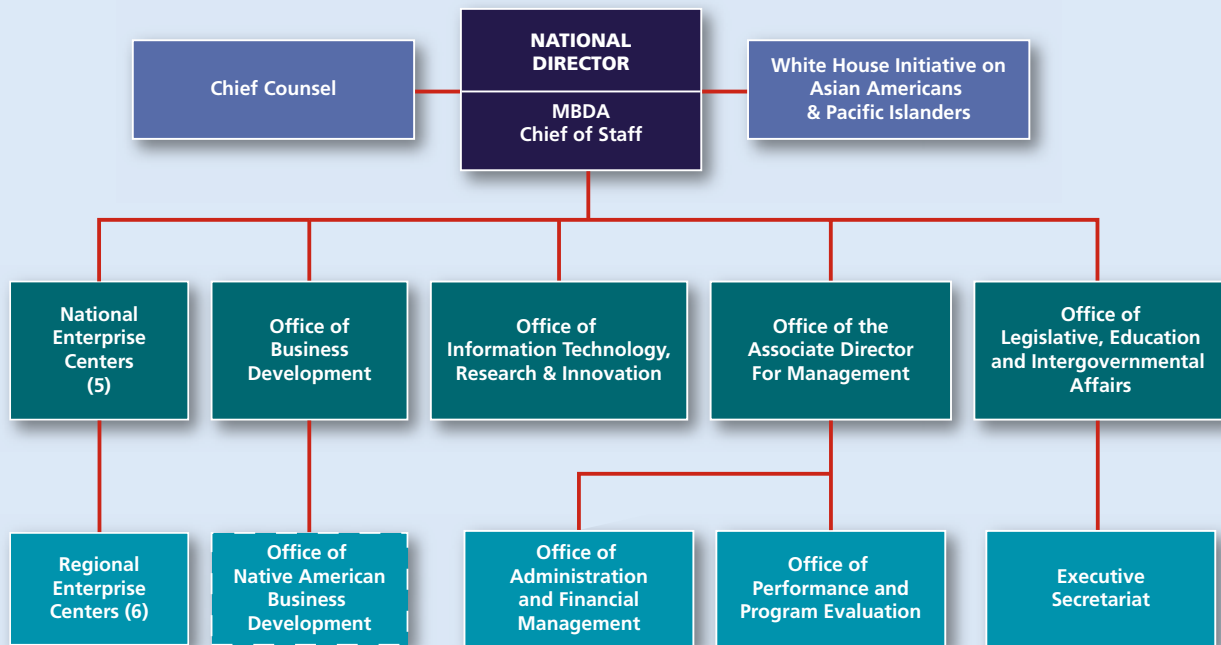
**GOAL 3: Improve access to capital opportunities awarded to MBEs**

Access to capital remains a high priority for minority firms. The newly funded Minority Business Enterprise Center program incorporated specific financial goals. The funded Centers achieved 81% of the overall financing goals with the remaining 19% provided by MBDA staff. Strategic partners were utilized to facilitate financing transactions. The partners included financial institutions, private equity firms and other capital providers to assist MBEs with their capital needs. In addition, MBDA utilized bonding brokers and surety firms to assist MBEs with bonding for public construction projects. Also, the Chicago NEC launched a Construction Development Program to assist experienced minority owned contractors with advanced training, share specific contract opportunities and increase bonding capacity.

**Goal 4: Become a Knowledge Center for MBEs in the Public and Private Sector**

The Office of Business Development supports the Knowledge Management unit within MBDA. This unit is the research arm of the Agency and manages the knowledge of the agency through knowledge management solutions. In FY 2007, a paper on minority-owned businesses in innovation entitled, *The Sophisticated Innovator*, was produced and released during MBDA's 25<sup>th</sup> Anniversary of the Minority Enterprise Development Week National Conference. The unit also secured a special tabulation from the Bureau of the Census which enabled the Agency to have accurate data on minority-owned businesses by state and selected cities. The unit used the data to develop two-page fact sheets on minority-owned businesses by state and selected cities. The unit also prepared a draft for the study entitled, *Characteristics of Minority Businesses and Enterprises*, scheduled for released in FY2008, and laid the foundation for the creation of knowledge management solutions that would enable business development specialists to do their jobs of assisting minority-owned businesses more effectively.

**MBDA Organizational Chart in FY 2007**







## Executive Summary

In FY 2007, MBDA funded a total of forty-eight (48) Centers comprised of: thirty-one (31) Minority Business Enterprise Centers (MBECs), eight (8) Native American Business Enterprise Centers (NABECs), eight (8) Minority Business Opportunity Centers (MBOCs) and one Emerging Minority Business Leaders (EMBL) program. MBDA continued to support the Katrina disaster efforts along the Gulf Coast by funding five Centers (two MBOCs and three MBECs) established in New Orleans, Alabama and Mississippi. All of the projects offered a wide range of services for minority businesses and supported the reconstruction efforts. In total, MBDA awarded nearly \$11.6 million to fund the 48 projects.

The composite of the award recipients was broad. Not only was it diverse, but it covered a wide geographic area of the country.

In FY 2007, MBDA developed a new design for the MBOC and NABEC program. These redesigned programs were completed in FY 2007 and started in FY 2008. Under the new design, sixteen Centers were solicited and competed (five NABECs, three MBECs and eight MBOCs). The new design was considered a mission critical activity which was completed by the Office of Business Development and staff.

The Agency demonstrated its entrepreneurial capabilities by realigning its resources and focus to meet the needs of the community and its clients. To ensure that performance results were met, MBDA established specific targeted goals and outlined a variety of business development activities that foster the growth of minority firms. Special activities, such as the Business-to-Business (B2B) Linkage Forums were implemented to promote partnerships between large MBEs with smaller MBEs to build capacity to pursue current and forecasted large contract opportunities. Twelve B2B Forums were held during FY 2007. Two B2B events that were of particular interest were the National MED Week Conference, and the Gulf Rebuilding Forum. The MED Week Conference focused on “Innovation and Competitiveness” and included a B2B Forum with federal government partners (seven federal agencies and four prime



contractors). The Gulf Rebuilding B2B focused on transactions generated and jobs created. The events were designed to support business expansion and job creation.

MBDA exceeded or met all of its national performance measures. The Agency achieved strong performance transactions awarded at \$1.1 billion (single year only awards) and financing

transaction awards at \$575 million, (138% and 128% of annual goal, respectively). MBDA confirmed 2,751 jobs created or 134% of its annual goal. Through MBDA staff and funded Centers and their employees, along with strategic partners, the Agency assisted and serviced 20,236 clients. The Agency’s Return on Investment (ROI) was \$59 for each dollar of the Agency’s budget allocation (\$29.7 million dollars).

MBDA found the private sector awarded the largest percentage of contract dollars (36.5%) and the majority of financial awards (70%) during FY 2007. The Agency recognized the importance of market-driven resources that became available to access new procurement and financial opportunities. MBDA leveraged its resources and programs through strategic partnerships with the Tuck School of Business at Dartmouth College. Four separate events were conducted in FY 2007. Nearly two-hundred participants attended these six-day training sessions. The attendees (i.e. program staff, minority and Native American firms) were exposed to new concepts for building high-performance businesses in a rapidly changing marketplace.

The Strategic Growth Initiative (SGI) adopted by MBDA, which focused on serving firms with sales of \$500,000 annually or rapid growth potential firms, continues to have a positive economic impact on the community. The most recent Census data indicates that minority firms grossing over \$500,000 annually in sales represented 5 percent of all minority firms, yet generated 75 percent of all minority annual gross receipts and 73 percent of all employees in the minority business community. MBDA has focused on building robust minority firms that will impact minority communities. These same firms may become tomorrow’s global partners and further expand the U.S. economy as a whole.



# FY 2007 Management Highlights



**F**iscal Year 2007, was another banner year for the Minority Business Development Agency (MBDA). MBDA's operations were aligned, synchronized and effectively executed to meet the objectives of the President's Management Agenda and the Department Of Commerce's Strategic Plan. One of the results of these efforts is an agency scorecard (*see Figure 1*) from the Department of Commerce that indicates a green score for each of the President's Management Agenda (PMA) components. Equally important is the anticipated \$1.7 billion in contracts and financial transactions generated by MBDA programs in FY 2007. The agency accomplished this historical milestone while actively pursuing opportunities in the Gulf Coast region to help that area recover and rebuild its assets. In fact, there have been \$312 million in contract and financial transactions awarded to MBEs in relation to MBDA's Gulf Coast Recovery efforts

MBDA's Human Capital initiatives included the alignment of all employees' performance plans to the department's and the agency's goals and objectives. Strategic training plans for all employees ensured that skill gaps were eliminated and human resources were focused on mission critical activities. Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) authorities were received from the Office of Management and Budget to enhance MBDA's ability to restructure and re-engineer its business processes. MBDA reorganized MBDA's financial unit to fully integrate budget and performance management and increased efficiencies. A perfect score of 100% for Program Management contributed to OMB's decision to upgrade MBDA's PART score this year from "Results not Demonstrated" to "Adequate". MBDA received a green score in its' Information Technology operations. MBDA's financial operations continue to receive a clean audit. In FY 2007, the results of the A-123 review were all positive for financial as well as non-financial internal business processes. A number of innovative administrative efficiency enhancements were proposed by MBDA in FY 2007. An analysis of the operation of the agency's Regional Enterprise Centers resulted in a proposal to significantly reduce overhead costs. The Federal Consulting Group was engaged to conduct a business re-engineering effort that is designed to streamline MBDA's Grants Monitoring and Administration Processes. These and other PMA related activities contributed to MBDA's outstanding balance scorecard in FY 2007.

To date, there have been \$312 million in contract and financial transactions awarded to MBEs in relation to the Gulf Coast Recovery effort. A successful Gulf Coast Business Investment Conference was held and it is anticipated that it will result in an investment in the Gulf Coast of \$3 million to \$5 million by the end of FY 2008. Many successful initiatives such as the 17 Business-to-Business forums hosted this year contributed to the increase in overall MBE business capacity. This new program approach was particularly designed for medium to large MBEs that are capable of generating jobs and sustained growth. This increased business capacity translates into a minority business enterprise's ability to receive larger contracts. MBDA continued to service all sized firms and updated its technology opportunities on its portal. This has resulted in 48,000 or (22% more than FY 2006) minority businesses serviced by the portal in FY 2007. In FY 2007, MBDA's efforts are anticipated to generate \$1.7 billion in contracts and financial transactions for MBEs and nearly 3000 new jobs.





**Figure 1: U.S. Department of Commerce Organizational Assessment of Performance Minority Business Development Agency**

**President's Management Agenda**

**Human Capital** Status ● Progress ●

- MBDA implemented VERA/VSIP to facilitate restructuring headquarters offices to improve efficiencies.
- The current green ratings are contingent on full implementation of the bureau- level accountability plan and documenting measurable results.

**Competitive Sourcing** Status ● Progress ●

- MBDA is participating in the Ad Hoc Working Group of smaller bureaus.

**Financial Performance** Status ● Progress ●

- MBDA continues to work in cooperation with the Department to meet the PMA goals.

**E-Government** Status ● Progress ●

- MBDA's status rating was raised to green due to completion of its certification and accreditation package.

**Program Performance** Status ● Progress ●

- MBDA engaged the Federal Consulting Group to conduct an evaluation of MBDA's Grants and Program Management processes as a follow-up action from MBDA's recent PART successful review. The results should be available in January 2008.
- MBDA is also holding discussions with the Amos Tuck School of Business at Dartmouth to evaluate the bureau as a business case study.

**PART Summary**

Program	Year	Score	Rating
MBDA <sup>1</sup>	2007	60	Adequate

<sup>1</sup> MBDA was rated "Results Not Demonstrated" in its FY 2002 PART review.

**Funding Summary (\$ millions)**

Total Plan	\$29.7
Estimated Spent	\$28.6
+/- Total	\$1.1
% of Total Spent	96.3%

- MBDA fully obligated its grants in FY 2007.

**Optimal Service Delivery**

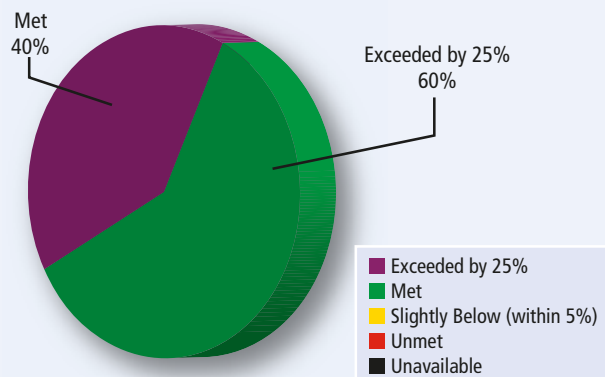
- MBDA is finalizing a decision memo for the Department that recommends closure of all Regional Enterprise Centers in favor of maintaining a staff presence in current locations through co-locating with other Federal agencies.
- MBDA plans to maintain eight Native American Business Enterprise Centers and seeks to increase the grant level for each project, to be comparable to the Minority Business Enterprise Center grants.
- In response to its PART review, MBDA is working to consolidate its grants and program management processes. It has contracted with Treasury's Federal Consulting Group to review its business processes, as well as program effectiveness in the field. A report is expected in January 2008.
- Also in response to the PART review, MBDA is working with Dartmouth's Tuck School of Business to develop an independent evaluation of MBDA's strategic direction and effectiveness.

**Tradeoffs**

- MBDA received VERA/VSIP authority. As of September 30, 2007, 11 employees applied and had been approved. MBDA is evaluating how these vacancies may be filled to ensure alignment of resources to agency goals and objectives.

**Performance Measures**

- MBDA exceeded the targets for "Dollar value of contract awards," "New job opportunities," and "Increase in the Customer Satisfaction Index."
- MBDA met the targets for the remaining two measures: "Dollar value of financial awards obtained" and "Percent increase in client gross receipts."





MBDA continued to leverage its resources. Strategic partnerships with SBA, GSA, OPIC and NTIA to educate MBEs on the use of technology as an e-business tool for competitive advantage have resulted in the accomplishment of MBDA's innovation and competitiveness initiative. Numerous private sector partnerships support MBDA's national and regional conferences, including the annual MED Week events. MBDA continues to partner with the Amos Tuck School of Business at Dartmouth College for training its Network of Business Development Centers and to produce research papers. In FY 2007, Tuck produced a White Paper on American Competitiveness and Innovation and presented it at MEDWeek.

In the beginning of FY 2007, MBDA and the Department of Commerce operated without a Budget Appropriation under the authority of a Continuing Resolution. When the final appropriation was approved, MBDA was faced with a slight reduction in funding from \$30 million dollars to \$29.7 million dollars. The Agency was engaged in a variety of activities to support overall administrative efficiencies and optimal service delivery. Below are brief summaries of the varied efforts that were executed by the Agency, its staff and funded projects:

## Operational Efficiencies

The Minority Business Development Agency (MBDA) completed a review of its Regional Enterprise Centers (RECs), formerly known as the District Offices, in 2007, in response to the Department of Commerce's "Optimal Service Delivery" initiative and the request of the Deputy Secretary of Commerce. MBDA recognized that these offices need to be reorganized and more strategically located to ensure they are operating as streamlined result-generating satellite offices of MBDA. The RECs should foster local minority business enterprise development and act as catalysts for the generation of financial and contractual transactions from minority business enterprises. In FY 2007, MBDA developed a recommendation to enhance the contribution of these "district" offices.

MBDA also contracted with the Department of the Treasury's Federal Consulting Group to review its grants monitoring and management work processes. This review will assist with MBDA's efforts to re-engineer its overall administrative business processes by eliminating redundancies and centralize work efforts at headquarters. In FY 2007, MBDA initiated the process to transition its grants

management services from the Department's Office of the Secretary to NOAA grants-online. This process will be implemented in FY 2008. Future costs are projected to be lower than current costs and NOAA's automated systems will improve processes.

MBDA was authorized in FY 2007 to offer voluntary early retirement authority and voluntary separation incentive payments. The window for this opportunity provided to MBDA staff closed on September 14, 2007. In total, 11 employees applied and were approved. In FY 2008, MBDA is evaluating how these vacancies may be filled to ensure that all resources are positioned to achieve agency goals and objectives.

## Program Assessment Rating Tool (PART)

The PART is a standard questionnaire of approximately 25 important, yet common sense, questions about a program's performance and management. The answers determine a program's overall rating. It is administered by the President's Office of Management and Budget. More information about MBDA's rating and other federal programs is available at: [www.expectmore.gov](http://www.expectmore.gov).

A PART re-evaluation for MBDA was conducted in FY 2007. The final PART rating of "Adequate" shows that MBDA has demonstrated that its programs are significantly improved since the last PART evaluation that resulted in a finding of "Results Not Demonstrated."

OMB has made the following three recommendations related to MBDA's performance measures:

- The program has developed appropriate annual and long-term measures that focus on the direct impact of its assistance on business clients. However, more research and evaluation needs to be conducted on the long-term impact of MBDA assistance.
- The program has strong management. It awards grants on a competitive process, and provides sufficient oversight of grant activities, including tracking of progress towards meeting performance goals.





- While MBDA is focused on minority small businesses, there many other sources of business assistance and support at the Federal, state, and local level. At the Federal level, the Small Business Administration similar assistance through its entrepreneurial development programs.

MBDA is currently addressing the above recommendations through investigating the feasibility of additional long term measures, including on survival rate of MBDA-assisted small businesses; seeking additional efficiencies to reduce the cost per client assisted; and contracting with an independent organization to conduct an evaluation of the long-term impacts MBDA's assistance has on minority businesses.

## Internal Controls (A-123)

In FY 2007, the Department conducted an overall test of MBDA's internal controls and no findings were identified. The Department also conducted a review of MBDA's internal control documentation, with no findings identified. MBDA senior management considered internal controls a priority and will follow-up to ensure that continuous improvements are made.

MBDA implemented a new policy for processing and reporting client awarded contracts. Private and public sector contracting has evolved in recent years with dynamic processes. MBDA has responded by developing a means to accurately and transparently report performance associated with multiple-year, multi-year and indefinite delivery-indefinite quantity (IDIQ) contracts. The Agency began identifying single year contracts (12 calendar months or less) in duration versus non-single year contracts (beyond 12 months in a calendar period). MBDA's performance reporting includes the full potential value of non-single year contract awards in its annual reporting against the performance measure, *Dollar value of Contract Awards to MBEs*, and discloses the dollar value of option years in a footnote. For IDIQ contracts, only actual dollar values realized are guaranteed are included in the annual reporting of the performance measure. The Agency released an All Hands Memorandum that stated this change in policy and followed-up by conducting training sessions at its 2007 National Conference.

## Strategic Planning

The National Director held weekly management meetings to track Performance Measures and the progress of funded projects.

Each week a different region would report on work-in-progress. Quarterly Senior Management meetings were held in various locations. These meetings were held to address proposed administrative and programmatic issues of concern.

MBDA held its National Conference in Phoenix, Arizona. The conference provided training sessions to Agency staff on Departmental Requirements, and also provided staff and service providers on administrative and program requirements. The Agency's support for tapping external resources within the public and private sector was a key topic.



## Outreach and Advocacy

The Annual Med-Week Conference was held in Washington, D.C. with a theme of "Legacy of Innovation and Competitiveness". A special B2B forum was held to connect 50 MBEs from throughout the country with federal government partners to learn about future contracting opportunities. The partners comprised of seven federal agencies and three prime contractors, including, the U.S. Department of Energy, U.S. Department of Army, NASA, U.S. Department of Commerce, Homeland Security, Oakridge National Laboratory, Sandia National Laboratory and Ancon.



## Business Development Programs

The Minority Business Development Agency (MBDA) created and redesigned its programs and the many activities it held during FY 2007 to specifically address the needs of minority business enterprises. Attention was placed on assisting MBEs with rapid growth potential, offering a greater impact on the national economy, increased receipts and tax revenue, and the creation of new jobs. Below are brief summaries of those various initiatives and programs:

### **MBEC/NABEC**

MBDA funded a network of thirty-one **Minority Business Enterprise Centers (MBECs)** and eight **Native American Business Enterprise Centers (NABECs)**, which were located throughout the United States and Puerto Rico to provide business development to minority-owned businesses. The centers provided one-on-one and group consulting services for management and technical assistance; marketing and growth strategies; and, assist in obtaining contract and financial award opportunities. The MBEC/NABEC programs are designed to provide expanded consulting and “hands-on” services. The MBEC program primarily serves ethnic minority firms, whereas the NABEC program serves primarily Native American firms and tribal entities.

### **MBOC**

**Minority Business Opportunity Centers (MBOCs)** were located in eight strategic cities across the nation. The MBOCs act as business facilitators and provide brokering services to facilitate contract and financial transactions between MBE clients and public and private sector resources. The MBOC maintains a database of minority firms and assists in negotiations with local sources of opportunity. The MBOC program is designed to provide minimal consulting and higher levels of referral services.

### **Emerging Minority Business Leaders (EMBL) and Technology Commercialization Program**

**EMBL** program strived to provide minority college students with the guidance and support necessary to prepare for future entrepreneurial and technology management careers. EMBL offered a variety of educational services, career information and business development resources for minority students looking to gain the competitive edge.

In addition, the EMBL program sought to help match Minority Business Enterprises (MBE's) with new technologies that have

potential for commercialization into useful products that can be manufactured. The program helped minority firms introduce new technologies to the Federal government for participation in the Small Business Innovation Research program. In addition, the program completed a condensed version of the EMBL Institute at Morgan State University in Maryland that included Minority Serving Institutions from the area.

**The Emerging Business Development Summit (EBLS)** was created in 1999 to recognize and celebrate the achievements of students who were interested in entrepreneurship. Since its inception the EBLS program has provided scholarships for college students to attend our annual National MED Week celebration. As part of that celebration we provided them with the following:

- Classes on Entrepreneurship, Leadership, Technology Transfer and Networking
- Mentors for each student
- A Business Plan competition
- Access to all MED Week receptions and sessions including the Gala

In 2007, as part of the 25<sup>th</sup> Anniversary of the MED Week Celebration, we decided to recognize six (6) former ‘Emerging Business Leaders Summit’ (EBLS) students. The Students were selected by the MBDA National Enterprise Centers to represent the EBLS Alumni that had a great “entrepreneurial” story to tell. The students and their emerging businesses recognized at the celebration were:

- Ms. Ritu Sharma, President and CEO of Polymorph Media
- Ms. Chauncey Holloman, President and CEO of Harlem Lyrics Enterprises
- Ms. Christina Chen, President and CEO of the Immigration Assistance Center
- Ms. Barbara Furlow, President and CEO of Afro-lution Media
- Mr. Barnabas Shakur, President and CEO of the Bed Stuy Project Regeneration
- Mr. Baron Perales, President and CEO of ITEX Barter Franchise





**Business-to-Business (B2B) Linkage Forums,** During FY 2007, MBDA continued to hold B2B Forums to promote partnerships between large and mid-sized MBEs. The purpose of these Forums was to build capacity to pursue current and forecasted large contract opportunities. These Forums serve as part of MBDA's long-term strategy to aid the Agency and its funded Centers to meet its overall contracting goals. During the entire process, all of the MBE clients were prescreened, qualified and referred by MBDA's funded Centers or staff.

Twelve (12) B2B Forums were held during FY 2007 on a National and Regional basis. During the National MED Week, a B2B was held with federal government partners for MBEs to learn more about contract opportunities with the federal government. Seven (7) federal agencies and four (4) prime contractors participated with fifty (50) large MBEs in attendance.

Three Forums were held in San Francisco, Chicago and New York during the Regional MED Week celebrations. At each of these Forums, five (5) to ten (10) private sector firms representing various industries participated. Attendance by MBEs ranged from fifty (50) to one-hundred (100) participants per session. The San Francisco NEC also conducted two separate Forums with Perini Building Company and Costco to pursue contracting or subcontracting opportunities for future projects. The New York NEC held three other Forums with private and public sector partners from several industries.

**Access to Capital and Financial Resources** remain a critical need for the growth and expansion of MBEs. Through its nationwide network of Minority and Native American Business Enterprise Centers, MBDA provided consulting and referral services directly to minority business enterprises to obtain business loans, bonding, equity investments, grants or trade credits. MBDA's funded Centers and staff continued to work closely with strategic partners to facilitate

commercial loans and government guaranteed loans. These strategic partners include public and private capital providers comprised of financial institutions, alternative lenders and other capital providers. For equity investments, MBDA has aligned itself with private equity firms and partners such as the Marathon Club and ICIC.

In addition, MBDA maintains strategic alliances with bonding brokers and surety firms to assist MBEs with bonding for public construction projects. The Chicago NEC launched a Construction Development Program to assist experienced minority owned contractors with advanced training and to connect MBEs with brokers and surety firms to increase bonding capacity.

**MBDA's Office of Native American Business Development** incorporated congressionally mandated activities into the NABEC 2007 program. Strategic executive business training was provided in partnership with the Tuck School of Business to tribal and Native American business persons. In addition, the Office of Native American Business Development moved forward with new initiatives in international trade and cultural tourism with major activities to be implemented in FY 2008.

**Asian American Pacific Islanders Initiative** In May 2007, two reports produced under the purview of the White House Initiative on Asian American and Pacific Islanders were submitted to the President (through the Secretary of Commerce).

The first report is from the President's Advisory Commission on Asian American and Pacific Islanders and is entitled *Enhancing the Economic Potential of Asian Americans and Pacific Islanders (AAPI)*.

The second report is from the Federal Interagency Working Group on Asian American and Pacific Islanders and outlines the accomplishments and provides recommendations for executive branch programs to further improve economic opportunities or AAPI businesses and communities.

Both reports are available on the MBDA Internet website ([www.mbda.gov](http://www.mbda.gov)).

**Knowledge Management.** In support of President Bush's American Competitive Initiative, the Knowledge Management (KM) Office produced a paper on innovation entitled, *The Sophisticated Innovator, Practical Insights from Provocative Stories of Innovation in Minority Business Enterprises*. The paper was produced in



collaboration with the Tuck School of Business at Dartmouth College and released during the 25<sup>th</sup> Anniversary of the Minority Enterprise Development (MED) Week National Conference in September 2007, among other venues.

The KM unit, part of the MBDA's Office of Business Development, also acquired a special tabulation on minority businesses in 2002 from the U.S. Census Bureau in 2007. The data allowed the KM office to produce a series of products containing accurate estimates on minority businesses enterprises in 2002. Among these the KM office produced fact sheets for all minority firms and by minority groups, and for numerous states and cities, which were posted on MBDA's portal and distributed to constituents at national conferences hosted by MBDA and partners, and through other venues. In collaboration with the Office of Legislative, Education and Intergovernmental Affairs, the KM unit also produced a data wheel with statistics on minority firms by state. The KM office also provided recommendations to the U.S. Census Bureau regarding additional questions to be included in their upcoming *2007 Survey of Business Owners*, which would allow for the collection of vital data on minority business enterprises.

**Strategic Partnerships.** MBDA retired strategic partnerships as a performance goal in FY 2007. However, the Agency continues to thrive and leverage its resources by establishing public-private partnerships. One of the MBDA's most successful and ongoing partnerships has been through the Amos Tuck School of Business at Dartmouth College. Through this relationship, the Agency's program operators and its respective staff were able to attend a six-day capacity building program in support of business development services for SGI firms. In addition, MBDA and Tuck conducted two separate client-oriented programs for minority and Native American firms.

**MBDA Portal Tools.** MBDA maintained continuous electronic improvements in its Internet Portal. Several business tools were improved and upgraded to provide the latest technologies for growing firms. The Phoenix-Opportunity Bid-Matching System is an online tool that matches Minority Business Enterprise (MBE) vendor firms with contracting opportunities based on their geographical location and product or service. In FY 2007, approximately 1,056,687 matches were made. The Business Plan Writer allowed 2,436 companies and individuals to develop business plans that will assist in obtaining financial packages to start or expand their businesses. New applications included:

- **Event Registration**

A calendar-driven event registration module to promote and allow in-house or third party registration to MBDA or stakeholder conferences, seminars and upcoming events pertaining to MBEs. The application presently entails hundreds of events added by regional-based MBDA staff with an average of 50-60 events per year. The tool includes many features customized to suit varied situations. Upcoming events are prompted on the home page which links to a user-friendly and easy to use calendar-driven interface for finding and registering events. There is a fully featured back end tool for authorized MBDA staff to manage all events and registrants.

- **Gulf Coast Opportunities**

MBDA plays an integral part in bringing together MBEs to assist in the reconstruction effort. This new initiative is a web-based application solution for clients and customers to enable access and to take advantage of the many financial opportunities in the region. This section of the Portal has been designed for the public to register and search for Gulf opportunities in Alabama, Georgia, Mississippi and Louisiana. Included in this section are links to tools for MBEs to view recently added gulf opportunity listings added into Phoenix (requires Phoenix registration) and the Resource Locator application, modified to return resource listings for the affected gulf coast states only. Links to the Hurricane Contracting Information Center and reconstruction information also exist in that section.

All of these tools along with the Business Locator and Financial Capital Locator allow MBEs to locate and apply for assistance on-line. Together, these systems offer a full menu of business services for all types of firms.

## Best Practices

In FY 2007, the Agency staff and MBEC/NABEC/MBOC service providers participated in ongoing dialogue, as well as weekly/quarterly official meetings and annual conferences. MBDA successfully improved its most prestigious learning environment, the "National Conference" by listening to program operators' needs and fulfilling their highest priority items. MBDA most valuable lesson learned was the establishment of peer-to-peer environments. This action helped



to strengthen collaboration and share best practices among the MBDA intra-network to meet performance expectations.

MBDA's Strategic Growth Initiative made a significant impact in minority business communities. The Agency's programs recorded high levels of MBE outcomes. MBDA notes that success stories are an effective means of achieving objectives by managers and staff which have a need to service the minority community. Agency staff and funded projects contributed "Best Practices" they found to effectively work for them and "Recommendations" that may bring about more efficiency. Below are some examples of submissions received:

- Production of training DVDs.
- Utilization of interns to provide research and support to the two National B2B Forums and a regional MED Week celebration.
- MBDA utilized the Inner City Capital Connections Venture Forum, operated by ICIC, to educate and connect MBEs with private equity firms for potential equity investments.
- The Model Contractor Development Program (MDCP) designed to assist experienced minority and women owned contractors with advanced training, sharing of specific contract opportunities and increasing bonding capacity was launched by an NEC for the second year. The MDCP was administered in partnership with MBDA and the Surety & Fidelity Association of America and the Dawson Technical Institute. The purpose of the program was not only to build more bondable and sustainable minority and women owned construction firms, but also to introduce appropriate resources such as accounting, project management and financing for small to mid-size construction companies.
- An MBEC uses Capital Strategic Partners to leverage its clients' needs for capital by using funds through CDC's and other non-traditional sources to enhance the equity injected so larger bank loans can be secured. In 2007 the MBEC secured over \$80 million dollars in loans.
- An MBEC developed and implemented a system to routinely notify clients of contract opportunities. The volume and routine use of notifications of these opportunities created a significant level of awareness of the MBEC with their clients, thereby giving MBDA the market presence desired.
- An MBEC assessed its service area and noted how diverse, broad and dissimilar market characteristics were, that the project developed a marketing plan for itself. The plan enabled the MBEC to better understand, in advance, the differences within its service area. It identified an efficient and systematic approach to target marketing and to help meet MBEC goals.
- Regular program performance reviews and monthly/quarterly Agency performance reviews were very helpful in assisting the Agency to improve its overall performance and to keep the Agency on its mission. The frequency of these discussions trickled down to the NECs. The NECs were talking to funded projects on a weekly basis (if not more).
- Centers that were not performing well were given additional attention to assist them in their success. Thus, it can be argued that MBDA became more proactive and perhaps a better collaborative partner to its funded projects in FY 2007.
- An MBEC established a University Purchasing Initiative with 14 colleges and universities. All were given an opportunity to meet qualified minority vendors who were fully assessed for capacity to perform successfully. MBEs received an opportunity to meet face to face with purchasing decision makers from the universities and colleges. This gave the MBEs a competitive advantage when business opportunities became available.
- With the able assistance of a Business Development Specialist, an MBEC developed a four phase intervention plan. As a result the MBEC went from least successful to one of the most successful MBECs. The enhancement program that was developed was based on 1) reviewing the strengths of existing and new client referrals; 2) conducting daily conference calls with key staff to improve client reviews; 3) identified potential SGI growth needs; and 4) utilized collaborative partnerships which included: regional purchasing councils, regional MED week celebrations, inter-governmental organizations, corporate sector and Center B2B linkages and Native American National 8(a) Minority Small Business Conferences.





# FY 2007 Performance Highlights



## National Highlights

Program performance in FY 2007 continued to be exceptional. Thanks to numerous intervention strategies by NEC business development specialists many projects exceeded or met their goals for the year. Contributing to this success can also be attributed to Agency's senior management leadership, project monitors, project directors, the Strategic Growth Initiative, new national and local Partnerships, the Business Development Training provided by the Tuck Business seminars, Business-to-Business Forums, Investment and Matchmaking conferences, the new Portal design and updated tools. Most importantly, improvements that were made to the service delivery systems help to achieve much.

MBDA focused on providing assistance for the Gulf Coast Recovery in support of the Department of Commerce efforts to identify qualified firms to compete for contract opportunities in reconstruction. Due to this effort, the Agency successfully exceeded its goal in Federal contract awards for MBEs in the Gulf Area.

- MBDA funded projects, managed and maintained the Internet Portal, supported special programs and initiatives, while agency staff assisted clients utilizing their skills to first serve the customer as called for by the Agency's customer relations management initiative.
  1. The MBECs and NABECs assisted 3,635 clients with more than 41,698 hours of management and technical assistance.
  2. The MBDA Internet Portal tools which include the Phoenix-Opportunity, Resource Locator, Capital Locator and Business Plan Writer assisted 21,236 clients with on-line support.
  3. MBDA Staff assisted clients to secure closed transactions.
  4. MBDA funded eight MBOCs; thirty-one MBECs, eight NABECs and one EMBL.
- MBDA's Return on Investment was \$59, up from \$53 in FY 2006, for each Federal dollar (\$29.7 million) appropriated.
- Services rendered to MBEs across the county, including Hawaii and Puerto Rico helped to secure \$1.1 Billion in contracts awarded for an average dollar award of \$1.0 million and financial transactions secured were at \$466.1 million for an average loan awarded of \$1.671 million.
- The Chicago NEC had the highest ROI at \$167, up from the highest secured by an NEC in FY 2006 - \$123.
- Of the MBEs assisted 848, 32% were SGI clients. Of this group of clients, 40% were Hispanic-Latino American, Puerto Rican and 28% were African American.
- Non-SGI clients totaled 581. Of this group, 41% were African American; while 27% were Native American, Aleuts or Eskimo.



**Table 1: MBDA National Performance Summary for FY 2007**

National Performance Measures	FY 2007 National Targets	MBEC/NABEC Accomplishments \$ Value & No.	MBOC Accomplishments \$ Value & No.	MBDA Staff And Portal Services	FY 2007 Agency Performance Totals (% Goal)	FY 2006 Performance Totals	Percent Change From Previous Fiscal Year
Dollar Value of Contracts*	\$850 M	\$619.5 M/629	\$468.5 M/89	\$89.6 M	\$1.18 B (138%)	\$1.171 B	+1%
Dollar Value of Financial Packages*	\$450 M	\$398.3 M/260	\$67.7 M/21	\$109.0 M/17	\$575 M/298 (128%)	\$407 M	+41%
Total Dollars Awarded	\$1.3 B	\$1.018 B	\$536.2 M	\$198.6 M	\$1.753 B (135%)	\$1.578 B	+11%
Number of Clients	20,000	2,869	N/A	21,236	24,105 (121%)	20,223	+19%
Jobs Created*	1,800	2,751	N/A	N/A	2,751 (134%)	4,254	-35%
Increase in Client Firm Annual Gross Receipts By Calendar Year*	+5%	+5%	N/A	N/A	+5% (100%)	+6.2%	-1.2%
MBDA Efficiency Measure Programs/ Staff /Agency Return on Investment (ROI)*	\$43	\$107	\$312	\$22***	\$59** (123%)	\$53**	+11%
Number of Contract Awards	N/A	629	110	N/A	739	913	-19%
Number of Financial Awards	N/A	260	89	N/A	349	483	-28%

N/A indicates that targets or data are not available.

\* MBDA National Performance Goals

\*\*The Agency ROI is based on the MBDA budget of \$29.7 million for FY 2007.

\*\*\*The Staff ROI is based on \$9 Million in MBDA FTE (staff) expenditures. All reported transactions were verified as required by Agency policy.

- All total, there were 3,635 MBEs that were assisted in FY 2007. Of this total, the largest ethnic group assisted was African American at 1,573; followed by the Hispanic-Latino American, Puerto Rican group at 993.
- More hours (18,259) of M&TA; more contract awards (255); the largest dollar value of contracts (\$480.2 million); and the great number (121) of financial transactions were awarded or received by African American clients. However, Hispanic-Latino American and Puerto Rican clients secured the largest dollar value (\$166 million dollars) in financial transactions.
- MBE firms receiving the most services were in the Services (36%); Construction (21%) and the Manufacturing (10%) industry.
- More contracts were awarded out of the Services industry – 222, valued at \$468 million dollars and out of the Construction industry – 323, valued at \$303 million dollars.
- The sources that awarded the vast number of contracts were the Private Sector – 267 (37%) and the Federal Government – 196 (27%).
- The Private Sector awarded over 401 million in contracts; while the Federal Government awarded \$268 million.
- The average dollar value of contracts was \$1.5 million. Up from FY 2006 by \$500,000.
- The Dallas NEC had the largest total dollar value (\$179 million dollars) of financial transactions obtained. Of this total, over \$169 million were secured from the Private Sector.
- The average dollar value of financial transactions obtained was \$1.671 million.
- State Government financial assistance was nil.



**TRENDS AND OBSERVATIONS – FY 2007**

- MBDA exceeded transaction dollar targets for the 4th consecutive year.
- MBDA had fewer funded projects in FY 2007. Funds were diverted to better service the Gulf Coast.
- The Percentage of SGI clients increased from 23% to 32%.
- The total M&TA services decreased by 5% from 43,885 hours to 41,698.
- The average size contract obtained increased 33% from \$1.131 million to \$1.5 million.
- The average size financial award obtained increased 15% from \$1.48 million to \$1.70 million.
- Agency staff continues to make a valuable contribution to transaction dollars obtained.

Percent of Client Portfolio made up by SGI Clients:					
FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007 (Target)/(Actual)
7%	7%	18%	21%	23%	30% / 32%

**Table 2: Summary of MBDA Funded Projects and Agency Staff Business Development Services in FY 2007 With Return on Investment (ROI)**

MBDA Organizations	MBECs	NABECs	MBOCs	Total Projects Funded in FY 2007	Total NEC Project and Staff Expenditures FY 2007	Dollars in Transactions Obtained (rounded)	Return on Investment by Each NEC and Agency
Atlanta NEC	6	1	2	9	\$2,832,715	\$155.3 M	\$55
Chicago NEC	4	1	3	8	\$2,561,098	\$428.6 M	\$167
Dallas NEC	7	3	1	11	\$3,659,237	\$303.6 M	\$83
New York NEC	7	0	1	8	\$3,215,383	\$335.4 M	\$104
San Francisco							
NEC	7	3	1	11	\$3,991,424	\$461.4 M	\$116
Hqtrs. Staff	N/A	N/A	N/A	N/A	\$13,440,143	\$57.8 M	\$4**
<b>Totals</b>	<b>31</b>	<b>8</b>	<b>8</b>	<b>47</b>	<b>\$29,700,000</b>	<b>\$1.742 B*</b>	<b>\$59* (Agency)</b>

\*Total Dollars in Transactions include those obtained by Headquarters staff and National Enterprise Center staff. The Agency ROI is based on the Agency Budget of \$29.7 million for FY 2007. Total MBDA employees include 94 on-board in 2007. NEC staff totals include employees located in Regional Enterprise Centers (RECs). A total of 47 projects were funded during the year. NEC ROIs are based on total project funding and regional staff salaries and expenses.

\*\*Hdqtrs. staff was not charged with bringing in closed transactions. Only OBD staff reported transactions. The Agency's ROI increased by \$5 dollars between FY 2006 and FY 2007.

*Dallas Regional Staff and Centers*







**Table 3: Nationwide Transactions Obtained by Size of Client Firms Reported by MBECs, NABECs and MBOCs in FY 2007**

Total SGI and Non-SGI Clients Assisted	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
<b>SGI Clients (\$500K and Over)</b>	555 (77%)	\$993.7 M (91.3%)	140 (50%)	\$302.9 M (65%)	\$1,296.6 B (83%)
<b>Non-SGI Clients (Under \$500K)</b>	147 (21%)	\$61.8 M (5.7%)	141 (50%)	\$163.2 M (35%)	\$225.0 M (15%)
<b>Client Receipts Not Reported</b>	16 (2%)	\$32.5 M (3.0%)	0 (0%)	\$0.0 M (0%)	\$32.5 M (2%)
<b>Total Identified</b>	718	\$1,088.0 Billion	281	\$466.1 Million	\$1,554.1 Billion

The above data discloses that nationally, SGI clients were successful in obtaining 83% of all awarded transaction dollars (contracts and financials). In FY 2006, SGI Clients were successful in obtaining only 75% of the total dollars awarded for closed transactions. Compared to FY 2006, SGI clients increased the dollar value of contracts from \$776.5 million to \$993.7 million. The same holds true of the dollar value of financial transactions. In FY 2006 SGI clients were able to secure \$237 million, while in FY 2007, they were able to secure \$303 million. The average size SGI contract was \$1.8 million, slightly higher than in FY 2006 (\$1.7 million). Conversely, Non-SGI contract awards were at

\$420 thousand, down from those awarded in FY 2006 at \$553K. This success merits continuation of the SGI policy introduced by the Agency in Fiscal year 2003. SGI clients also obtained the largest number of contract awards while smaller firms (141) had about the same demand for financial assistance as did the SGI firms (140). The Number of Clients Receipts not reported dropped significantly from 155 in FY 2006 to only 16 in FY 2007. This is due to better data inputting procedures used by the Program Data System. However, the number of clients reporting receipts declined between FY2006 (886) and FY 2007 (718).

**Table 4: Number and Percentages of Minority Firms Assisted by Ethnic Category with Annual Receipts Range Reported by MBEC and NABEC Projects in FY 2007**

Ethnic Group	\$0	\$1 to \$299,999	\$300,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and Greater	Total SGI Clients (Columns 4+5)	Total Clients with Reported Annual Receipts (Columns 1-5)
	(Non-SGI)			(SGI)		6	7
	1	2	3	4	5		
<b>African American</b>	154 (47%)	63 (34%)	21 (30%)	26 (45%)	49 (23%)	75 (28%)	<b>313 (37%)</b>
<b>Asian American, Asian Indian, Asian Pacific Islander</b>	15 (5%)	6 (3%)	6 (9%)	4 (7%)	18 (9%)	22 (8%)	<b>49 (6%)</b>
<b>Hasidic Jew</b>	4 (1%)	2 (1%)	1 (1%)	1 (2%)	4 (2%)	5 (2%)	<b>12 (1%)</b>
<b>Spanish/Hispanic-Latino American, Puerto Rico</b>	73 (22%)	44 (24%)	21 (30%)	21 (35%)	86 (41%)	107 (40%)	<b>245 (29%)</b>
<b>Native American, Aleuts, Eskimo</b>	69 (21%)	68 (38%)	19 (27%)	6 (10%)	45 (22%)	51 (19%)	<b>207 (24%)</b>
<b>Other Minority</b>	11 (3%)	2 (1%)	2 (3%)	0 (0%)	7 (3%)	7 (3%)	<b>22 (3%)</b>
<b>Total by Gross Receipt Range</b>	326 (38%)	185 (22%)	70 (8%)	58 (7%)	209 (25%)	267 (32%)	<b>848</b>

This table provides a detailed review of client firms by ethnic group and gross receipt range. Observations include:

- In FY 2007 only 38% of clients assisted showed \$0 in annual receipts. This is greater than in FY 2006.
- 32% of all clients assisted were classified as SGI, which is a 9% increase over FY 2006. These numbers increased due to new measures in the MBEC program.
- Hispanic Americans had the largest number of SGI clients assisted (107); African Americans had 75 of SGI assisted clients; Native Americans had 51 SGI; Asians had 22; and Hasidic Jews and other minority had only 12 clients.



Ethnic Group	Clients	Hours of M&TA/%	No. of Contracts	Value of Contracts/%	No. of Financials	Value of Financials/%	Total Value of Transactions
African American	1,573	18,250 (44%)	255	\$480.2 M (44.1%)	121	\$100.2 M (21.5%)	\$580.4 M (37.4%)
Asian American, Asian Indian, Asian Pacific Islander	403	5,207 (13%)	86	\$210.1 M (19.3%)	38	\$45.0 M (9.7%)	\$255.1 M (16.4%)
Hasidic Jew	72	367 (0%)	0	\$00.0 M (0.0%)	3	\$16.4 M (3.5%)	\$ 16.4 M (01.1%)
Spanish/Hispanic-Latino American, Puerto Rico	993	10,233 (25%)	252	\$269.7 M (24.8%)	90	\$166.0 M (35.6%)	\$435.7 M (28.0%)
Native American, Aleuts, Eskimo	529	6,922 (17%)	94	\$98.5 M (9.1%)	23	\$87.7 M (18.8%)	\$186.2 M (12.0%)
Other Minority	65	719 (2%)	31	\$ 29.4 M (2.7%)	6	\$50.8 M (10.9%)	\$ 80.2 M (5.2%)
<b>TOTALS</b>	<b>3,635</b>	<b>41,698</b>	<b>718</b>	<b>\$1.087 Billion</b>	<b>281</b>	<b>\$466.1 M</b>	<b>\$1.554 Billion (100.1%)</b>

Of the various ethnic groups that MBDA funded projects assisted through the BEC program, the majority of clients served were African Americans (44%). This same ethnic group also received the most hours of management and technical assistance [(M&TA) 44%] and also secured the largest dollar value of transactions (37.7%).

Spanish/Hispanics/Latinos/Puerto Ricans followed in second place. The number of M&TA hours received by this ethnic group was 25.0% of the total hours of assistance, while the total dollar value of transactions secured represented 28.0%.

Industry	Distribution by %
Services	36%
Firms with Multiple Industry Classifications	1%
Construction	21%
Manufacturing	10%
Finance, Insurances, & Real Estate, Information	4%
Retail Trade	6%
Wholesale Trade	7%
Transportation, Warehousing and Public Utilities	4%
Agriculture, Forestry, Fishing and Hunting	1%
Client Industry not reported by Projects	5%
Public Administration	1%
Information	2%
Mining	2%
<b>Total</b>	<b>100%</b>

This table as in previous years represents clients firms assisted by industry codes (NAICS and SIC) that was reported. There were more clients (35%) that were assisted in the Services industry, an increase of 13% over last year. The second largest industry category was Construction at 21%. This industry category also increased

from last year by 6%. Industry category “Manufacturing” also increased by 4% over last year. “Client Industry Not Reported” was eliminated as a category. The increase in the categories noted above may have been the result of the new reporting requirements.



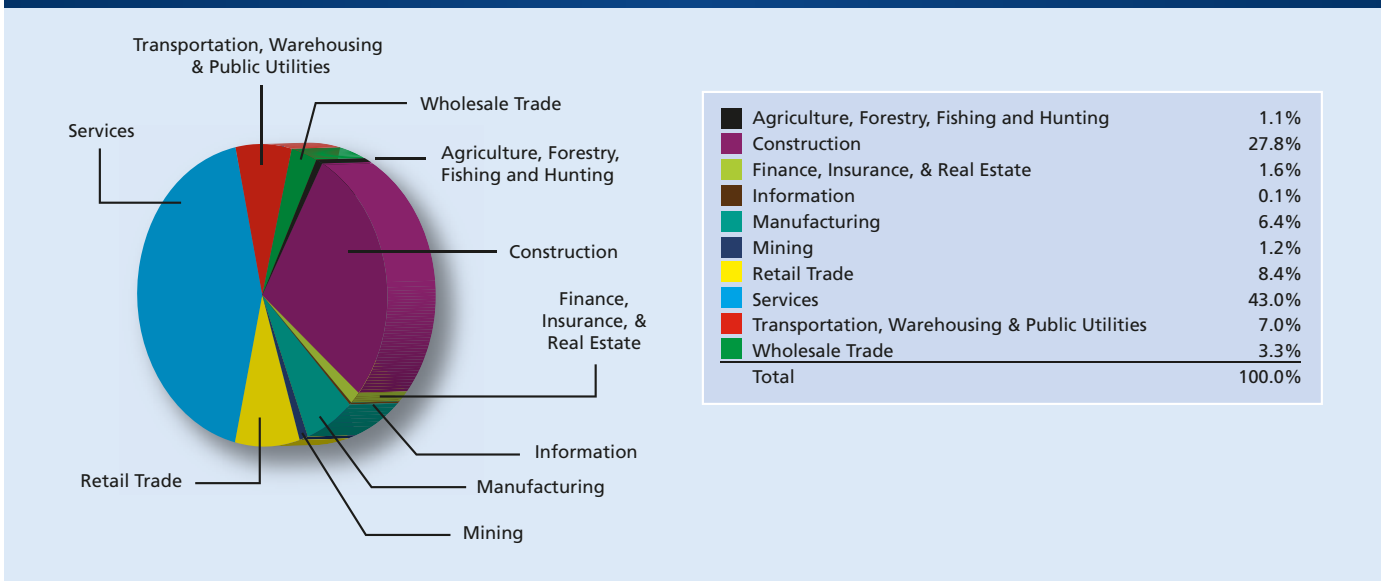
**Table 7: MBE Firms Obtaining Contracts by Industry Group in FY 2007 by MBEC, NABEC and MBOC Programs**

Industry	Number of Awards	\$ Value of Contracts
Services	222	\$468.0 M
Firms with Multiple Industry Classifications	5	\$0.3 M
Construction	323	\$302.5 M
Manufacturing	59	\$69.1 M
Finance, Insurances, & Real Estate	22	\$17.8 M
Retail Trade	9	\$91.3 M
Wholesale Trade	24	\$35.6 M
Transportation, Warehousing and Public Utilities	22	\$76.3 M
Agriculture, Forestry, Fishing and Hunting	2	\$12.0 M
Client Industry not reported by Projects	1	\$0.2 M
Public Administration	9	\$0.2 M
Information	6	\$1.0 M
Mining	14	\$13.6 M
<b>TOTAL</b>	<b>718</b>	<b>\$1.1 B</b>

Above are the major industries that awarded 718 contracts, totaling over \$1.1 billion to minority firms. For most part, MBEs secured most of their awards from the Construction and Services industry. The average contract in the Construction industry was \$936.5

million, while the average contract in the Services industry was \$2.108 million. Although only 9 MBEs were assisted in the Retail Trade industry, the average contract was larger (\$10.144 million) than all the other industries reported in the table above.

**Chart 2: Dollar Value of Contract Awards by Industry**



Services and Construction industries lead as industries awarding the most contracts in FY 2007.





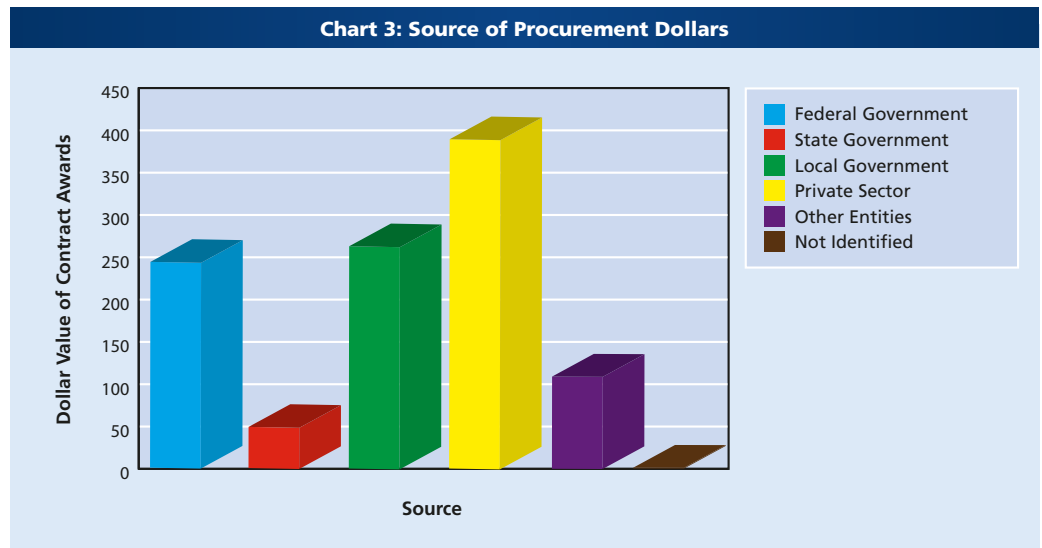
**Table 8: Contracts Secured from Sources as Reported by MBECs, NABECs and MBOCs in FY 2007**

Source of Contract Awards	Number of Actual Contracts			Dollar Value of Contracts			Average Dollar Value of Contracts		
	FY 2007	FY 2006	Percentage Change	FY 2007	FY 2006	Percentage Change	FY 2007	FY 2006	Percentage Change
Federal Government	196 (27.3%)	186 (21.0%)	+5%	\$268.2 M (24.4%)	\$329.4 M (32.9%)	-19%	\$1.3 M	\$1.8 Million	-28%
State Government	75 (10.4%)	59 (6.7%)	+27%	\$48.1 M (4.4%)	\$56.2 M (5.6%)	-14%	\$0.6 M	\$1.0 Million	-40%
Local Government	105 (14.6%)	192 (21.7%)	-45%	\$268.2 M (24.4%)	\$93.2 M (9.3%)	+288%	\$2.6 M	\$0.5 Million	+520%
Private Sector	267 (37.2%)	366 (41.3%)	-27%	\$401.1 M (36.5%)	\$450.9M (45.1%)	-11%	\$1.5 M	\$1.2 Million	+25%
Other Entities	75 (10.5%)	58 (6.5%)	+29%	\$112.4 M (10.2%)	\$71.4 M (7.1%)	+57%	\$1.5 M	\$1.2 Million	+25%
Not Identified	0 (0.0%)	25 (2.8%)	-100%	\$0.0 M	\$1.1 M (0.0%)	-100%	\$0.0 M	\$0.0 Million	0
<b>Total Contract Summary</b>	<b>718</b>	<b>886</b>	<b>-19%</b>	<b>\$1.1 B</b>	<b>\$1.0 B</b>	<b>+10%</b>	<b>\$1.5 M</b>	<b>\$1.1M</b>	<b>+36%</b>

In FY 2007, the total number of contract awards decreased compared to those awarded in FY 2006; however, there were increases in the total contract awards secured from the Federal government, State government and other Entities. Noted above is the significant

number of awards decreased in the Local Government (-45%) and Private Sector (-27%). However, there was a significant increase (520%) in the dollar value of contracts awarded by Local Government. Fewer awards, but larger dollar valued awards.

**Chart 3: Source of Procurement Dollars**





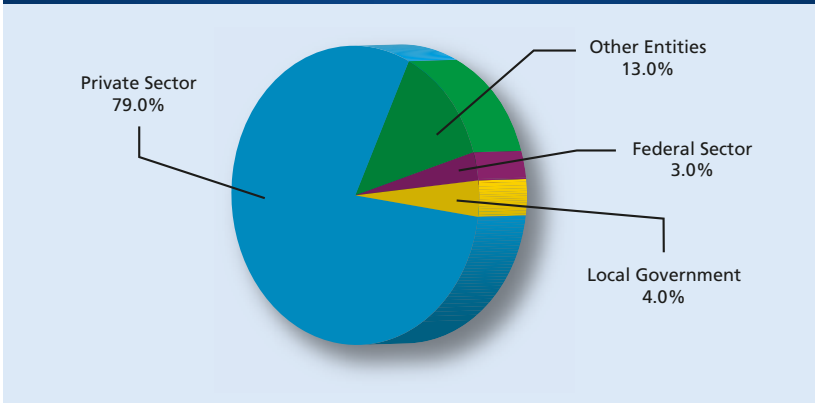
**Table 9: Number and Dollar Value of Financing Obtained by Source in FY 2007**

NEC	Federal Sector		State Government		Local Government		Private Sector		Other Entities		Total \$ Value		Average \$ Value
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	
Atlanta	1	\$100K	0	\$0	1	\$200K	37	\$40.2M	4	\$1.1M	43	\$41.6M	\$967K
Chicago	0	\$0	1	\$100K	0	\$0	35	\$20.5M	7	\$400K	43	\$21.0M	\$488K
Dallas	6	\$9.2M	0	\$0	2	\$100K	58	\$169.4M	1	\$600K	67	\$179.3M	\$2.676M
New York	2	\$2.7M	0	\$0	13	\$11.6M	33	\$60.7M	3	\$58.1M	51	\$133.1M	\$2.610M
San Francisco	12	\$1.3M	0	\$0	2	\$8.8M	59	\$78.8M	2	\$2.3M	75	\$91.1M	\$1.216M
<b>Average \$ Value</b>		\$638K		\$199K		\$1.150M		\$1.664M		\$272K		\$1.671M	-
<b>National Totals</b>	21	\$13.4M	1	\$100K	18	\$20.7M	222	\$369.5M	17	\$62.5M	279	\$466.1M	\$1.671M

Without exception, it was the Private Sector that financed the greatest portion of all financial transactions secured by the MBDA funded projects. The Federal government then followed in second place, with Local Government following in a close third place and other entities in fourth place. Other entities is a vague category, but what is odd is the fact that only one financial transaction was secured from a State Government. Do states have lending programs and if so do our funded projects know how to assist clients to access these funds? Do clients want to secure from state programs? Which states have the better lending programs and can they be brought to the table to link them with our funded projects in that state? San Francisco

NEC funded projects secured the largest number of closed financial transactions from the Private Sector, followed by the Dallas NEC projects. However, it was the Dallas NEC that secured the largest dollar value of closed financial transactions for the year (\$179.3 million dollars), followed by the New York NEC at \$133.1 million dollars. The total dollar value of financial transactions increased between FY 2006 (\$343.6 million dollars) and FY 2007 (\$466.2 million dollars). Local and Federal Government lending decreased significantly, from \$106.5 million dollars in FY 2006 to \$13.5 million dollars in FY 2007.

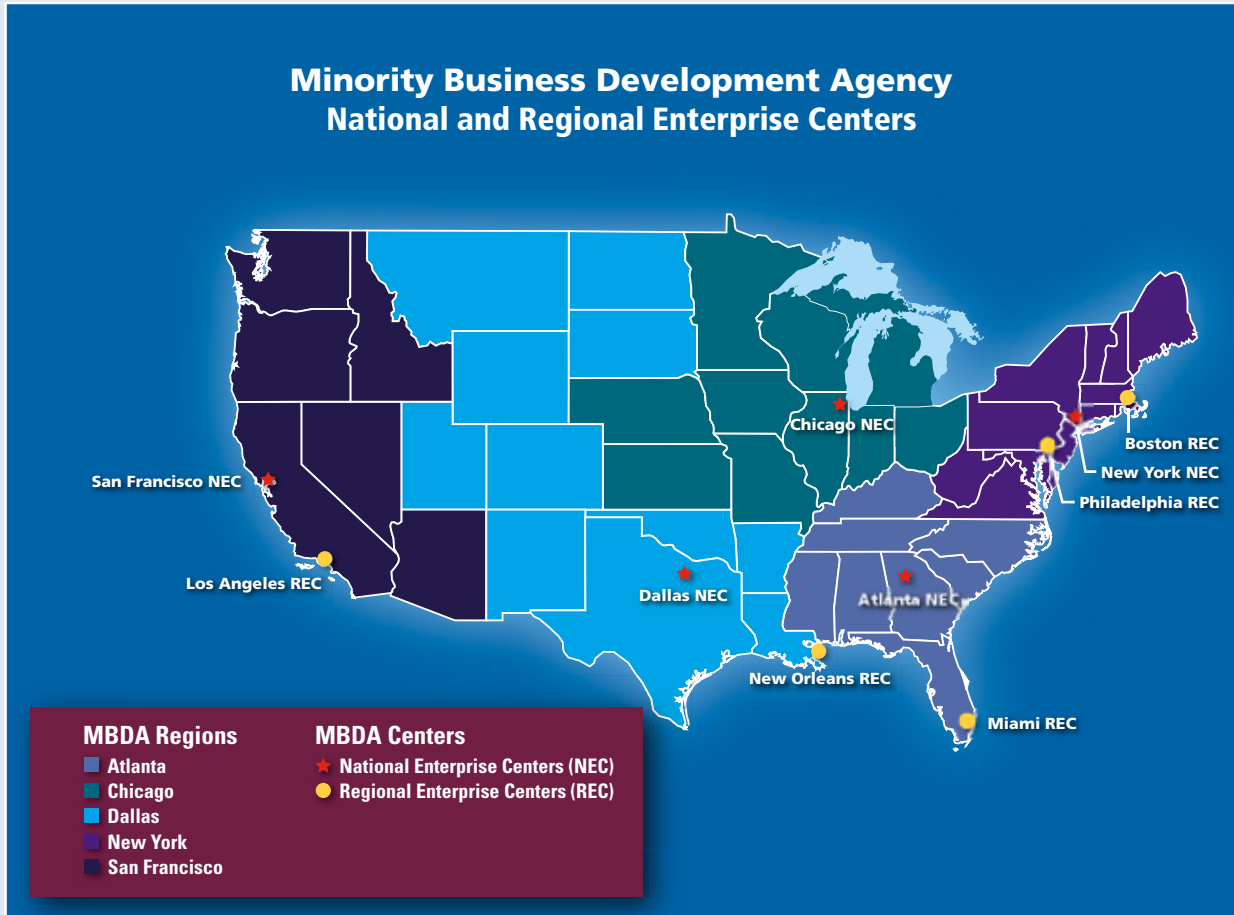
**Chart 4: Percentage of Financial Awards Obtained by Source FY 2007**



The Federal Sector financial opportunities dropped from 9% in FY 2006 to 3% in FY 2007. Private Sector financing increased from 68% in FY 2006 to 79% in FY 2007. Other Entities increased from 1% in FY 2006 to 13% in FY 2007.



Map 1: MBDA Nationwide Network in FY 2007



MBDA currently has 5 National Enterprise Centers (Regions) as identified above and 6 Regional Enterprise Centers (District/Area offices). The Agency funds between 41 to 47 projects (MBECs, NABECs, and MBOCs) throughout the country. This network represents the front lines of Agency services and implements strategic initiatives to meet objectives and performance results. The Agency federal staff contributes consulting and referral services; identifies new resources; establishes partnerships; and markets new opportunities that can lead to transaction awards for clients.





## Atlanta National Enterprise Center

**Table 10: Atlanta National Enterprise Center Performance in FY 2007**

Atlanta National Enterprise Center Performance	MBEC/ NABEC FY 2007 Targets	MBEC/ NABEC Accomplishments (% Goal)	MBOC FY 2007 Targets	MBOC Accomplishments (% Goal)	Atlanta Staff FY 2007 Targets	Staff Activity (% Goal)	FY 2007 Performance Totals (% Goal)
Dollar Value of Contracts*	N/A	\$110.1 M	\$110.4 M	\$1.3 M (1%)	N/A	\$260K	\$102.7 M
Dollar Value of Financials	N/A	\$41.6 M	44.5 M	\$0	N/A	\$11 M	\$52.6 M
Total Transaction Dollars*	\$70.1 M	\$151.7 M (216%)	\$154.9 M	\$1.4 M (1%)	\$35.0 M	\$11.3 M (32%)	\$164.3 M (58%)
Number of Clients	464	478 (103%)	25	0	N/A	N/A	478 (103%)
Jobs Created*	439	390 (89%)	13	0	N/A	N/A	390 (89%)
Increase in Client Firm Annual Gross Receipts By Calendar Year <sup>1*</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regional Efficiency Measure Return on Investment (ROI)	N/A	\$91	N/A	\$4.40	\$28**	\$13.30	\$58**
Number of Contracts	N/A	111	N/A	8	N/A	3	122
Number of Financials	N/A	41	N/A	2	N/A	1	44

N/A indicates that targets and data are not available.

\*Indicates National Performance Goals.

\*\*Total ROI includes NEC and project expenditures

\*\*\*Staff ROI based on NEC FTE (staff) expenditures.

<sup>1</sup>Gross receipts data is unavailable at this time as the data within the MBDA performance system is currently under review.

**Table 11: Atlanta National Enterprise Center Transactions Obtained by size of firms Reported by MBECs, NABECs and MBOCs in FY 2007**

Atlanta Clients	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
S/GI Clients (\$500K and Over)	71	\$99.19 M (89%)	21	\$34.44 M (83%)	\$133.63 M (87%)
Non-S/GI Clients (Under \$500K)	44	\$8.80 M	22	\$7.16 M	\$15.96 M
Client Receipts Not Reported	4	\$3.41 M	0	\$0.0	\$3.41 M
<b>Total Identified</b>	<b>119</b>	<b>\$111.4 M</b>	<b>43</b>	<b>\$41.6 M</b>	<b>\$153.00 M</b>

Atlanta SGI clients contributed 89% to NEC transaction dollars. The average size SGI contract was \$3.27 million while the average non-SGI contract award was \$238 thousand. The Atlanta NEC had a significant decrease in the total dollars in closed transaction

between FY 2006 (\$368 million) down to \$153 million in FY 2007. Less closed transactions were obtained in FY 2007 (162), compared to FY 2006 (232).



## Atlanta Funded Centers

### ALABAMA STATEWIDE MBEC 2007

This was Alabama's first year of operation. This project was initiated as a result of the Katrina disaster. It was MBDA's commitment to assist MBEs that were affected by this Gulf coast disaster. A total of 58 clients were assisted, but only 27 contracts were secured at a total of \$4.9 million. Only two financial transactions were awarded totaling \$500,000.

### GEORGIA STATEWIDE MBEC 2007

The Georgia Statewide project continued to be productive in FY 2007. It helped to create only 19 jobs out of a projected 97 jobs, but it did bring in new clients into the program. The project was able to secure 35 contracts totaling over \$14.4 million. It was also able to secure 9 financial transactions for a total of \$22.2 million dollars. Overall, the project secured \$36.6 million in closed transactions. It had a great year, in that it achieved 522% of its transaction goal.

### MIAMI/FT. LAUDERDALE MBEC 2007

The Miami/Ft. Lauderdale MBEC helped to create 161 jobs out of 92 projected and only assisted 93 new clients out of a projected 190. The project secured 23 contracts totaling \$74.6 million and 8 financial transactions totaling \$2.7 million. Over, the project achieved 261% of its goal in closed transactions (\$77.3 million out of \$29.6 million).

### MISSISSIPPI MBEC

This project was another of MBDA's commitment to assist Katrina disaster MBEs. The effort did not return expected results due to the fact that the local, state, and national efforts were slow in setting up business relief efforts. The immediate issue at hand was seeking relief to assist individual persons and families. It is expected that in the coming year, a more concentrated effort will be directed toward to MBE community. The key point addressed by this project was the fact that MBDA's presence was visible and that the Department of Commerce was recognized as willing to assist and had a meaningful presence in the State of Mississippi.

### NC CHEROKEE/ASHVILLE NABEC 2007

This project was continued in an effort to assist the Native American business community. Unfortunately, the commitment of the operator was not supportive of MBDA's effort to serve the Native American community. Little effort was made by the operator to address the overall goals of the project. The operator has been dropped from the program.

### NORTH CAROLINA STATEWIDE MBEC 2007

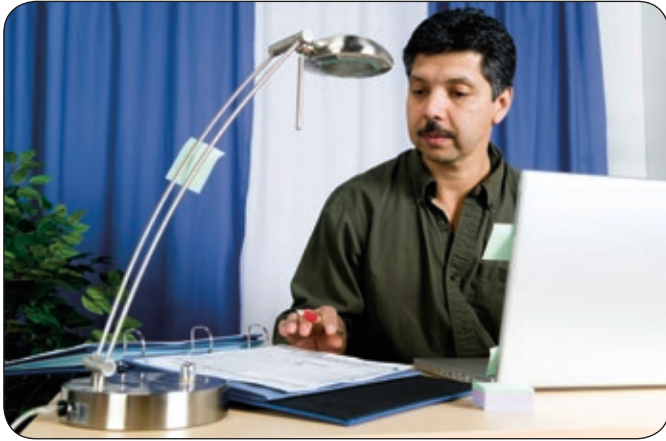
It does not appear that this project closely monitored and reported the number of jobs created, as a result of closed transactions. It only reported 6 jobs or 7% of the targeted number of 87. The project did report that 87 new clients were assisted. Of this number, 14 contracts were secured totaling \$9.1 million dollars. More clients were in need of financial transactions (\$15.1 million secured) than were contracts secured. Of the total dollar value of awarded transactions, the North Carolina Statewide MBEC secured \$24.2 million (242%) out of a projected \$10.0 million goal.

### SOUTH CAROLINA STATEWIDE MBEC 2007

This project tracked the number of jobs created a lot closer than many other projects. It was able to create 194 jobs (366%) out of a projected goal of 53. The project was also able to assist more clients (81 or 225%) out of the projected goal of 36. The total dollar value of awarded transactions secured by this project in FY 2007 was \$8.2 million (75%) out of a projected goal of \$10.9 million.

### SPANISH (PUERTO RICO ISLANDWIDE) MBEC 2007

The Puerto Rico MBEC had a great calendar year 2006. In its annual plan, the recipient projected \$23 million in annual secured transactions (\$11.5 million in Financials and \$11.5 million in Procurements) for the subject performance period. The recipient obtained more than 100% of their annual goal. Procurement transactions amounted to more than 250% above their goal at \$33,373,261 and financing transactions amounted to \$16,088,818 at more than 100% of their goal. The bulk of the dollar value of awarded transactions comes from procurements.



### FLORIDA MBOC 2007

The Florida MBOC concentrated on identifying and serving clients who met the requirements of the Strategic Growth Initiative. It was very active in obtaining information on procurement opportunities from public and private sector entities to disseminate to MBEs located throughout the State of Florida. It understood the value of the Phoenix database as a resource to clients. The majority of the MBEs impacted by the services of the Florida MBOC were certified minority-owned businesses by its parent organization, which reduced the amount of time to qualify as a vendor to bid certain projects.

The recipient attributes their success to their strong commitment to provide solid business opportunities to SGI level MBEs on a daily basis and the great business relationship established with the local banking industry, government agencies and the business community. The Center exceeded their goals in all other categories except new clients. Factors attributed to this include the slow Puerto Rican economy and the fact that some of their clients require more than 200 hours to prepare a feasibility study, limiting the client level per consultant. The Center also attributes their success, to the great efforts made to participate in specific economic development activities geared to and SGI level audience, including congresses, conventions, seminars, and local and federal government sponsored activities.

### ALABAMA MBOC 2007

The Alabama MBOC completed nine (9) months of operation during fiscal year 2006. It was successful in identifying clients who could take advantage of procurement opportunities that led to the creation of new jobs. The MBOC was successful in exceeding its Dollar Value of Contracts Awarded goal as well as its Number of Clients Receiving Contracts and Number of Jobs Created. While the MBOC was challenged in the Dollar Value of Financial Transactions category of performance, it achieved a portion of this goal and continues to seek opportunities to help MBEs increase their access to markets.





## Chicago National Enterprise Center

**Table 12: Chicago National Enterprise Center Performance in FY 2007**

Chicago National Enterprise Center Performance	MBEC/ NABEC FY 2007 Targets	MBEC/ NABEC Accomplishments (% Goal)	MBOC FY 2007 Targets	MBOC Accomplishments (% Goal)	Chicago Staff FY 2007 Targets	Staff Activity (% Goal)	FY 2007 Performance Totals (% Goal)
Dollar Value of Contracts*	N/A	\$69.5M	\$147.4M	\$247.2M	\$16.5M	\$2.3M	\$319.0M
Dollar Value of Financials	N/A	\$7.4M	\$58.7M	\$13.6M	\$16.5M	\$88.6M	\$109.6M
Total Transaction Dollars*	\$75.1M	\$76.9M (102%)	\$206.1M	\$260.8M (127%)	\$33.0M	\$90.9M (276%)	\$428.6M (136%)
Number of Clients	244	335 (137%)	N/A	0	10	3 (30%)	338 (139%)
Jobs Created*	278	551 (198%)	N/A	0	N/A	N/A	551 (198%)
Increase in Client Firm Annual Gross Receipts By Calendar Year <sup>1*</sup>	5%	+24%	N/A	N/A	N/A	N/A	+24%
Regional Efficiency Measure Return on Investment (ROI)	N/A	\$68	N/A	\$483	\$32***	\$103***	\$167**
Number of Contracts	N/A	52	N/A	21	N/A	2	75
Number of Financials	N/A	37	N/A	7	N/A	5	49

N/A indicates that targets and data are not available.

\*Indicates National Performance Goals.

\*\*Total ROI includes NEC and project expenditures

\*\*\*Staff ROI based on NEC FTE (staff) expenditures.

<sup>1</sup>Gross receipts data is unavailable at this time as the data within the MBDA performance system is currently under review.

**Table 13: Chicago National Enterprise Center Transactions Obtained by size of firms Reported by MBECs, NABECs and MBOCs in FY 2007**

Chicago Clients	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
SGI Clients (\$500K and Over)	42	\$294.1M (92.9%)	18	\$17.8M (84.8%)	\$311.9M (92.4%)
Non-SGI Clients (Under \$500K)	31	\$22.6M	26	\$3.2M	\$25.8M
Client Receipts Not Reported	0	\$0.00	0	\$0.0	\$0.0
<b>Total Identified</b>	<b>73</b>	<b>\$316.7M</b>	<b>44</b>	<b>\$21.0M</b>	<b>\$337.7M</b>

Chicago SGI clients contributed 94% to C NEC transaction dollars. The average size SGI contract was \$7 million dollars, while the average non-SGI contract award was \$729 thousand dollars. The CNEC projects greatly improved between FY 2006 and FY 2007.

A greater number of contracts and financial transactions were secured in FY 2007; however, the value of the contracts was far greater in FY 2007 (\$294.1M) than in FY 2006 (\$96.03M).



## Chicago Funded Centers

### CHICAGO MBEC

The Chicago MBEC reported that it helped to create 72 (164%) jobs out of 44 projected. It also serviced 74 new clients and helped to secure 17 contracts and 14 financial transactions. The dollar value of the contracts awarded reached \$32.9 million dollars and the financial transactions reached \$3.3 million dollars. In all the Chicago MBEC was able to secure \$36.2 million dollars in awarded transactions. The Chicago MBEC's client were from diverse industries, while the operator's private sector relationships greatly contributed to the overall success of the project.

### DETROIT MBEC

The Detroit MBEC was able to assist 106 new clients with management and technical assistance. Seven contracts were secured for these clients for a total of \$3.7 million dollars. The learning curve for this new operator and a late award by MBDA contributed to the relatively low ROI. The project began to show several signs of improved operation towards the end of the fiscal year.

### ILLINOIS STATEWIDE MBEC

The Illinois Statewide MBEC reported creating 198 (396%) jobs. The results of its efforts throughout the year helped to secure one contract and two financial transactions. These transactions were valued at \$4.4 million dollars or 80% of the targeted goal. The financial transactions totaled \$400,000 dollars, while the contract was valued at \$4 million dollars. This data is somewhat deceptive in that it reflects only the last three months of what was actually a highly successful program year, where Illinois Statewide MBEC was awarded as MBDA's top MBEC in the country. This success was continued with the operators' operation of the Chicago MBEC (above).

### INDIANAPOLIS MBEC

The Indianapolis MBEC reported that it helped to create 225 (776%) jobs out of a projected goal of only 29. A total of 33 new clients were serviced for the year. Three contracts and four financial transactions were secured. The total dollar value of awarded transaction



was \$8.0 million dollars, \$7.0 million in contracts and \$1.0 million in financial transactions. Despite a being a new operator and having a late start, the operator was able to utilize extensive local government resources to have a successful start to the program.

### MICHIGAN STATEWIDE MBEC

Amid significant regional economic challenges, the Michigan Statewide MBEC reported accomplishments in jobs created and total transactions. This new operator overcame significant obstacles and showed improved performance towards the end of the fiscal year. The operator capitalized on extensive public sector relationships.

### MINNESOTA/IOWA NABEC

This project was successful in exceeding its goal on total dollar value (\$12.2 million vs. \$18.1 million) of awarded transactions. Twenty contracts were secured valued at \$16.2 million and 1.9 million in financial transactions. The Minnesota/Iowa NABEC helped to create 50 jobs. The operator utilized strategic partnerships with other non-profit organizations to accomplish its goals.



### ST. LOUIS MBEC

The St. Louis MBEC was a new project site for the Chicago NEC. After many years MBDA awarded a center in the city of St. Louis. The project was able to secure \$5.6 in total dollar value of awarded transactions. These transactions included two contracts, totaling \$5.2 million, and one \$400,000 financial transaction. A total of 22 new clients were assisted. The operator worked extensively with an emerging minority business population in the St. Louis Area.

### GARY MBOC 2007

The Gary MBOC utilized strong relationships with various local partners to assist MBEs in securing contracts and financing. The Gary MBOC worked very effectively with other funded organizations within the regional area. These partnerships have helped drive transactions for the Gary MBOC as well as many of CNEC's other funded organizations. The MBOC exceeded its goal on dollar value of awarded transactions (124%).

### WISCONSIN MBOC 2007

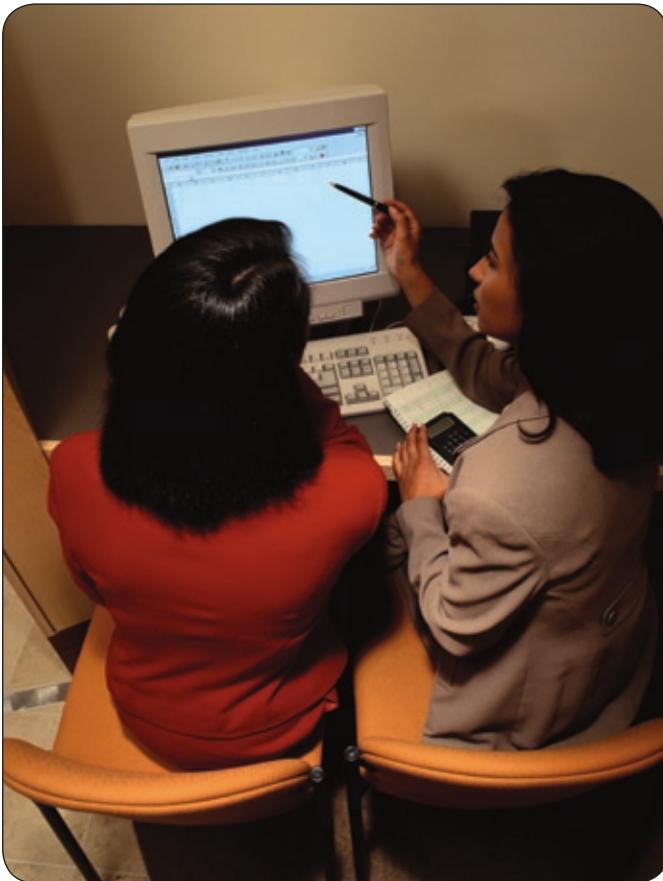
The Wisconsin MBOC ceased operation during this fiscal year.

### CHICAGO MBOC 2007

The Chicago MBOC has historically been one of MBDA's top performing funded projects. The Chicago MBOC utilized a wealth of private sector procurement and financing relationships to significantly outperform its stated goals. A Project Director with a very strong finance and accounting background drove transactions and allowed the Chicago MBOC to assist a wide range of MBE clients. This project exceeded its goal on the dollar value of awarded transactions (115%).

### MILWAUKEE MBOC 2007

The Milwaukee MBOC was operational for three months during the fiscal year. A skilled operator and experienced staff allowed the project to get off to a very successful start. A strategy that effectively utilized strategic partners contributed to the success of this project. This MBOC far exceeded its goal on the dollar value of contracts awarded (772%) and dollar value of awarded transaction (551%).







## Dallas National Enterprise Center

**Table 14: Dallas National Enterprise Center Performance in FY 2007**

Dallas National Enterprise Center Performance	MBEC/ NABEC FY 2007 Targets	MBEC/ NABEC Accomplishments (% Goal)	MBOC FY 2007 Targets	MBOC Accomplishments (% Goal)	Dallas Staff FY 2007 Targets	Staff Activity (% Goal)	FY 2007 Performance Totals (% Goal)
Dollar Value of Contracts*	N/A	\$110.0M	\$53.6M	\$1.9M (4%)	\$16.5M	\$6.2M (38%)	\$118.1M (39%)
Dollar Value of Financials	N/A	\$179.3M	\$21.4M	N/A	\$16.5M	\$6.2M (38%)	\$185.5M (61%)
Total Transaction Dollars*	\$89.6M	\$289.3M (323%)	\$75.0M	\$1.9M (3%)	\$33.0M	\$12.4M (38%)	\$303.6M (154%)
Number of Clients	802	771 (96%)	N/A	N/A	N/A	N/A	771 (96%)
Jobs Created*	579	745 (129%)	N/A	0	N/A	N/A	745 (129%)
Increase in Client Firm Annual Gross Receipts By Calendar Year <sup>1*</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regional Efficiency Measure Return on Investment (ROI)	N/A	\$125	N/A	\$7.30	N/A	\$11.42	\$83
Number of Contracts	N/A	148	N/A	16	N/A	0	164
Number of Financials	N/A	68	N/A	N/A	N/A	0	68

N/A indicates that goals were not required.

\*Indicates National Performance Goals.

\*\*Total ROI includes NEC and project expenditures

\*\*\*Staff ROI based on NEC FTE (staff) expenditures.

<sup>1</sup>Gross receipts data is unavailable at this time as the data within the MBDA performance system is currently under review.

**Table 15: Dallas National Enterprise Center Transactions Obtained by size of firms Reported by MBECs, NABECs and MBOCs in FY 2007**

Dallas Clients	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
SGI Clients (\$500K and Over)	126	\$94.53M (84.50%)	33	\$80.7M (45.00%)	\$175.2M (60.20%)
Non-SGI Clients (Under \$500K)	37	\$17.02M	35	\$98.6M	\$115.6M
Client Receipts Not Reported	1	\$0.17M	0	\$0.0M	\$2M
<b>Total Identified</b>	<b>164</b>	<b>\$111.72M</b>	<b>68</b>	<b>\$179.3M</b>	<b>\$291.0M</b>

Dallas SGI clients contributed 60% of NEC transaction dollars. The average size SGI contract was \$750 thousand dollars, while the average non-SGI contract award was \$460 thousand. The Dallas NEC secured fewer contracts (164) in FY 2007 valued at \$111 million than in FY 2006 (278) which were valued at \$205.4 million.

Performance was affected by the slow turn around of Katrina disaster contract awards. Less non-SGI clients were assisted in FY 2007. Overall, Dallas NEC secured more dollars in total closed transactions (\$291 million dollars) in FY 2007 than it did in FY 2006 (\$252 million).



## Dallas Funded Centers

### DALLAS/FT. WORTH MBEC 2007

The Dallas Fort Worth MBEC had experienced staff. As a result, jobs created (115%) and Dollar Value of Awarded Transactions was exceeded (1,666%). However, the Number of New Clients was low because of the transition to the newer performance goal of SGI clients. The staff continues to work with its nine strategic partners.

### EL PASO MBEC 2007

The El Paso MBEC has been one of MBDA's most successful projects in past years. In FY 2007, the project was able to achieve 189% of its goal in jobs created and 297% of its goal on the number of new clients. Overall, the project secured 321% of its goal in the dollar value of awarded transaction. The project was by an economic slump facing El Paso.

### HOUSTON MBEC 2007

The Houston MBEC project had major staff turnover which drastically affected its performance compared to previous years. Yet, the project was able to secure 348% of its goal in the dollar value of awarded transactions and 283% in the number of new clients.

### LOUISIANA MBEC

The Center did not officially open until the fourth quarter of FY 2007. Due to the physical conditions and the lack of human resources facing the City of New Orleans (as a result of Hurricane Katrina), the Center encountered problems in hiring staff. One of the major problems was the City's hiring policy and the time required to process new staff members. The process took between 90 to 120 days or more. Another problem facing the project was finding a location for the Center. Many of the buildings were destroyed due to the storm damages.

### NEW MEXICO STATEWIDE MBEC 2007

The New Mexico Statewide MBEC gained success due to the efficiency and management techniques of the operator. The staff has the reputation of being the foremost experts in 8(a) certification packaging and has certified 50 percent of its client base into the SBA program. The Center was successful with joint venturing and mentoring new 8(a) recipients with older established firms. Transaction performance was outstanding at \$91.2 million (1,899% of target). The Center was able to obtain 19 contractual awards and 21 financial packages for minority clients. Further, the project exceeded its goal on the number of jobs created (626%) and also exceeded the number of new clients (709%).

### NEW MEXICO STATEWIDE NABEC 2007

The New Mexico Statewide NABEC operated for one month in FY 2007 (start date was September 1, 2007). There was limited performance during this time period, thus the low ROI for the fiscal year.

### NORTH/SOUTH DAKOTA STATEWIDE NABEC 2007

The NABEC employs an experienced staff. The Center staff continued its effort to achieve the Dollar Value of Awarded Transactions by working with clients on large projects. The staff provides assistance to meet the needs of its clients. The project developed a strategy and worked with fourteen strategic partners to obtain financing and secure contracts. The Center strived to assist existing business entrepreneurs in both North Dakota and South Dakota. It exceeded the number of jobs created (124%), but it did not achieve the goal for number of new clients (22%).

### OKLAHOMA CITY MBEC 2007

The Oklahoma City MBEC employed staff which is effective in working with its strategic partners. They continued to provide technical assistance to minority firms that resulted in 12.3 million dollars in awarded transactions or 90% of the goal. The Center did exceed the number of jobs created (171%), but it worked with few new clients (5%).



### **OKLAHOMA STATEWIDE NABEC 2007**

The Oklahoma NABEC was awarded with an effective start date of September 1, 2007. As a result, no significant performance was entered into the MBDA Performance Database.

### **SAN ANTONIO MBEC 2007**

The San Antonio MBEC employed an experienced staff which continued to strategize and work with its eleven strategic partners to identify contracts and obtain financing for MBEs. In Fiscal Year 2007, staff exceeded the project's goals in the Number of Jobs Created (143%); Number of New Clients (183%); and The Dollar Value of Awarded Transactions (380%).

### **LOUISIANA MBOC**

The Louisiana MBOC was not officially opened until the end of the first quarter of FY2007. Because of the physical conditions in the State of Louisiana and because of the lack of human resources facing the City of Baton Rouge (as a result of Hurricane Katrina), the operators encountered problems hiring staff for the two site locations proposed for the project. One of the major problems facing the project was adhering to the City's hiring policy and the time requirements mandated to hire and process new hires.







## New York National Enterprise Center

**Table 16: New York National Enterprise Center Performance in FY 2007**

New York National Enterprise Center Performance	MBEC/ NABEC FY 2007 Targets	MBEC/ NABEC Accomplishments (% Goal)	MBOC FY 2007 Targets	MBOC Accomplishments (% Goal)	New York Staff FY 2007 Targets	Staff Activity (% Goal)	FY 2007 Performance Totals (% Goal)
Dollar Value of Contracts*	N/A	\$119.0M	\$86.9M	\$75.1M	N/A	\$0	\$194.1M (59%)
Dollar Value of Financials	N/A	\$105.9M	\$30.5M	\$27.1M	N/A	\$0	\$133.0M (41%)
Total Transaction Dollars*	\$82.4M	\$224.9M (273%)	\$117.4M	\$102.2M (87%)	\$35.8M	\$0	\$327.1M (139%)
Number of Clients	494	600 (122%)	N/A	N/A	10	22 (220%)	622 (123%)
Jobs Created*	642	701 (109%)	N/A	N/A	N/A	N/A	701 (109%)
Increase in Client Firm Annual Gross Receipts By Calendar Year <sup>1</sup> *	5%	—	N/A	N/A	N/A	N/A	N/A
Regional Efficiency Measure Return on Investment (ROI)	\$91	\$121 (133%)	\$391	\$341 (87%)	\$34***	\$0***	\$102**
Number of Contracts	N/A	154	N/A	14	N/A	0	168
Number of Financials	N/A	49	N/A	2	N/A	0	51

N/A indicates that goals were not required.

\*Indicates National Performance Goals.

\*\*Total ROI includes NEC and project expenditures

\*\*\*Staff ROI based on NEC FTE (staff) expenditures.

<sup>1</sup>Gross receipts data is unavailable at this time as the data within the MBDA performance system is currently under review.

**Table 17: New York National Enterprise Center Transactions Obtained by size of firms Reported by MBECs, NABECs and MBOCs in FY 2007**

New York Clients	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
SGI Clients (\$500K and Over)	158	\$191.8M(98.5%)	26	\$115.8M(87.0%)	\$307.6M (94.0%)
Non-SGI Clients (Under \$500K)	10	\$2.9M	25	\$17.3M	\$20.2M
Client Receipts Not Reported	0	\$0.0	0	\$0.0	\$0.0
<b>Total Identified</b>	<b>168</b>	<b>\$194.7M</b>	<b>51</b>	<b>\$133.1M</b>	<b>\$327.8M</b>

New York SGI clients contributed 94.0% of the NEC transaction dollars. The average size SGI contract was \$1.2 million, while the average non-SGI contract award was \$300 thousand dollars. Projects in the New York NEC made remarkable improvement when compared to FY 2006 performance results. For example, more

contracts were secured; a larger value of contracts was secured; more financial Transactions were secured; and a greater dollar value of financials was secured. Overall, the total Dollar value in transactions (\$327.8 million) improved over FY 2006 (\$222.64 million).



## New York Funded Centers

### MANHATTAN/BRONX/WESTCHESTER MBDC 2007

During the last quarter of the Manhattan/Bronx/Westchester MBDC's 2007 program year, significant staff turnover hampered the Center's ability to generate client contract and financing awards. Although the Center did not execute any awarded transaction for the quarter, it engaged three new clients. In response, the Executive Director launched an aggressive reorganization, including: hiring new staff; implementing technology upgrades; and conducting strategic staff training. As a result, the new team was prepared for strong performance in the FY 2007 program year of the successor Manhattan MBEC. Another key objective achieved by the Center was enhancing SGI client and partnership engagement activities to ensure a successful transition.

### MANHATTAN MBEC (JANUARY 2007 THRU SEPTEMBER 2007)

As a result of the repositioning implemented by the Executive Director, the Manhattan MBEC (successor to the former Manhattan/Bronx/Westchester MBDC) exceeded its goal with \$26.17 million in awarded transactions at the end of the 2007 fiscal year. The MBEC also achieved 119% of its combined annual goals during the period. The Center's success resulted from managing customized relationships to develop a certification program, elevate bonding, grow contracts for existing clients and continually improve upon the intake process for new recruitment. Ample effort in FY 2007 was invested in developing long-term clients with such complex services as M&TA, resulting in the Center posting a 96.1 composite score. The Center also continued to emphasize cultivating new facilitated matches with Native American companies and defense contractors for building viable teams.

### NEW JERSEY STATEWIDE MBEC 2007

During FY 2007, the New Jersey MBEC was challenged by the unforeseen postponement of several, large-scale public works contracts in the region, which reduced the number of anticipated client contract awards. Despite the shortfall and the need to train new key staff and upgrade resources for the new award year, the MBEC assisted clients in obtaining \$11.5 million dollars in financing



and contract transactions. The Center also initiated several MOUs; co-hosted Business-to-Business matchmaking conferences; and coordinated operational management activities with the Port Authority, NJ Transit, Meadowlands, and the U. S; Hispanic Chamber of Commerce. As a result, the MBEC achieved a significant turnaround that elevated performance for the last quarter in FY 2007.

### PENNSYLVANIA STATEWIDE MBEC 2007

The Pennsylvania Statewide MBEC achieved an ROI of \$130.03 for FY 2007. The Center reached 80% of its goal for the number of contracts awarded and 35% for the number of new clients. The staff achieved \$33.2 million in contracts and \$2.24 million in financial awards. All together the project achieved 301% on closed transaction. The MBEC was successful in securing 35 contracts for SGI firms totaling \$33.2 million. The Consortium of Colleges and Universities that was developed by the Project Director provided a significant number of construction contracts to the SGI firms serviced by the Center.



**(SPANISH) PUERTO RICO ISLANDWIDE MBEC 2007**

In addition to the Puerto Rico MBEC’s continued success in developing opportunities in the government sector, it extended its impact in FY 2007 through innovative partnerships and programs in the private sector. For example, its annual MED Week conference featured strong sponsorship and participation by companies from the private sector. The Center organized a trade mission in 2007 to the Dominican Republic to develop CAFTA-related opportunities for Puerto Rico-based firms. The Center has also expanded to the private sector its daily canvassing for new procurement opportunities. The Center also continued its success in helping MBE firms with financing for community development projects under the SBA 504 loan program. In FY 2007 the Center achieved its goal on number of new clients by 394% and its goal on dollar value of awarded transactions by 620%.

**QUEENS/NASSAU/SUFFOLK MBDC 2007  
(OCTOBER 2006 THRU APRIL 2007)**

FY 2007 was a year of transition for the Queens/Nassau/Suffolk MBDC, due to the delayed start for the new contract period. Nonetheless, the Center assisted its clients in obtaining \$12.4 million dollars in contracts. It also excelled in job creation, as clients who won large contract awards provided employment to 71 workers. The Queens/Nassau/Suffolk MBDC did not post any client financings during the fiscal year; however, pending transactions were subsequently awarded in the first quarter of the Queens MBEC program (which succeeded the Queens/Nassau/Suffolk program). The Queens/Nassau/Suffolk MBDC continued to work closely with its strategic partners, including the NYS Dormitory Authority, NY&NJ Port Authority and NYC School of Construction Authority. As construction bonding is a major requirement for the MBDC’s construction clients, the Center continued to strengthen its relationship with the Surety & Fidelity Association of America to identify additional bonding sources. Overall, the Center achieved 89% of its total dollar value of awarded transactions.

**QUEENS MBEC 2007  
(MAY 2007 THRU SEPTEMBER 2007)**

The Queens MBEC (successor to the former Queens/Nassau/Suffolk MBDC) was hampered by a delayed start, resulting in an eight month program year from May thru December 2007, which cause unusually low performance. Nonetheless, the MBEC assisted its clients in obtaining financing transaction valued at \$5.8 million during the period. In addition to a \$4.7 million bonding line for a large construction contractor, three local merchants also received financing, an indication of the Queens MBEC’s positive economic impact on the community. Contract awards of \$512,400 during the period were less than the Center’s typical performance. However, due to timing lags, several contracts in the pipeline totaling \$10.3 million were consummated in the last quarter of the program. Despite its challenges, the Queens MBEC continued collaboration with its public agency partners and conducted seminars for construction contractors. The high point for FY 2007 was the signing of an MOU with the New York State Insurance Department to provide a construction bond guarantee program to enable more MBE construction companies to obtain bonding.







### WASHINGTON METRO MBEC 2007

The Washington (Metro) MBEC staff achieved an ROI of \$316.77. In FY 2007 the Center hired a new Finance Consultant, who proved to be a beneficial addition to the Center's staff. As a result, the MBEC secured for its clients \$59.6 million in Financial Transactions and \$26.7 million in contract awards. The \$86.3 million in closed transactions exceeded the MBEC's goal by 456%. The staff also exceeded other goals – Number of Jobs Created by 373% and the Number of New Clients by 103%. The Center had 19 SGI firms with contracts totaling \$25.13 million and 6 SGI firms secured \$58.53 million in financial awards. The firm had 2 clients under \$500,000 in revenues who secured \$1.55 million in contracts and 10 clients with revenues under \$500,000 that received \$1.05 million in financing. The staff did an excellent job in getting bonding for clients in the construction industry.

### WILLIAMSBURG (BROOKLYN) MBEC 2007

The Williamsburg Center is highly rated by clients surveyed by MBDA. Once again, it exceeded its challenging goal for assistance in securing closed transactions in finance. A highlight for FY 2007 was a visit on September 24th by the Secretary of Commerce, Carlos M. Gutierrez. The Secretary commended the Center for its long-standing commitment to helping minority entrepreneurs. The Center experienced a number of challenges during the year related to unexpected staff changes. Its overall performance as measured by value of client contracts, new jobs created, and an increase of client gross receipts decreased markedly as a result, however the Center was able to achieve 144% of its goal in the number of new clients and its goal on dollar value of awarded transactions (184%). The Center is committed to a turnaround year for FY 2008.

### WASHINGTON, DC MBOC 2007

After a difficult start for the National Capital MBOC's first year, the organization's management made the necessary adjustments to significantly improve performance in the second year. With its focus on federal government contracting and a variety of financing providers, the MBOC's excellent clients service reputation enabled it to attract additional clients. One of the most important factors in the turnaround was the hiring of a new Executive Director, who increased client outreach and consultation. The Center's outstanding advisory board members and strategic partners, including representatives from the corporate, government, financial, academic and professional service sectors also provided resources that benefited clients' growth. The MBOC's highly-skilled staff and consultants helped clients identify and prepare for contract opportunities. The staff's performance was very successful. As a result, MBOC clients were assisted in obtaining contract awards of \$75 million; some clients were able to secure \$27 million in financing; and some companies/firms were able to expand, thus creating 38 new jobs.



## San Francisco National Enterprise Center

**Table 18: San Francisco National Enterprise Center Performance in FY 2007**

San Francisco National Enterprise Center Performance	MBEC/ NABEC FY 2007 Targets	MBEC/ NABEC Accomplishments (% Goal)	MBOC FY 2007 Targets	MBOC Accomplishments (% Goal)	San Francisco Staff FY 2007 Targets	Staff Activity (% Goal)	FY 2007 Performance Totals (% Goal)
Dollar Value of Contracts*	N/A	\$210.9M	\$89.9M	\$143.0M (159%)	\$16.5M	\$12.3M	\$366.2M
Dollar Value of Financials	N/A	\$64.1M	\$42.5M	\$27.0M (64%)	\$16.5M	\$4.1M	\$95.2M
Total Transaction Dollars*	\$96.7M	\$275.0M (284%)	\$132.4M	\$170.0M (128%)	\$33.0M	\$16.4M (50%)	\$461.4M (176%)
Number of Clients	831	685 (82%)	N/A	N/A	N/A	N/A	685 (82%)
Jobs Created*	683	364 (53%)	N/A	N/A	N/A	N/A	364 (53%)
Increase in Client Firm Annual Gross Receipts By Calendar Year <sup>1</sup> *	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regional Efficiency Measure Return on Investment (ROI)	N/A	\$106	N/A	\$567	N/A	\$14.8***	\$116**
Number of Contracts	N/A	164	N/A	30	N/A	17	211
Number of Financials	N/A	65	N/A	10	N/A	5	80

N/A indicates that goals were not required.

\*Indicates National Performance Goals.

\*\*Total ROI includes NEC and project expenditures

\*\*\*Staff ROI based on NEC FTE (staff) expenditures.

<sup>1</sup>Gross receipts data is unavailable at this time as the data within the MBDA performance system is currently under review.

**Table 19: San Francisco National Enterprise Center Transactions Obtained by size of firms Reported by MBECs, NABECs and MBOCs in FY 2007**

San Francisco Clients	Number of Contracts	Value of Contracts	Number of Financials	Value of Financials	Total Dollars in Transactions
S/GI Clients (\$500K and Over)	158	\$314.75M (89%)	42	\$54.08M (59%)	\$368.9M (82.9%)
Non-S/GI Clients (Under \$500K)	25	\$10.27M	33	\$37.04M	\$47.3M
Client Receipts Not Reported	11	\$28.88M	0	\$0.00	\$28.9M
<b>Total Identified</b>	<b>194</b>	<b>\$353.90M</b>	<b>75</b>	<b>\$91.12M</b>	<b>\$445.1M</b>



San Francisco SGI clients secured 89% of the NEC's closed transaction dollars. The average size SGI contract was \$2.0 million dollars, while the average non-SGI contract award was \$411 thousand dollars. While the total number of contracts decreased between FY 2006 (268) and FY 2007 (194), the number of contracts for SGI clients did increase from 127 in FY 2006 to 158 in FY 2007. Less non-SGI clients were assisted in FY 2007 and more projects reported the gross receipts of clients. The total dollar value of contracts increased

significantly between FY 2006 (\$146.87 million dollars) to \$314.75 million in FY 2007. Financial transaction also increased slightly for SGI clients, but increased significantly for non-SGI clients between FY 2006 (\$4.81 million) to \$37.04 million in FY 2007. Overall, there were great accomplishments in the total dollar value of transactions for SGI Clients –\$368.9 million compared to \$205.06 million in FY 2006. The grand total of dollars in transactions jumped from \$277.33 million in FY 2006 to \$445.1 million in FY 2007.

## San Francisco Funded Centers

### NORTHERN CALIFORNIA MBEC 2007

The Northern California MBEC was a newly funded project. In consideration of its broad geographic area of coverage, the project was determined to focus initially on the centers of highest population density and, therefore, the areas of highest concentration of minority businesses. The areas included San Jose (the location of the Center), San Francisco and Oakland. The project is considered unique in that it has very strong ties to the Asian business community; Asian businesses represent 64.4% of gross receipts of minority firms in California. The Center demonstrated strong performance in both procurement and finance or 63.1%.



### ARIZONA STATEWIDE MBEC 2007

With the hiring of a new Project Director in July 2006, the Center was more active in B2B events which in turn led to new clients and new opportunities in management consulting services. The Center had a full complement of very capable staff to perform financial transactions and procurement assistance, in particular bonding for procurement clients. The AZ MBEC was re-engineered, thus was able to improve its processes and expanding exponentially its network. The AZ MBEC is well-connected politically and is now developing powerful relationships in the community. In addition, the Center created opportunities for its clients via seminars, networking and loan packaging services. The Center assisted in the creation of 101 jobs and it assisted 90 new clients. Overall, the Center secured 190% of its goal on dollar value of awarded transactions.

### INLAND EMPIRE MBEC 2007

The Inland Empire MBEC experienced some effects of staff turnover during Fiscal Year 2007. The Project Director, under which the project had demonstrated successful performance previously, resigned. In addition, the Senior Business Development Specialist took maternity leave for six months. The impact of staffing had a direct impact on the project's performance during the first two quarters of 2007. Specifically, the project's performance in Dollar Value of Contracts and Procurements, the major activity being in construction, were soft initially. Performance in Financial was soft initially as well. Both new employees have been quick studies of suggested best practices to optimize achievement of goals. And, the more seasoned Senior Business Development Specialist turned to work on a full-time basis. With a complete team





in place, the project turned its performance around. It was able to exceed the number of jobs created by 140%; the number of new clients by 198%; and the dollar value of awarded transaction by 264%. It appears to be in a position to continue to meet or exceed its goals.

**HONOLULU MBEC 2007**

Despite staff turnover, a new Project Director and Business Consultant, the project exceeded its goals by a significant margin. As in previous years, the Honolulu MBEC and its staff were able to produce positive results for the fiscal year. This appears to be the result of good selection of new staff and their commitment to achieving desired outcomes. The new staff was responsive to suggestions by the SF NEC targeting SGI clients and meeting the project’s goals. One of the Center’s primary resources was the Pacific Center which provides tremendous leverage to the project through the business school. The challenge in this market continues to be the development of SGI firms which is limited in part by the Island’s unique economic structure and conditions. Nonetheless, the Center exceeded the dollar value of awarded transaction by 204%.

**NEVADA MBEC 2007**

The Nevada MBEC was a newly funded project in late FY 2007. The accomplishments that were reported only covered a period of three months. At the start of the project, the Center provided exceptional support of an MBDA National Initiative in Las Vegas, the Perini building Company B2B and the Press Conference to launch the Center. Performance of the project, therefore, was initially somewhat sluggish. The Operator was keenly aware of the opportunities for minority business in the State of Nevada. The extraordinary growth and building which continues to take place in the market is unique to this state. The Center was focused on capturing a good share of this business for its clients. It proposes to continue this effort in FY 2008. The project significantly improved its performance. It could turn out to be one of the strongest performers in the Region.

**WASHINGTON STATEWIDE MBEC 2007**

The Washington Statewide MBEC experienced significant staff turnover throughout FY 2007. Both the Project Director and Business Consultant resigned. Although the project Director’s



position was filled without considerable delay, the Center experienced some difficulty in replacing the Business Consultant. Although operated by a Community with access to various funding sources for short term loans, the Center demonstrated the most success in securing procurement contracts. Combined for the year, the Center exceeded the goal on dollar value of awarded transactions (982%) and the goal on number of new clients (430%).

**LOS ANGELES METRO MBEC 2007**

The LA Metro MBEC was assigned two separate Performance Measures during the Fiscal Year. One set of measures were assigned for the first quarter of FY 2007 and the second set was assigned for the remaining quarters. In assessing both periods with the different performance measures, it was noted that the Project underperformed during both cycles. From October 2006 to February 2007, the Project was managed by an interim Project Director. A permanent Project Director was hired in late February 2007. The length of time the Project Director’s position was vacant and the training curve for the new Project Director, as well as the resignation of two key consultants had a negative affect on the Project’s achievements. In late July 2007, after carefully assessing the Project’s performance, the SFNEC prepared an Assistance Plan which provided an analysis of performance and it outlined key recommendations to assist in



improving performance. In the end, the Center exceeded its goal on the number of new clients 204% and on the dollar value of awarded transactions 187%.

### **ARIZONA STATEWIDE NABEC 2007**

The Arizona Statewide NABEC maintained high Market Promotion momentum throughout FY07. The Center was committed to supporting the Strategic Growth Initiative by working with those companies with high growth potential or \$500,000 in annual sales, which for the Native American community poses a unique challenge because many of the Native American businesses would be classified as small. The Center struggled in the middle of the fiscal year, due to the need to replace the Project Director, who had resigned. However, with the assistance of an intervention plan, the AZNABEC continued to be successful in introducing clients to tribes, corporations and other government entities looking for Native American Vendors. As a result there were significant transactions processed into the pipeline which assisted the Center to exceed its goal on the dollar value of awarded transactions 197%. The Center continued to struggle to meet such goals as new clients (11%). The Center was committed to using new approaches, including out-of-area clients.

### **CALIFORNIA STATEWIDE NABEC 2007**

The California NABEC focuses its efforts on a balanced approach for business and market development by assisting clients in increasing their professional networks, internal capabilities, and knowledge regarding public and private contracting opportunities, programs, and procedures. This includes assisting clients in obtaining applicable certifications, especially 8(a) certification; and identifying contracting opportunities. Through an automated bid matching system utilized by the Project Operator, NCAIED, local, state and federal opportunities were disseminated on a regular basis. This was a very successful system producing over 5,400 matches and multimillion dollar contract awards. In Fiscal Year 2007, the CANABEC had challenges as a result of having the Project Director leave on temporary disability. Through effective management by the Operator and the Acting Project Director, the Center was able to achieve its goal on dollar value of financial transactions 148%, but it failed to meet its goals on number of jobs created and number of new clients.

### **NORTHWEST NABEC 2007**

The Northwest NABEC continued to focus its efforts on marketing development and working with clients in identifying substantial procurement opportunities in Fiscal Year 2007. These elements produced good performance results in both financing and construction contracting. Through the Center's active participation in securing growing companies, it accomplished \$22.8 million dollars or 162% of its goal of \$14.1 million in Dollar Value of Transactions. The Center's marketing efforts fell short of securing new clients and creating new jobs for its clients. This Center was successful in utilizing its teaming efforts with MBE's by seeking new awards for some its smaller MBE clients, which grew prospects by the end of period under review.

### **LOS ANGELES MBOC**

In April of 2007 the City of Los Angeles began the first year of the Los Angeles MBOC program. The initial startup of the MBOC was impacted by the new policies and procedures put into place by the New Mayor of Los Angeles and his transition team. There were many challenges that were faced by the LAMBOC staff in achieving both the compliance and performance goals as required by MBDA. During the first six months of operation of the LAMBOC, the project was performing below the satisfactory level. An assistance plan was developed by the end of the FY 2007 to ensure that the Center's first year of operation would conclude on a positive note.



# Appendices

## The MBDA Efficiency Measure

**T**he MBDA Efficiency measure reflects the Return on the Agency Investment (ROAI) identified in the budget allocation for the fiscal year. In FY 2007, MBDA's total budget was \$29.7 million. The ROAI represents the total dollars in award transactions (contracts and financings) obtained for clients divided by the total agency budget allocation (\$29.7 million). Therefore, in FY 2007 the ROAI was \$59 for every dollar allocated. This represents a 137% increase above the projected target of \$43. Likewise, MBDA uses this formula to calculate the ROI for each National Enterprise Center (NEC) as well as each project funded. This is a good measurement to ensure that the money being spent is achieving results. The Agency management and staff are making every effort to improve organizational effectiveness and deliver quality service to the minority business community.

## Long-term Performance Measure

MBDA identified the increase in client firms, gross receipts and job creation as its primary long-term measures to reach parity with the minority population growth. By assisting clients to obtain new opportunities, firms will grow, increase receipts and hire more employees, creating new jobs. This measure is supported by the MBDA Strategic Growth Initiative and the Summary of Business Owners prepared by the Census Bureau every 5 years. This Census report shows the growth of minority firms compared to all U.S. firms. In the 2002 report, minority firms have increased 35% compared to 10% for all firms. (See Chart 5 on page 53) MBE firms are encouraged to form joint ventures to successfully bid for larger prime contract awards. In FY 2007, eighty-three percent of all transactions obtained by the agency went to SGI firms.

## Project Effectiveness Measure

MBDA reviewed the status of its funded projects on a weekly basis. Electronic reports were available for project monitors and senior managers to review the progress of each funded organization. Quarterly Desk assessments and semi-annual evaluation reports were conducted to track progress and verify reported performance activity. Projects that fall behind and not meeting objectives received intervention support and assistance by NEC staff. A project rating system is mandated by the Federal Funding Opportunity notice. Each project received an annual calendar year rating. Projects that could not maintain a satisfactory rating (80% score) could be terminated and the project re-advertised. In FY 2007 several projects were no renewed or terminated and were re-advertised. Some were renewed with Special Conditions that had to be met in FY 2008 in order to continue their operation.






**Table 20: MBDA Accomplishments during the George W. Bush Administration**

Performance Measures	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Total Number of Clients Served	New	5,600	7,647	29,583	18,500	20,223	Retired	Retired
Number of Contracts Secured	New	New	3,492	2,475	2,257	913	Retired	
Dollar Value of Contract Awards	\$1.6B	\$1.3B	\$0.7M	\$1.0B	\$1.07B	\$1.171B	\$1.2B	Target
Number of Financial Awards Secured	1,155	1,512	539	679	483	275	Retired	Retired
Dollar Value Financial Awards Secured	\$0.6M	\$0.4M	\$0.6M	\$0.6M	\$0.602M	\$0.407M	\$575M	
Number of Employee Training Hours	New	9,817	9,874	7,446	7,175	4,560	Retired	Retired
Number of National And Regional Strategic Partnerships	New	6	6	231	231	231	220	220
Number Jobs Created	New	New	New	New	2,270	4,254	2,751	
Percent Client Gross Receipts (+ or -)	New	New	New	New	+30%	6.2%	5%	
Percent Increase in American Customer Satisfaction Index	New	New	57%	N/A	68%	N/A	72%	N/A

N/A indicates goals that were retired or not required that year

The Bush Administration has actively promoted performance results by the President's Management Agenda and the Government Performance and Results Act (GPRA). MBDA has successfully integrated the Budget and Performance elements to show that dollars

spent equals outcomes and results. Decisions by MBDA senior management have improved efficiency of operations and have shown outstanding accomplishments during the last six years.

**Table 21: MBDA Assistance by State in FY 2007  
As Reported by MBECs, NABECs and MBOCs**

State	NEC Region	MBEs Assisted	Hours of Assistance	# Financings	\$ Financings	# Contracts	\$ Contracts	Total Dollars	Jobs Created
Alabama	Atlanta	61	1,037	4	\$ 0.53 M	31	\$ 5.13 M	\$ 5.65 M	10
Alaska	San Francisco	7	119	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Arizona	San Francisco	134	1,446	8	\$ 28.06 M	35	\$ 15.65 M	\$ 43.71 M	108
Arkansas	Dallas	2	25	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
California	San Francisco	362	3,627	37	\$ 47.58 M	102	\$ 251.07 M	\$ 298.65 M	766
Colorado	Dallas	2	2	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Connecticut	New York	1	21	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Delaware	New York	1	4	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
District of Columbia	New York	85	506	12	\$ 5.08 M	2	\$ 1.55 M	\$ 6.63 M	0
Florida	Atlanta	300	2,317	8	\$ 2.68 M	25	\$ 75.62 M	\$ 78.30 M	171
Georgia	Atlanta	80	933	9	\$ 22.16 M	37	\$ 14.40 M	\$ 36.56 M	19
Hawaii	San Francisco	54	605	7	\$ 5.17 M	13	\$ 38.48 M	\$ 43.65 M	36
Idaho	San Francisco	1	19	1	\$ 0.88 M	7	\$ 2.48 M	\$ 3.36 M	6
Illinois	Chicago	101	2,109	18	\$ 9.34 M	25	\$ 194.94 M	\$ 204.28 M	270
Indiana	Chicago	75	755	8	\$ 8.71 M	6	\$ 7.90 M	\$ 16.61 M	231
Iowa	Chicago	2	0	0	\$ 0.00 M	2	\$ 24.00 M	\$ 24.00 M	7
Kansas	Chicago	1	1	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Louisiana	Dallas	108	873	0	\$ 0.00 M	16	\$ 1.88 M	\$ 1.88 M	0
Maine	New York	1	72	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0



**Table 22: MBDA Assistance by State in FY 2007  
As Reported by MBECs, NABECs and MBOCs (continued)**

State	NEC Region	MBEs Assisted	Hours of Assistance	# Financings	\$ Financings	# Contracts	\$ Contracts	Total Dollars	Jobs Created
Maryland	New York	219	929	4	\$ 80.00 M	12	\$ 44.27 M	\$ 124.27 M	19
Massachusetts	New York	3	50	1	\$ 2.00 M	4	\$ 1.39 M	\$ 3.39 M	0
Michigan	Chicago	120	1,028	5	\$ 0.62 M	10	\$ 20.49 M	\$ 21.12 M	6
Minnesota	Chicago	72	2,547	12	\$ 1.90 M	20	\$ 16.23 M	\$ 18.13 M	50
Mississippi	Atlanta	1	10	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	10
Missouri	Chicago	20	343	1	\$ 0.42 M	2	\$ 5.18 M	\$ 5.59 M	0
Montana	Dallas	1	2	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Nevada	San Francisco	76	1,155	10	\$ 6.08 M	7	\$ 6.67 M	\$ 12.75 M	0
New Jersey	New York	58	571	3	\$ 2.12 M	3	\$ 4.39 M	\$ 6.51 M	51
New Mexico	Dallas	217	2,342	21	\$ 76.33 M	22	\$ 15.36 M	\$ 91.69 M	317
New York	New York	197	1,144	11	\$ 26.41 M	47	\$ 22.87 M	\$ 49.28 M	141
North Carolina	Atlanta	169	1,553	10	\$ 14.37 M	14	\$ 9.10 M	\$ 23.48 M	6
North Dakota	Dallas	25	301	4	\$ 2.57 M	17	\$ 8.13 M	\$ 10.70 M	68
Ohio	Chicago	12	15	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Oklahoma	Dallas	97	1,268	4	\$ 0.13 M	63	\$ 12.20 M	\$ 12.33 M	72
Oregon	San Francisco	11	384	0	\$ 0.00 M	12	\$ 21.06 M	\$ 21.06 M	7
Pennsylvania	New York	77	2,468	2	\$ 2.24 M	35	\$ 33.17 M	\$ 35.41 M	61
Puerto Rico	New York	138	1,876	16	\$ 13.58 M	40	\$ 22.07 M	\$ 35.65 M	62
South Carolina	Atlanta	82	1,447	12	\$ 1.86 M	12	\$ 7.15 M	\$ 9.01 M	194
South Dakota	Dallas	3	112	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Tennessee	Atlanta	3	17	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0
Texas	Dallas	426	5,722	39	\$ 100.29 M	47	\$ 96.60 M	\$ 196.90 M	288
Virginia	New York	109	711	2	\$ 1.60 M	21	\$ 55.91 M	\$ 57.51 M	405
Washington	San Francisco	116	1,209	12	\$ 3.37 M	22	\$ 26.91 M	\$ 30.28 M	53
Wisconsin	Chicago	7	20	0	\$ 0.00 M	7	\$ 25.64 M	\$ 25.64 M	0
Wyoming	Dallas	1	3	0	\$ 0.00 M	0	\$ 0.00 M	\$ 0.00 M	0

As reflected in Table 22 above, only the clients receiving assistance from MBDA's 41 funded projects during FY 2007 is noted. Unfortunately, it does not reflect over 20,000 MBEs from throughout the country assisted by the Internet Portal tools. Also, hundreds of clients call the agency, regions and districts and are referred to other resources to obtain services. Many clients that do not have an MBDA project locally or do business in multiple states have called upon an MBEC, NABEC or MBOC to obtain an opportunity. This is true of the MBE firms that attended MBDA B2B events in the Gulf Region or matchmaking conferences sponsored by MBDA.

As indicated, clients in Illinois, California, Texas, Maryland and New Mexico received the most transaction awards, both financings and contracts. Only Illinois, California and Texas remained the top producing states from FY 2006 to FY 2007. Maryland and New Mexico out produced Florida and New York. There were new states that surfaced in FY 2007 as top states where jobs were created, as a result of project services. These included California, Virginia, New York, Texas and Illinois.



**Table 23: The State of Minority Business Enterprises Total Firms, Total Gross Receipts and Total Paid Employees (1997 – 2002)**

Group	Year	Number of Firms	% Change	Gross Receipts (\$1,000)	% Change	Number of Employees	% Change
African American	2002	1,197,567	45%	\$88,641,608	24%	753,978	5%
	1997	823,499		\$71,214,662		718,341	
American Indian and Alaska Native	2002	201,387	Not Comparable	\$26,872,947	Not Comparable	191,270	Not Comparable
	1997	197,300		\$34,343,907		298,661	
Asian	2002	1,103,587	24%	\$326,663,445	8%	2,213,948	2%
	1997	893,590		\$302,794,624		2,169,033	
Hispanic	2002	1,573,464	31%	\$221,927,425	19%	1,536,795	11%
	1997	1,199,896		\$186,274,582		1,388,746	
Native Hawaiian and Other Pacific Islander	2002	28,948	49%	\$4,279,591	3%	29,319	-14%
	1997	19,370		\$4,138,358		34,047	
All Minority Firms	2002	3,958,610	30%	\$661,148,403	12%	4,675,382	4%
	1997	3,039,033		\$591,259,123		4,514,699	
Non-Minority Firms	2002	18,521,646	6%	\$8,122,392,743	4%	50,692,834	-7%
	1997	17,401,382		\$7,800,742,138		54,386,713	
Classifiable Firms (Minority + Non-Minority)	2002	22,480,256	10%	\$8,783,451,146	5%	55,368,216	-6%
	1997	20,440,415		\$8,392,001,261		58,901,412	
All U.S. Firms	2002	22,974,655	10%	\$22,603,658,904	22%	110,766,605	7%
	1997	20,821,934		\$18,553,243,047		103,359,815	

Source: U.S. Census Bureau's 2007 Special Tabulation for minority firms in 2002 acquired by MBDA, 2002 Survey of Business Owners, August 2006; 1997 Survey of Minority-Owned Business Enterprises, July 2001.

Table 23 denote the growth and development of minority-owned firms by ethnic group from 1997 to 2002. Final data was released by Census in August 2006. It presents each major minority group and the increase in total firms, gross receipts, and paid employees. Source: U.S. Census Bureau's 2007 Special Tabulation for Minority firms in 2002 acquired by MBDA, 2002 Survey of business Owners, August 2006; 1997 Survey of Minority-Owned Business Enterprises July 2001.

Minority firms grew by 35% in the five year period, while non-minority firms grew just 6%. Likewise, MBE gross receipts increased 13% while non-minority receipts increased just 4%. Finally, employees in MBE firms increased 5% while non-minority firms showed a minus 7% in employment.

Despite the substantial progress, MBEs continue to be proportionately underrepresented in the number of firms, employment and gross receipts compared to the minority population percentages. This reflects MBDA's Vision to attain entrepreneurial parity for MBEs in the future.





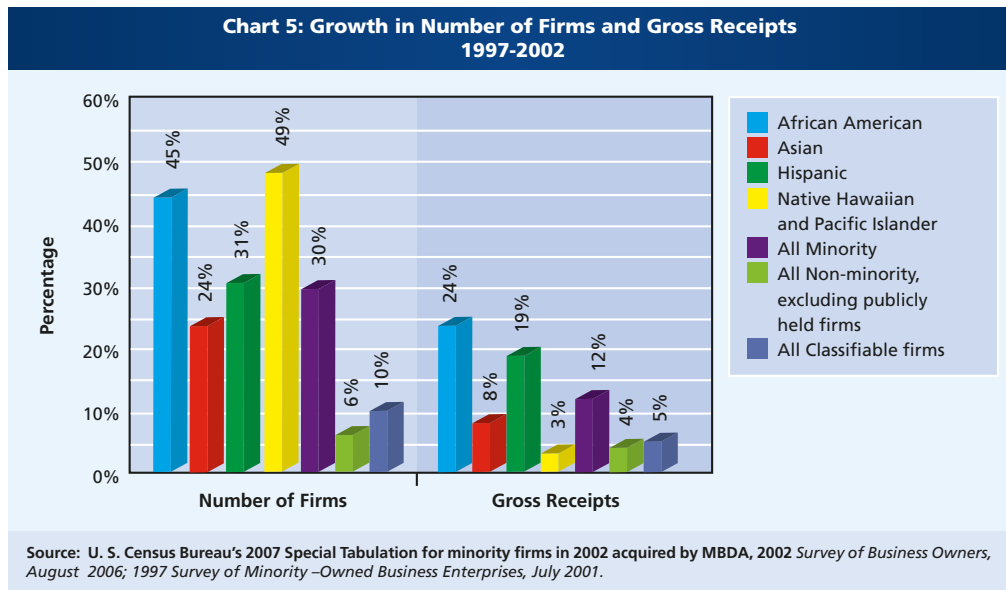
Table 24: Summary Statistics by Group - 2002

Group	Number of Firms	Total Gross Receipts	Average Gross Receipts	Paid Employees
African American	1,198,000	\$88.8 billion	\$74,000	757,000
American Indian & Alaska Native	201,000	\$26.9 billion	\$133,000	191,000
Asian	1,104,000	\$326.4 billion	\$296,000	2,213,000
Hispanic	1,574,000	\$222.0 billion	\$141,000	1,538,000
Native Hawaiian and Other Pacific Islander	29,000	4.3 billion	\$148,000	29,000
All Minority	<b>3,958,000</b>	<b>\$661.1 billion</b>	<b>\$167,000</b>	<b>4,675,000</b>
All U.S. Firms (excludes publicly-held and other non-classifiable firms)	22,480,000	\$8.8 trillion	\$391,000	55,368,000

Source: U.S. Census Bureau, 2002 Survey of Business Owners, August 2006, and 2007 Special Tabulation on total minority firms for 2002 acquired by MBDA.

- In 2002, there were 4 million minority business enterprises (MBEs), about 18% of all U.S. firms excluding publicly-held firms, non-profit, and foreign owned.
- MBEs generated gross receipts of \$661 billion, which is 7.5% of the gross receipts generated by all firms, excluding publicly-held and other non-classifiable firms.
- Minority firms employed about 4.7 million workers.

Chart 5: Growth in Number of Firms and Gross Receipts 1997-2002



### BETWEEN 1997 AND 2002:

- The number of MBEs increased by 30%. The number of non-minority firms increased by only 6%.
- Annual gross receipts generated by MBEs increased by 12%. Annual gross receipts generated by non-minority firms increased only 4% over the same period.
- The number of workers employed by MBEs grew by 4% between 1997 and 2002. Over the same period, the number of workers employed by non-minority firms declined 7%.



## Acronyms

**AAPI** - Asian Americans and Pacific Islanders

**B2B** - Business to Business

**CFO** - Chief Financial Officer

**DOC** - Department of Commerce

**EBLS** - Emerging Business Development Summit

**EMBL** - Emerging Minority Business Leaders

**FMFIA** - Federal Managers' Financial Integrity Act

**GPRA** - Government Performance and Results Act

**GSA** - General Services Administration

**ICIC** - Initiative for a Competitive Inner City

**IDIQ** - Indefinite Delivery, Indefinite Quantity

**KM** - Knowledge Management

**M&TA** - Managerial and Technical Assistance

**MBDA** - Minority Business Development Agency

**MBE** - Minority Business Enterprise

**MBEC** - Minority Business Enterprise Center

**MBOC** - Minority Business Opportunity Center

**MDCP** - Model Contractor Development Program

**MED Week** - Minority Enterprise Development Week

**MOU** - Memorandum of Understanding

**NABEC** - Native American Business Enterprise Center

**NEC** - National Enterprise Center

**NTIA** - National Telecommunications & Information Administration

**OBD** - Office of Business Development

**OMB** - Office of Management and Budget

**OPIC** - Overseas Private Investment Corporation

**OPPE** - Office of Performance and Program Evaluation

**PART** - Program Assessment Rating Tool

**PMA** - President's Management Agenda

**ROAI** - Return on the Agency Investment

**ROI** - Return on Investment

**SIGI** - Strategic Growth Initiative

**VERA** - Voluntary Early Retirement Authority

**VSIP** - Voluntary Separation Incentive Payment



## ACKNOWLEDGMENTS

The production of this Annual Performance Report for FY 2007 was an overall team effort. Recognition is noted to the Team Leader, Edith McCloud, Associate Director, and OPPE Program Analyst and Coordinator, Melda Cabrera. Without the assistance and input received from the various MBDA offices, this report would not have been possible. Special “Thanks” go to:

Office of Administration and Financial Management, Ronald Marin,

Office of Business Development - Efrain Gonzalez, Bernice Martinez, Ivonne Cunarro, Carlos Guzman; Kay Bills; and Michael Stallings

Office of Legislative, Education, and Intergovernmental Affairs, Bridgett Gonzales

Office of Office of Information, Technology, Research and Innovation, Yolanda Whitley, Frances Douglas, Srileka Reddy

National Enterprise Centers for the project narratives and their cooperation

The support and implementation of the Agency’s goals and objectives, along with the collection and analysis of valuable reported performance data required input from many. A hardy “Thank You” goes to all involved in reporting the progress of the Agency’s goals and initiatives to the minority business community.







---

THE MINORITY BUSINESS DEVELOPMENT  
AGENCY MISSION IS TO ENHANCE THE  
GROWTH AND EXPANSION OF MINORITY  
BUSINESS ENTERPRISES.



1401 Constitution Avenue, Room 5093  
Washington, DC 20230

[www.mbda.gov](http://www.mbda.gov) • 1-888-324-1551