

Minutes
Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)
November 8-9, 2004
Raleigh, North Carolina

Board Members Present: Scott Daugherty (Chairman); Don Wilson (President); Georgianna Parkin (Vice Chair); Roy Miller (Secretary); Henry Turner (Treasurer); Carol Lopucki; Carmen Marti; John Massaua; Mark Petrilli; Clinton Tymes.

Others Present: Donna Ettenson; Dan O'Grady.

Call to Order: The meeting was called to order by Chairman Daugherty at 1:00 p.m. (Eastern Time) on Monday, November 8, 2004.

Approval of Minutes:

Minutes of the Board Meeting of September 26, 2004, in New Orleans, Louisiana: A correction was made to the draft minutes that were presented to the Board. Henry Turner moved that the minutes of the meeting of the Board of Directors of September 26, 2004, as corrected, be approved. Mark Petrilli seconded the motion, and the motion passed by voice vote.

Minutes of the Board Meeting of September 28, 2004, in New Orleans, Louisiana: A correction was made to the draft minutes that were presented to the Board. Carol Lopucki moved that the minutes of the meeting of the Board of Directors of September 28, 2004, as corrected, be approved. Clinton Tymes seconded the motion, and the motion passed by voice vote.

Financial Report: Treasurer Henry Turner presented the Association's financial statements and reported that the Association's financial position is sound.

The Board was informed that the ASBDC auditor recommended that the amount shown as deferred revenue on the Balance Sheet as of September 30 be recognized as income for 2004, and that the Board of Directors pass a motion to that effect. It was explained to the Board that the above amount represents half of the revenue from the dues surcharge for 2004. This amount was carried on the balance sheet as deferred income because the Association had expected to rebate this amount to the membership. However, the membership voted during the Spring, 2004 Membership meeting to forego the proposed rebate of half of the 2004 dues surcharge.

Motion: Clinton Tymes moved that the amount shown as deferred revenue on the Balance Sheet as of September 30 (representing half of the revenue from the dues surcharge for 2004), be recognized as income for 2004. Carmen Marti seconded the motion and the motion passed by voice vote.

John Massaua moved that the above amount, now recognized as income for 2004, be moved into the Association's reserve fund. It was suggested that the decision to transfer the above amount to the reserve fund be postponed until the audited financials for 2004 have been completed, and the motion was withdrawn.

Briefing on Board Related Issues: Don Wilson briefed the Board on issues affecting association board members. He noted that board members have fiduciary responsibilities and liabilities, and that the Association has a Directors and Officers (D&O) insurance policy. He noted that the Association's auditor is hired by the Board and reports to the Board, and that the auditor will attend the ASBDC Spring Meeting to report to the Board.

Cost of Travel: A question was raised about the financial burden placed on Board members as a result of paying for their own transportation to Board meetings. Chairman Daugherty recommended that Board members John Massaua, Mark Petrilli and Henry Turner study the potential cost to the Association of paying for Board members' travel to the Board's three annual, in-person meetings (other than the Fall and Spring meetings). Chairman Daugherty also recommended that the above three Board members study the potential cost to the Association of paying for the travel of ASBDC committee members to and from committee meetings, and report to the Board by the December Board meeting so that the findings can be considered in time for the development of the Association's 2005 budget.

President's Report: Don Wilson reported on the following:

- 1) Election Results -- Don Wilson reported on changes that might result in Congress and the Administration as a result of the elections.
- 2) Appropriations and Reauthorization -- Don Wilson reported that Congress will try to pass an omnibus appropriations bill that combines the unfinished FY 2005 appropriations bills (including the Commerce-Justice-State appropriations bill that funds the SBDC network) when the House and Senate reconvene for a lame-duck session in mid-November. House Small Business Committee staff informed the ASBDC that an SBA reauthorization bill of some kind (excluding any provisions opposed by the Administration) could be included in an omnibus bill.
- 3) SBA Goaling -- Don Wilson reported that the ASBDC is working with SBA on goaling. The Board also discussed the SBA's desire to distribute funds based on performance, as opposed to population, as provided by Federal law.
- 4) Veterans' Training -- Don Wilson reported on the status of the implementation of the new law allowing veterans to use their education benefits to take entrepreneurship courses at SBDCs. He emphasized the importance of the SBDC network's participation in this Congressional initiative.
- 5) ASBDC Website -- Don Wilson reported on steps being taken to improve the ASBDC website. He asked that state and regional directors ask the members of their networks for their views on the content they would like to see on a reformatted ASBDC website.

- 6) Outreach to Minorities -- Don Wilson reported on the Association's work with the International Franchise Association to reach out to minority entrepreneurs interested in being franchisees, and to train SBDC counselors on franchising so they can better serve SBDC clients and especially minority entrepreneurs interested in franchising. He also reported that he will be meeting in the near future with the leadership of the Black Chamber of Commerce, the Hispanic Chamber, and the Pan-Asian Chamber.
- 7) Meeting with NIST/MEP Program -- Don Wilson reported that Dan O'Grady and he met with staff of the NIST/MEP program, along with representatives of the Office of SBDCs from SBA. Staff of the NIST/MEP program want to work with ASBDC. The NIST/MEP program is moving away from process assistance (because such services are commercially available) and into management assistance. NIST/MEP staff members are familiar with the proposal developed by the ASBDC Manufacturing Task Force.
- 8) SBA Impact Survey -- Don Wilson reported that the SBA has asked if ASBDC or the Pennsylvania SBDC could pay for the cost of adding data from Pennsylvania to the SBA Impact Survey report, because that data was submitted too late to be included in the original aggregation of nationwide data.
- 9) Chrisman Report -- The Board discussed whether the national Chrisman survey should be conducted annually, and whether all state and regional SBDC networks should conduct Chrisman surveys annually. It was also suggested that the Chrisman survey should gather information about the sustainability of the businesses of SBDC clients.
- 10) National Urban League Initiative -- It was suggested that the Association look at ways to work with the National Urban League, in the implementation of the President's entrepreneurship initiative involving the Urban League and the Kaufmann Foundation.

Overview of the 2003-2004 Year: Chairman Daugherty reviewed the Association's initiatives during the previous year. He recalled that a year earlier the Board had identified five key areas on which the Board should focus, including national branding and marketing; communications excellence; membership engagement; the SBA relationship; and funding and stakeholder relations. He noted that the Marketing Task Force's work had furthered national branding and marketing efforts, and the weekly *Member Connection* newsletter had furthered communication efforts. In addition, the Association made progress in member involvement, as Association committees were now reaching out to associate directors and other members of the network. He also noted that there is a good team at SBA's Office of SBDCs, and efforts on funding and outreach to stakeholders continue.

Developing an Action Agenda for 2004-2005: The Board identified the following five key areas on which the Board should focus in the coming year --

1. National Branding/Marketing/External Communications
2. Internal Communications Excellence
3. Membership Engagement and Development

4. SBA Relationship
5. Funding and Stakeholders

The Board identified action items in each of the above key areas, as follows:

1. National Branding/Marketing/External Communications
 - a. Identify key partners to help implement the ASBDC marketing plan
 - b. Improve communication with stakeholders
 - c. Consider assistance from a public relations firm for 25th Anniversary activities.
2. Internal Communications Excellence
 - a. Continue the *Member Connection* newsletter
 - b. Reestablish the calling tree to inform members about items considered at Board meetings and to do follow-up calls about legislative developments. (Staff should propose a division of the membership among Board members for purposes of reinstating the calling tree.)
 - c. Improve communication with counselors
 - d. Engage counselors in the Association's work. (Carol Lopucki, John Massaua, Georgianna Parkin Henry Turner and Clinton Tymes will develop ways to accomplish this goal.)
 - e. Encourage members to hold regional meetings of state/regional directors
 - f. Keep associate state/regional directors informed about the Board's work
3. Membership Engagement and Development
 - a. Selection of State and Regional Directors
 - i. Early identification of changes
 - ii. ASBDC Chair contacts host to offer assistance
 - iii. Distribute succession plan template
 - iv. Include information in the Program Announcement about the selection of the state/regional director
 - v. Strengthen accreditation standards on the selection of state/regional directors
 - vi. Develop a form letter to send to a host institution when a host is changing its state/regional SBDC director, about issues the host should consider during the change
 - vii. Urge departing state/regional directors to notify ASBDC of any upcoming change in state/regional SBDC leadership
 - viii. Accreditation Committee to systematically contact new state/regional directors
 - b. Training and Development of State/Regional Directors

- i. Continue annual new director training
 - ii. Encourage new state/regional directors to visit other state/regional networks
 - iii. Develop topic-driven, monthly state/regional directors study group
 - iv. Add day-long state/regional director and associate director training to the ASBDC Annual Conference
 - v. Increase networking opportunities for state/regional directors at the ASBDC Annual Conference
 - c. ASBDC Annual Conference
 - i. Center director training
 - ii. Market and promote participation in committees and task forces
 - iii. Increase committee and task force recognition
 - d. Broadened Membership Involvement in Committees and Task Forces
 - i. Broaden involvement in national branding and marketing
 - ii. Enable committees and task forces to use the *Member Connection* newsletter to report on their activities
 - e. Counselor Certification
 - i. Engage experts in entrepreneurship to develop a curriculum
 - ii. Find a third party to administer the certification
 - iii. Include a test component
 - iv. Offer as a staff opportunity at each individual's expense
- 4. SBA Relationship

Continue to do our best to build and maintain a strong partnership with SBA, at all levels, including top administrators, field operations, the Office of SBDCs and the regional and district offices.
- 5. Funding and Stakeholders
 - a. Funding
 - i. ASBDC sponsorships by corporate partners
 - ii. Federal SBDC budget
 - iii. Other Federal funding sources
 - iv. Private and foundation funding
 - b. Stakeholders

- i. Build relationship with National Governors' Association and National Council of State Legislatures
- ii. Build on relationships with U.S. Chamber; small business groups; IFA, ethnic chambers; corporate sponsors, and trade groups such as bankers.
- iii. Build on relationships with host institutions and other state stakeholders
- iv. Convene a quarterly roundtable of stakeholders

ASBDC Website: Don Wilson asked the Board for feedback on a proposal which he presented to strengthen the ASBDC website. Don Wilson suggested the establishment of a committee or subcommittee to provide input to ASBDC staff on content for the website.

The Future of NxLevel / Opportunities with FastTrac: The Board discussed the need for the ASBDC to obtain or develop its own branded entrepreneurship training program. Options discussed included NxLevel, FastTrac and a program that could be developed by the ASBDC.

Motion: John Massaua moved that the Board of Directors take the position that the ASBDC should have its own branded entrepreneurship training program, and that the Board direct staff and an ASBDC committee to seek to obtain or develop such a program by September of 2005. Roy Miller seconded the motion, and the motion passed by voice vote.

Committees, Task Forces and Interest Groups: It was suggested that the ASBDC create a counselor engagement task force. The Board reviewed the Chairman's recommendations for chairs of the Association's committees, task forces and interest groups.

Motion: Clinton Tymes moved that the Board accept the Chairman's recommendations for chairs of the Association's committees, task forces and interest groups. Carmen Marti seconded the motion and the motion passed by voice vote.

Chrisman Report: The Board discussed the need to commission the Chrisman survey on an annual basis. ASBDC staff will factor the cost of conducting the Chrisman survey on an annual basis into the development of the 2005 ASBDC budget recommendation to the Board.

Other Business:

Community Express Loan Program -- a member of the Board reported on a recent study indicating problems with the Community Express Loan Program, including making more and larger loans to non-minorities.

Conference Committee -- a member of the Board expressed the view that the ASBDC Conference Committee should be more involved in planning the Association's Annual Conference.

Conference Materials -- a member of the Board expressed the view that certain material distributed by ASBDC sponsors at the Fall Conference displayed the sponsor's logo too visibly.

Executive Session: The Board entered executive session at noon to discuss privileged matters.

Adjournment: Clinton Tymes moved that the meeting be adjourned. The motion was seconded by Georgianna Parkin, and the motion passed by voice vote. The meeting was adjourned at 12:10 p.m. on Tuesday, November 9, 2004.

Next Meeting of the Board: The next meeting of the Board will be held by conference call on Tuesday, November 23, at 1:00 p.m. (Eastern Time). Regular meetings of the Board are held by conference call on the 4th Tuesday of every month at 1:00 p.m. (Eastern Time), except when the Board meets in person in February, June and September.

Submitted by Roy Miller, Board Secretary, ASBDC