

**Minutes**  
**Board of Directors Meeting**  
Association of Small Business Development Centers (ASBDC)  
October 30-31, 2003  
Chicago, Illinois

Board Members Present:	Scott Daugherty Don Wilson Liz Klimback Henry Turner Jim Hogge	Doug Gurley Georgianna Parkin Grady Pennington Mark Petrilli Clinton Tymes
Others Present:	Albert Laabs Roy Miller Mike Young	Donna Ettenson Dan O'Grady

**Call to Order:** The meeting of the Board of Directors was called to order by Chairman Scott Daugherty at 1:10 p.m. on Thursday, October 30, 2003, in Chicago, Illinois.

**Approval of Minutes of October 3:** Clinton Tymes moved that the minutes of the special meeting of the Board of Directors of October 3, 2003 in San Diego, California be approved. Mark Petrilli seconded the motion and the motion passed unanimously by voice vote.

Consideration of the minutes of the meeting of the Board of Directors of September 30, 2003 was postponed until October 31, 2003.

**Financial Update:** Treasurer Jim Hogge reviewed the ASBDC Profit & Loss Budget vs. Actual Statement (for January through September, 2003) and the ASBDC Balance Sheet (as of September 30, 2003), and reported that the Association is operating within budget. Both of the above documents are attached.

Don Wilson reviewed a preliminary statement of income and expenses from the ASBDC Fall 2003 Conference, and reported that the Association's estimated net income from the conference is \$25,338.53 (compared to \$18,348.28, which was the net income that was originally budgeted for the conference assuming expenses are at budgeted levels). Don noted that the October financials should include all income and expenses from the conference.

**President's Report:**

Fall Conference: Don Wilson reported that the professional development function of the ASBDC Fall Conference appears to have been very successful, with participants giving very high ratings to the education programs in comments made at conference, letters

received since conference and some preliminary surveys. The conference attendee survey is in the field, and ASBDC should have some preliminary tabulations shortly.

Appropriations: Don Wilson reported that the Commerce-Justice-State appropriations bill (which provides Federal funding for the SBDC network) is tied up in the Senate, where it faces opposition on telecommunications issues and cuts in FBI and State Department funding. He said that Congress would pass another short-term Continuing Resolution lasting through November 7 to fund Federal programs, such as the SBDC network, for which Congress has not yet passed an FY 2004 appropriation bill. A subsequent short-term Continuing Resolution is also likely.

Reauthorization Bill: Don Wilson reported that the SBA Reauthorization bill is tied up in the House, where it has been referred to the Government Reform Committee for consideration of non-SBDC issues including government contracting. He said that the status of the California SBDCs is still undetermined in the House, where an amendment could be offered to the bill addressing the California SBDCs when the bill reaches the House floor. Don Wilson noted that a letter has gone to Chairman Manzullo and Ranking Member Velazquez detailing ASBDC's support for grandfathering the six California SBDCs in the Reauthorization bill. Discussions have also been held with Small Business Committee staff.

Veterans Legislation: HR 1460, which among other provisions would allow veterans to use their educational benefits to take non-credit entrepreneurship courses, is stalled as a result of contracting issues. Don also reported that the Veterans Entrepreneurship Task Force (a group of veterans and entrepreneurship organizations on which the ASBDC serves), would like a Memorandum of Understanding with the ASBDC laying out measurable services for veterans.

Accreditation Funding: Don Wilson noted that the Accreditation Committee reportedly would like a greater role in decisions about the allocation of Federal funding for accreditation. Don noted that Federal funding for accreditation is provided to the Association by the SBA through a contract that limits funding to \$129,150 and limits the amounts that can be spent on various activities. For example, the contract provides \$2,000 for two meetings of the accreditation committee per year, to be held in conjunction with the Spring and Fall Association meetings. Don Wilson noted the funding constraints of the contract.

Chairman Scott Daugherty asked Treasurer Jim Hogge and Don Wilson to draft a summary of the Federal funding that the Association receives from the SBA contract for accreditation, including limits on funding and activities, the risk of exposure for Association funds, and the fact that the Association had to spend money from the Association's funds in the previous year to cover Accreditation Committee expenses that exceeded the funding provided in the SBA contract for accreditation. Scott will draft a letter on this matter to the Accreditation Committee, circulate the letter to Board members, and then send the letter to the Accreditation Committee. Scott also noted that a

discussion is needed about support from the Association for the work of the Accreditation Committee.

### **Briefing On Board Related Issues:**

Virginia Certification: Don Wilson reported that the Association is now certified to do business in Virginia, and the ASBDC Foundation's Virginia incorporation has been reinstated by the Commonwealth of Virginia.

Directors and Officers Insurance: Don Wilson reported that the Association has insurance for Directors and Officers that provides \$1 million in coverage. However, Don noted that he has asked the Association's broker to look into whether it may be advisable to increase coverage to \$2 million.

Board Expenses: Don Wilson noted that the Association will be developing next year's budget in the near future and needs to know which travel expenses incurred by Board members attending Board meetings should be covered by the Association. The Board discussed the question of travel reimbursement and decided to continue the practice of individual Board members paying their own travel, meal and incidental costs to attend Board meetings, with the Association paying for Board members' hotel rooms and group meals. Hardship situations will be considered on a case-by-case basis.

ASBDC Foundation: Chairman Scott Daugherty asked about the status of the ASBDC Foundation. Don Wilson reported that the ASBDC Foundation was reinstated by the Commonwealth of Virginia on October 10, 2003, after being automatically terminated on March 31, 1999. The Foundation's Board of Directors is comprised of the Officers of the ASBDC. The Foundation was created as a 501(c)(3) not-for-profit entity to receive funds from 501(c)(3) entities, such as the Kauffman Foundation, which prefer to donate funding to other 501(c)(3) not-for-profit entities.

Don Wilson noted that the Board needed to pass a resolution authorizing the new Chairman and new Treasurer to be signatories on the Association's bank accounts, in addition to the President and Vice President for Operations.

Clinton Tymes moved that the ASBDC Chairman, President, Treasurer and Vice President for Operations be authorized to be signatories on ASBDC bank accounts. Liz Klimback seconded the motion and the motion passed by voice vote.

**Counselor Certification Update:** Clinton Tymes updated the Board on the work of the ASBDC Counselor Certification Task Force. The Task Force has had discussions with the Kauffman Foundation and a leading credentialing organization called Professional Exam Services (P.E.S.) in New York, about involving a third party in an ASBDC counselor certification program. The Kauffman Foundation has asked for a white paper on an ASBDC counselor certification program, and the ASBDC Counselor Certification Task Force would like to send a survey to all participants in the ASBDC Fall Conference in San Diego, and all State and Regional SBDC Directors and Associate Directors, seeking input on the development of a counselor certification

program. Members of the Board asked for a few days to review the survey before it is sent out by the ASBDC Counselor Certification Task Force.

**Summary of Board Member Input from the Meeting of October 3:** Chairman Scott Daugherty reviewed a list of items raised at the Board Meeting of October 3, 2003 in San Diego. Items discussed included the following:

Articles of Incorporation: Scott recommended to the Board that a small task force be selected to consider changes to the ASBDC Articles of Incorporation, including the issue of voting rights. Changes could be considered at the membership meeting in the spring, so the task force will have to be ready to report to the Board by mid-December to meet the requirement of 30 days notice to the membership of proposed changes to the Articles of Incorporation.

The question was raised as to whether the membership could approve amendments to the Articles of Incorporation and the ASBDC Bylaws at the same meeting, and Don Wilson said he would consult the ASBDC lawyers about that question.

Chrisman Study: 2004 is a Chrisman study year. The Association will need to hire a part-time person to process the survey for 3-4 hours a day for eight weeks. Also, the Board agreed to discuss with Bridget Bean of the SBA Office of SBDCs the status of the SBA impact survey of SBDC clients using selected 2002 Chrisman Study mailing labels.

Weekly "Member Connection" Newsletter: Member response to the new weekly "Member Connection" newsletter has been positive. The weekly "Member Connection" is being archived on the ASBDC website. A few wrinkles still need to be ironed out however, such as: some members have reported not being able to see the graphics, and some members report not receiving the "Member Connection" in some weeks.

Other Membership Communications: The question was raised as to whether a Board calling tree is necessary. Some Board members stated that a calling tree would be redundant given the publication of the weekly "Member Connection," while others stated that there is value in active communications such as a calling tree, with each Board Member addressing the same issues in three or four bullet points. The Board also discussed the possibility of holding annual regional SBDC meetings, attended by Board members and others. It was also suggested that the Board hold quarterly forums with members, using web-based technology.

ASBDC Website: It was suggested that three or four people in the national SBDC network be asked to work with the ASBDC in the development of its website.

New Director Support: The Board discussed ways to assist new State and Regional SBDC directors. Each Board member volunteered to call new State and Regional SBDC directors to let them know that the Association would like to help them in their new jobs, and then seek volunteers through Hank Logan (who is in charge of New Director

Training). Board members volunteered to call new State and Regional directors as follows:

Grady Pennington → Christine Martin, Mary Wylie  
Jim Hogge → Janice Rhodd  
Liz Klimback → Bill Carter  
Mark Petrilli → Michael Myhre  
Scott Daugherty → Blake Escudier  
Clinton Tymes → Helen Sullivan, Vi Pham  
Georgianna Parkin → Mike Fronmueller and Debbie Cours  
Doug Gurley → Jonathan Pedro  
Henry Turner → Sterling Francom

Also discussed were the possibility of creating a discussion forum on the ASBDC website, through which new State and Regional SBDC directors could ask questions of a small number of experienced directors; initiating a monthly communication from the Board to new directors; and renewing the practice of contacting host institutions when State or Regional SBDC directors leave, to recommend that the host institution include a State or Regional SBDC director on its search committee.

Accreditation: The Board discussed whether the Board should conduct the annual survey of SBDC programs that have been reviewed during the previous year by the Accreditation Committee. This would separate the accreditation examination from the follow-on survey. The survey could be done in writing, on the internet, with responses sent to a neutral entity. Responses could be anonymous, identifying by name only those who did not respond. Also discussed were the questions of whether there should be term limits for members serving on the Accreditation Committee, and whether Accreditation Committee members should be Baldrige certified.

**Setting an Action Agenda for the Board and the Association:** The Board discussed five key objectives for the Board and the Association, as follows --

#### KEY OBJECTIVES

1. National and State Branding
2. Communication Excellence
3. Membership Engagement
4. SBA Relationship
5. Funding and Stakeholders

The Board then developed a list of action items needed to achieve the second key objective (Communication Excellence), as follows:

2. Communication Excellence -- Action Items
  - a. Eliciting membership feedback to the Association

- b. Providing weekly communication to the membership
- c. Providing quarterly communication to the membership
- d. Sharing Best Practices (including incorporating details of best practices in accreditation reports)
- e. Holding regional forums (with minutes to be shared with the Association)
- f. Providing communications to new state and regional SBDC directors
- g. Developing a speakers bureau

**Issues to Discuss with Bridget Bean:** The Board developed a list of issues to be discussed with Bridget Bean of the SBA Office of SBDCs, including:

- The SBA Strategic Plan
- Community Express loan program
- Goaling and repetition of numbers
- SBA impact survey and the Chrisman study
- Accessing the SBA-SBDC intranet website
- EDMIS and reporting forms (such as forms 641 and 641a)
- Difficulty of finding the SBDC link on the SBA website
- SBA efforts to market the SBDC program
- Improving the SBA's position on funding for the SBDC program
- Developing a common legislative agenda
- How can the ASBDC help the SBA Office of SBDCs?

**Recess:** The Board meeting recessed at approximately 6:00 p.m. on Thursday evening.

**Reconvening:** The Board meeting reconvened at 7:30 a.m. on Friday morning, October 31, 2003.

**Setting an Action Agenda for the Board and the Association:** The Board continued the consideration of key objectives for the Board and the Association, developing a list of action items needed to achieve the first key objective (National and State branding), as follows:

1. National and State Branding -- Action Items
  - a. Pulling the SBDC network together at a national level
  - b. Improved common product lines and common language
  - c. Developing an information clearinghouse
  - d. Developing the website at a national level
  - e. Publishing an annual report
  - f. Publishing the Needs Assessment Report
  - g. Developing a message
  - h. Increasing the frequency of communications
  - i. Promoting the connection between State/Regional SBDC networks and the national Association
  - j. Positioning the SBDC network with other organizations

- k. Developing the relationship with our key partner, the SBA (and plugging into the SBA Transition plan)
- l. Continuing professional development and enhancing our competitive advantage
- m. Developing high profile “presence” through such means as billboards, major media, radio and television.
- n. Using our leverage factor, by involving our host institutions (students, faculty, labs, research, etc.)
- o. Developing a factored brand (state by state)
- p. Keeping small business and entrepreneurship as a priority
- q. Considering a shorter name for the network, to make it easier to remember
- r. Accessing advertising and public relations expertise
- s. Educating others
- t. Finding champions, such as high level individuals, university presidents, etc.

**ASBD1 Website:** The Board discussed a website established recently called ASBD1. The website implies that it is part of America’s SBDC Network. For \$3,500 the website promises to develop a business plan. ASBDC lawyers are looking into the matter.

**Meeting with Bridget Bean, SBA Office of SBDCs:** The Board welcomed Bridget Bean, Acting Associate Administrator of the SBA Office of SBDCs. Chairman Scott Daugherty reviewed with Ms. Bean the five key objectives discussed by the Board and the issues the Board wanted to discuss with her. Ms. Bean then addressed several issues, including:

SBA Impact Survey: Ms. Bean gave the board an update on the SBA’s SBDC impact survey. The impact survey was supposed to have been done a year ago. Now the list of survey recipients (to be drawn from the 2002 Chrisman Study) is old, with some SBDC clients being served as long as four years ago. Ms. Bean proposed including ASBDC in a meeting at the SBA to discuss the impact study.

Tom Mueller: Ms. Bean informed the Board that Tom Mueller of the SBA Office of SBDCs will become the District Director in Ohio on December 1. Ms. Bean would like the SBDC network’s help to advertise the job opening at the Office of SBDCs created by Tom Mueller’s departure.

SBA website listing of SBDC network: Ms. Bean informed the Board that she is working to have the SBDC network displayed on the SBA website’s homepage.

Goaling: Ms. Bean informed the Board that the SBA’s Entrepreneurial Development Goals for 2004 are still in development. Ms. Bean wants the Goals to be re-adjusted. Currently proposed Goals require some districts to increase their numbers by as much as 82% while others do not have to meet their current numbers. SBA Field Ops will reconvene the Goaling Committee.

Ms. Bean was informed by the Board that some of the numbers being used by the SBA are incorrect.

Ms. Bean stated that she would like the ASBDC's input into which fields should be included in the Execution Scorecard, and into what activities should be measured that are not currently being counted (for example, counting persons who visit SBDC websites).

Proposed SBA-SBDC Partnership Task Force: Ms. Bean informed the Board that she has proposed to the SBA that it create an SBA-SBDC Task Force to consider communications; redefining the SBA-SBDC partnership; and changing expectations. The Task Force would involve key ASBDC representatives and a variety of SBA personnel, and it would be led by an independent facilitator. The Task Force would report its recommendations to Deputy SBA Administrator Melanie Sabelhaus.

SBA Counselor John Whitmore: Ms. Bean informed the Board that SBA Counselor John Whitmore would like to meet with the ASBDC membership during the Association's meeting in the spring.

Community Express Loan Program: Members of the Board informed Ms. Bean of concerns about the Community Express (Innovative Bank) loan program. The loan program may involve fees which are prohibited by statute. The program is being supported by SBA District Directors because it helps them meet their Goaling numbers. The issue was also raised that SBA may be certifying Training Assistance providers. Ms. Bean stated that she would look into this matter.

EDMIS: Ms. Bean stated that she would like the Association's views on how to make EDMIS work. She praised the work of the ASBDC EDMIS committee and stated that she looks forward to continuing to work with the committee.

Meeting of Entrepreneurial Development Programs: Ms. Bean informed the Board that Ken Yancey, the president of SCORE, would like to host a two-day meeting of entrepreneurial development programs (including SBDCs, SCORE, Women's Centers) to consider definitions, what should be counted, and how it should be counted. The Board expressed the Association's willingness to participate in such a meeting.

SBA Strategic Plan: Ms. Bean informed the Board that the SBA has a new Strategic Plan, and she stated that she would share the Plan with the Association.

**Setting an Action Agenda for the Board and the Association:** The Board returned to the consideration of key objectives for the Board and the Association.

Chairman Scott Daugherty stated that the numerous committees, task forces and other groups should be restructured to address the key objectives of the Association, and the resulting smaller number of committees should do more to involve members of the Association.

Members of the Board took responsibility for further development of action items to accomplish the key objectives discussed by the Board, as follows:



1. National and State Branding → Georgianna Parkin and Liz Klimback
2. Communications Excellence → Mark Petrilli and Jim Hogge
3. Membership Engagement → Henry Turner and Grady Pennington
4. SBA Relationship → Scott Daugherty and Don Wilson
5. Funding and Stakeholders → Clinton Tymes and Doug Gurley

Chairman Scott Daugherty will send a template to each of the Board members for use in developing action items to accomplish the key objectives.

The Board then turned to developing a list of action items needed to achieve the fifth key objective (Funding and Stakeholders), as follows:

5. Funding and Stakeholders -- Action Items

- a. SBA funding
- b. Other Federal funding sources
- c. Private partnerships (corporate/foundations)
- d. Special initiatives (for example, manufacturing, homeland security, agriculture, rural development, etc.)
- e. NxLevel course with Farm Bureau
- f. Management and technical assistance for members of the American Veterinary Medical Society
- g. Sharing funding opportunities within the SBDC network
- h. National Business Incubator Association (NBIA)
- i. Veterans' organizations
- j. SBIR/STTR
- k. Regulatory compliance
- l. Government contracting and procurement

**NxLevel:** The Board discussed the status of NxLevel. NxLevel is no longer associated with Salt Lake Community College or any other entity. There may be an opportunity for the Association and NxLevel to be directly affiliated. Treasurer Jim Hogge and Don Wilson will look into this matter and bring options to the Board for decision.

**2004 Fall Conference Committee:** The Board agreed to accept the offer from Steve Jacoby to continue as the Conference Committee chair for 2004.

**Survey of Coordination with MEPs:** The Board received the results of the Association's informal survey of coordination with the Manufacturing Extension Partnership (MEP) program, and asked staff to share the survey results with the membership.

**Approval of Minutes of September 30:** Henry Turner moved that the minutes of the meeting of the Board of Directors of September 30, 2003 in San Diego, California be approved. Liz Klimback seconded the motion and the motion passed unanimously by voice vote.

**Adjournment:** Jim Hogge moved that the Board meeting be adjourned. Clinton Tymes seconded the motion and the motion passed by voice vote. The Board meeting was adjourned at approximately 10:45 a.m..

**Next meetings:** Regular meetings of the Board will be held on the 4<sup>th</sup> Tuesday of every month at 1 p.m. (Eastern Time), except in December, when the Board will meet on the third Tuesday of the month. The next meeting of the Board of Directors will be held on November 25, 2003 (by conference call), and the following meeting will be held on December 16, 2003 (by conference call). Face-to-face meetings of the Board will be held in conjunction with the ASBDC spring membership meeting and the ASBDC Fall membership meeting. A face-to-face meeting of the Board is also likely in June. In addition, the Board might meet face-to-face for consideration of the ASBDC budget for 2004.

Submitted by Henry Turner, Secretary, ASBDC

Attachments: 1. ASBDC Balance Sheet  
2. ASBDC Profit & Loss Budget vs. Actual