

## ASBDC Board Meeting Minutes for November 10<sup>th</sup> & 11<sup>th</sup>, 2016

### **Board Members Present:**

Mike Myhre, Board Chairman  
Charles "Tee" Rowe, President & CEO  
Janice Washington, Vice-Chair  
Greg Panichello, Treasurer (on-line/phone)  
Terry Chambers, Board Secretary  
Board Member Katie Sewell was absent due to a conflict with an accreditation review.

Michele Abraham, Member  
Christian Conroy, Member  
Bill Cummins, Member  
Mark Langford, Member  
Georgianna Parkin, Member

### **Non-Board Members Present:**

Kathy Wiltse, 11/10/16  
Donna Ettenson, ASBDC, 11/10 & 11  
April Youngblut ASBDC, 11/10  
Adrianna Menchaca-Gendron, SBA, 11/10

Vicky Mundt, SBA, 11/10  
Scott Daugherty 11/11/16  
Jason Dorsey, presenter on the 11/10

Chairman Mike Myhre called the meeting to order at 8:31 AM EST.  
Meeting was hosted on-line using Webex.

Mike Myhre summarized the agenda for the meeting and asked if others had additions.

Tee Rowe requested a discussion on Bill Carter's questions concerning requirements for SBA logo and disclaimer language on signage. Greg Panichello requested time to briefly discuss TradeMap. Christian Conroy requested a discussion of SBA comments at the meeting during the ASBDC conference concerning, "data driven decision making". Mike Myhre said he would address this request as part of his update on his and Tee Rowe's bi-weekly meeting with SBA's Adrianna Menchaca-Gendron and Vicky Mundt.

### **Approval of the November Board Meeting Minutes:**

Terry Chambers said he had sent the minutes to the Board for review and comment. Clarifications came from Michele Abraham and Tee Rowe. The final draft was sent out for Board review. Terry asked if there were any changes and Mike Myhre and Christian Conroy noted two minor changes.

Michele made a motion to accept the minutes with the noted minor changes and Janice Washington seconded the motion. The Board approved unanimously.

### **Chairman's Report:**

Mike Myhre discussed the AEO meeting feedback he had given in the attendee's survey. A white paper will go to the White House. Christian Conroy questioned the relevance of the report considering the election results. Mike Myhre suggested we let the matter lie for now and Janice Washington suggested we take the opportunity to respond by better promoting what we do.

Tee Rowe discussed the process for the development and publishing of the SBA Annual report on outcomes. It was noted that we supplied success stories and data. We were supposed to get a chance to review the report before it was published which did not occur. Mike Myhre noted that the metrics used covering all six SBA partners were not clarified (our numbers were long-term clients only), it did not differentiate between the organizations and misrepresented the SBDC outcomes and could be easily misunderstood. The report painted a picture of the SBDC as not delivering the same level of service for substantially greater funding. Bill Cummins asked about the distribution of the report, Mike Myhre noted that it was on the website, who it was sent to was unclear. Board discussed pros and cons of standardization numbers of the SBA partners, how to better differentiate the SBDC, intent of the report, sources of the data, legislator issues with dissimilar metrics used by various economic

development organizations and the inability to do comparative analysis. Mike Myhre commented that the SBDC should take a lead role in establishing metrics and the communication process. Michele Abraham said that we should be pro-active in developing our metrics and ensure that they enable us to distinguish ourselves for future communication to Congress.

Mike Myhre then summarized highlights of the Leadership Survey results. He noted we had about 50% response rate. The survey results are already in the Board Dropbox for detailed review. Mike Myhre will distribute to the Network. Bill Cummins suggested he list who had responded as well to help better understand the outcomes of the survey; Mike Myhre agreed to supply that information. Georgianna Parkin indicated that we should be seeing 80% participation with something this critical.

#### **President's Report:**

Tee Rowe summarized his written report. He indicated that the annual conference was financially successful and that we ended above break-even which is a positive compared to last year. The ASBDC team completed the site review of the Nashville location, which has 2,882 rooms. He noted that the ASBDC is working with 360 Live, a company that specializes in helping associations update and modernize their conference offerings to assist in management of the national conference.

Tee Rowe's congressional update included a briefing on initial election outcomes and impacts on which party had what control and potential changes to the strategic committees. Potential major program impacts may include inner city development, transportation and other initiatives that we may need to respond to. He indicated he is already in communication with several members and there seems to be an intent for Congress to try to finish up its work by mid-December. He stated that we know that the Appropriations Committee has almost completed work on the Financial Services bill, so he is hoping they'll be able to move that and various spending bills through. The Defense Authorization bill is still hanging fire but should be finished by Thanksgiving break. He also noted the transition teams are already in place and everything is moving forward on the transition process.

Tee Rowe also met with Intuit concerning their QB Connect program, their loans and our relationship with them to refresh advisors' knowledge on the new releases. Tee Rowe said he expects us to continue with a long-term relationship with Intuit. He has also met with American Express as they have indicated a desire to work with us. He also met with former SBA Administrator Karen Mills to discuss her working with Amex, as she is a valuable supporter of their partnership with SBDCs. Christian Conroy noted they (AMEX) are not the only provider out there now and clients are using other providers as well and we should keep this in mind from an Intuit expectation perspective. Michele Abraham asked why small businesses are changing which was briefly discussed.

Tee Rowe also discussed his attendance to the NAGGL Conference where he met with them and several other partners that attended. It was clear that NAGGL members knew little about us or the potential value of the SBDC to them. He made connections with 7a lenders that he hopes to encourage to attend our conference in order to strengthen the obvious synergy between SBDCs and 7a lenders. Christian Conroy asked if they might add value in our relationship with the SBA. Tee Rowe will take action to continue to shore-up this relationship. Bill Cummins asked about a potential MOU with NAGGL, Tee Rowe indicated not at this time. Mike Myhre noted that there are others to be discussed tomorrow as be part of our "circles of Influence" discussions. Christian Conroy asked about potential sponsorships from NAGGL, which appears unlikely but that large lender members are certainly candidates. Tee Rowe discussed opportunities like the Mid-Atlantic conference and other opportunities to keep relationships with big lenders alive and strong.

Tee Rowe reported that Brett Thibodeau and he have begun organizing activities for the Small Business Network of the Americas grant. He hopes to hire a PT employee under the grant to assist with management of the small grants portion of the overall grant. He noted that our first step is developing the marketing and outreach portion of the program.

Tee Rowe reviewed the plans for the Legislative reception indicating a request would go out to SDs for client suggestions for clients that could bring “hands-on” products as they seem to make the most impact on attendees. Donna Ettenson said that reimbursed travel costs would be limited to 2 members for each client company attending. Christian Conroy suggested that Tee Rowe engage the Marketing Committee for ideas of how we could better leverage the event for our clients and the association. A discussion followed on how to best leverage the event including using State flags behind client tables to help legislators identify them. Mike Myhre suggested that the client mix be very strategic and include key committee member states as well as topic critical issues. Christian Conroy, Michele Abraham, Mark Langford and Bill Cummins suggested a more open discussion with the members, using a theme based approach, showcasing clients with cyber security solutions, ensuring the clients outcomes are part of the discussion and ideas around using greeters and a registration desk.

Tee Rowe also updated the board on the Office of Veterans Business Development recent interfaces with various SBDC networks across the country. He noted that the staffers he talked to knew nothing about the OVBD initiative to be more involved in B2B and other vet focused training. Michele Abraham noted that her, and other SBDC’s already deliver these services without OVBD involvement. Tee Rowe noted that OVBD does not have the needed funding. Mike Myhre asked for clarification on which programs qualify for this funding while Christian Conroy suggested we consider letting OVBD attempt to deliver the training as the \$150,000 of funding facilitates little.

Mike Myhre continued the conversation around special initiative funding for programs addressing programs such as addressing underserved markets and who can qualify for these types of funding including SBDC hosts. Janice Washington and Michele Abraham noted the potential for creating additional SBDC competition and asked whether these specials funds could be passed onto SBDC’s for the delivery of the services. This needs to be researched.

#### **Treasurer’s Report:**

Greg Panichello noted that there were no substantial changes to the financials since the October report. Cash flow is stable at approximately \$419,000 which should hold through year end. Greg Panichello said that our investments remain solid in their performance with little change in the last month. Three-fourths of the accounts receivable are still owed by the SBA. Greg Panichello noted that the profit and loss statement compared to the budget showed a positive number of approximately \$250,000 which was due to the cost of the conference being managed so well. Donna Ettenson indicated that they would be managing cash flow through mid-year assuming no increase would be forthcoming from the SBA. Bill Cummings asked what the result would be if the ASBDC conference(s) were run at break-even with no impact on the budgets and financials. Greg Panichello and Donna Ettenson both agreed that the conference was critical to the Association’s cash flow and the association’s business model requires that the national conference add needed cash flow. Mike Myhre asked Greg Panichello what the budget plan was for 2017 with Greg indicating the plan was to continue to be at least at break-even cash flow for 2017.

#### **Standing Committee Reports:**

##### **Accreditation Committee Vice-Chair Jody Keenen**

1. Katie Sewell is the lead for states seeking accreditation for the T-technology designation. Feedback from states seeking accreditation using the 2017 standards noted that combining the “T” standards into the other standards resulted in losing critical verification points. Their recommendations will result in changes to the self-study portion of the standards. Christian Conroy noted that changes might require a member vote.
2. The Self Study instructions should be at or under 60 pages. The incorporation of the “T” designation may require additional pages for completeness of the self-study. The committee will look at this and other

house-cleaning changes and post the proposed changes on the association site around the first of December for member review.

3. 2017 accreditation dates are almost firmed up with a goal of early December to solidify all dates. Observers have been set with priority being given to new state, accreditation committee members and states with upcoming reviews. The committee will meet again before the spring meeting in DC. Mike Myhre requested the number of states having or seeking the "T" designation be shared as well as the committee sharing the results of a study done by the committee on conditions and accommodations given to states. Jody Keenen indicated she would supply the requested information to the board. Jody also noted that the post accreditation surveys showed states were 90%+ happy with the review process and that they will continue to gather and act on feedback as part of the process. Board members Georgianna Parkin, Mike Myhre, Janice Washington and Christian Conroy asked about Host survey trends, reporting survey results, proposed changes (including "T" designation), additional clarification in the instructions and adding clarification anywhere that would assist states going through accreditation. Jody Keenen said that the committee would review the feedback, proposed changes, needed clarifications, etc. and make recommendations on the proposed updates and changes to any standards.

#### **National Conference Committee – See Written Report**

Mike Myhre said that he and Drew Tonsmeire had a long conversation about the conference and Drew and the committee were waiting for direction from the Board concerning proposed changes for 2017. Donna Ettenson indicated that they had been using Quickbase for the conference agenda but were looking at a different vendor. Christian Conroy suggested a workshop(s) on "Cloud services" in light of new DoD requirements.

#### **Leadership Development Committee – See Written Report**

Bill Cummins requested that the committee be alerted of all new SD and SD transfers and that having a one-hour SD roundtable plus a one-hour SD legislative/political climate briefing from Tee Rowe and Anthony Bedell would be an appropriate use of time at the spring meeting.

#### **International Committee – No Written Report**

Mike Myhre said that he and Jim Foley had a conversation about the international professional development at the conference which will be shared with the committee.

#### **Operations Committee**

It was noted that the primary function of the committee is to review the SBA Terms and Conditions in October of each year and make recommendations on proposed changes or bring issues to light. It was noted that one issue that continues to come up is the release of client information without client written permission, which is a major concern. Mike Myhre said that he had a brief conversation with Vicky Mundt concerning this issue. Several Board members indicated that the level of pressure on the SBDC from the SBA, including SBA auditors, to release client names continues to increase. Mike Myhre suggested in this case that perhaps trend data was a potential compromise. Additionally, SBA requests for data from SBDC Lead Office staffing numbers appears to be an encroachment on how we manage our networks.

Mike Myhre requested a conversation concerning standing committees in general. His thoughts were that they should address specific issues facing the association and that a specified timeline should be established. Bill Cummins said that the individual missions of the committees is not clear and Mike Myhre indicated that a statement of purpose should also be established. Michele Abraham, Janice Washington and Georgianna Parkin asked about the establishment of deliverables, fit with the strategic plan, archiving of written reports, and how committees should all fit with the direction and needs of the association today. Donna Ettenson said that some of the requested information was on the ASBDC web site on the committee pages. Mike Myhre suggested a limit on

standing committees with some type of minimal qualification being set to serve on a committee. Bill Cummins suggesting a defined process for how people get on committees, Janice Washington noted that it should be kept in mind that every committee needs fresh people with fresh ideas. Greg Panichello requested that the board not forget that the education component of committee service not be forgotten in this review process.

#### **Marketing Committee – See Written Report**

Jacqueline Taylor and April Youngblut reported that the committee structure had remained stable. They reported that they had sponsored some webinars. The committee wanted to propose the idea of doing an SBDC day on March 22nd of 2017. Montana was interested in taking a lead role and that several other states represented on the committee were also already on-board with doing it as well. April Youngblut said that Rhonda Adams has also committed to promoting it in USA Today. The board discussed the potential for doing an SBDC day including marketing and promotion, use of nine existing stories to develop a 1-2-minute video (Approx. \$6,000 cost), development of sponsorships (April Youngblut to do this), and use of social media. Michele Abraham noted a concern about all nine clients being from the DC metro area and Mike Myhre suggested the video concentrate on how the SBDC helps, not on where they are located. April Youngblut noted that the total cost could be as high as \$10,000 with Jacqueline Taylor suggesting there would not be a request for funds in 2017. Discussion followed concerning client focus, the committee developing a marketing and promotion tool bag for states, legislative and stakeholder participation, timing of the actual day, i.e., moving it ahead to January or February. Mike Myhre suggested that the goal of the day be to drive consensus that the SBDC is a thought leader and that we get as many people involved as possible. Mike Myhre also suggested that we could potentially use videos that have already been developed.

#### **Legislative update – Anthony Bedell**

Anthony Bedell said that the impact of Trump being the new president was largely unknown at this point but that he thought that overall it might be a good thing for the SBDC as the focus should be on increasing manufacturing, infrastructure and small business in general. Much of the impact is dependent on those taking key leadership roles. Anthony did not expect any new legislation in the first 100-day plan to be brought forward by President elect Trump. Michele Abraham noted that we should know the most significant positions quickly and that the focus will potentially be on tax reform and the ACA with budgets coming later this year. Anthony Bedell said that he expected only big issues to be addressed early on and agreed that ACA, immigration and infrastructure would be areas of focus. Christian Conroy asked about budget caps and whether Anthony Bedell thought the focus would be on shrinking government right away. Anthony Bedell indicated he thought the House would seek a continuing resolution but there may be a push to pass budgets before January 20<sup>th</sup> but it is too early to tell exactly what is going to happen. Mike Myhre suggested the ASBDC focus on strategic committees and legislative relationships through developing our own legislative plan to help drive the agenda as best we can. Michele Abraham asked what we could do in regards to lobbying restrictions to which Tee Rowe noted he felt we could find a way to do the needed outreach. Anthony Bedell said that he and Tee Rowe could develop the message(s) and blast them into legislative offices before the hill visits. The follow-on conversation discussed areas of focus for communication, how it might need to be focused differently for individual states, what stimulus bills might be forthcoming, i.e., Jobs Act. Anthony Bedell said that he would try to give states talking points. The discussion continued on type and frequency of communication, use of form letters or more customized letters. Anthony Bedell said that we should focus on the top 10-12 legislators for our outreach as well as the hill visits and that the association has the software to help states better communicate with their legislators.

Bill Cummins asked about the impact of Tameka Montgomery being replaced. Tee Rowe said that he has a contact on the transition team and will stay in communication throughout the process. The Board reviewed who would be in temporary positions that would potentially be in place for 6-8 months before permanent replacements would be finalized. Mike Myhre suggested that the people in the temporary positions should be invited to our meeting in February.

## **SBA – Adrianna Menchaca-Gendron and Vicky Mundt**

Mike Myhre brought forward two primary discussion points:

1. SBA's Advisory boards doing a national survey of SBDC hosts
2. SBA AEO report.

Mike Myhre asked about the the lack of promised communication and review of the survey prior to it being sent to hosts. Adrianna Menchaca-Gendron said that the SBA was not involved in the process, that it was driven entirely by the Advisory Board and that she understood that the Advisory Board was in communication with ASBDC. Adrianna Menchaca-Gendron said that her understanding was that the survey was to be more about gaining insight into the host relationships and to promoting and expanding the SBDC program. Mike Myhre suggested that this be discussed when the two boards are scheduled to meet, hopefully early in 2017.

Mike Myhre asked why he and Al Salgado had not been given the opportunity to review the AEO report prior to it being published, as was promised. Michele Abraham stated that it appeared the presumption of the report was that the SBA was not serving all the population segments. Adrianna Menchaca-Gendron responded yes to this and said that the report was hard on the SBA as it indicated the SBA partner technical assistance was not serving populations such as the African American and Latino segments. Christian Conroy asked about the source of the data used in the report and that he thought that the SBA and SBDC should challenge the report. Michele Abraham indicated that it also did not fairly represent the broader delivery of services by SBDC's. Janice Washington suggested we take this as an opportunity to better demonstrate what we do to the SBA and all our stakeholders. This resulted in a conversation about the SBDC driving the collection and communication of SBDC best practices and outcomes.

Christian Conroy asked who the Host survey was sent to and was told that it went to the contact on the list the SBDC's sent to the SBA several weeks ago. Mike Myhre asked that the contact list be sent to the board for distribution to the networks so that they could reach out to their hosts to discuss the survey.

Mike Myhre also brought up the Office of Economic Development annual report and that it clearly misrepresented SBDC outcomes and did not clearly differentiate the services of different TA partners. It also appeared that it used only SBDC long-term client numbers and it appeared the other TA provider's numbers represented all the clients served, which clearly misrepresents SBDC outcomes. Janice Washington said that the discussions on the report had taken place over several months but that the SBDC was not given the opportunity to review the report before it was published. Adrianna Menchaca-Gendron said that they did not see the report either. Mike Myhre asked about the intent of the report. Adrianna said Menchaca-Gendron that it was mostly about Tameka Montgomery delivering a "year in review" report and that the report for 2017 would probably be done by Lori Gillen.

## **Jason Dorsey – Potential National Survey**

Jason Dorsey reviewed potential research his firm could do on changing client demographics, how the SBDC can adapt and what services and delivery models we can deliver. His team will develop a proposal on a national level while ensuring that SBDC's can act at a local level. He indicated that his team will look at age, gender, other metrics and what he calls their hidden thinking and needs. They would then map these to services we deliver so that we can make potential needed changes. He said that the data would be owned by the ASBDC. Janice Washington asked about having local state data as well as national data. Jason Dorsey said this could be done but it would be much more expensive and he could quote this as well. Michele Abraham, Mark Langford and Bill Cummins asked about the questions in the survey, whether this was actually a needs assessment, number of surveys needed, how to ensure it was unbiased and doing a pilot first. Jason said that the questions were not developed yet, that 1,000 responses was a valid number for a national survey, and that doing smaller surveys was actually more expensive.

Tee Rowe and April Youngblut both emphasized that doing the survey on a national level was what was needed. Board members discussed the value of the survey to the network, potential information needs, other options to the survey, the need for talking points once the survey was completed and where the funding will come from. Greg Panichello mentioned that there was money in the reserve fund and Mike Myhre noted that member approval would be important. Jason Dorsey also said that proposed time line for the survey was typically 90-120 days. Mike Myhre said that the board would discuss the proposal for the survey and get back to Jason Dorsey as quickly as possible.

## **New Business**

Mike Myhre requested feedback and discussion on how well the state liaison groups were working. He said that he felt the mechanism was a good and that he had updated the spreadsheet for the boards review. Christian Conroy said that he thought that overall the communication was consistent and facilitated greater sharing among the states. Members discussed revisions to which states were assigned to Board members. Mike Myhre requested that any other proposed changes be emailed to him ASAP.

Mike Myhre brought up the issue of inconsistent and sometimes unprofessional SBA Project Officer reports. He suggested that there should be standardized format and content and that Vicky Mundt should be helping us work on getting this done across the country.

Tee Rowe brought up the opportunity for the association to purchase a national license for Profit Mastery for \$75,000. He thought it wise to ask the states to see which were already using it now and which budget the funding would come from to make the purchase. Mike Myhre asked about the potential of doing a two year license for a reduced cost as an option. Mike Myhre also suggested that the state director survey include a question about use of Profit Mastery and other tools and data bases to get a national perspective. Bill Cummins noted that an alternative exists to using Box that is called Huddle which could also be included in the survey.

Mike Myhre lead the members through a process used in Florida that he calls, "Circles of Influence". The process identifies stakeholders, prioritizes them and places them in circles that expand out from the Core, which are the ASBDC members. Mike Myhre broke the members into smaller brainstorming groups with each group using Mike's action plan matrix model for the three strategic areas of: Grow Funding; Motivate Leaders; and Enhance Capacity. The model includes the action, who the lead is and expected outcomes. Each group was given the opportunity to give input in the three strategic areas. The Board then briefly discussed the results of the brainstorming sessions. Additional input included potential additional funding sources to help diversify the association's funding, identification of Board liaisons for each goal and Mike Myhre suggested that the Board and membership consider changing the language for the "Capacity Growth" goal to "Rebuilding Small Business Infrastructure". Further discussion occurred around Michele Abraham suggesting sharing best practices from the accreditation committee's collection of best practices and accommodations with Janice Washington and Christian Conroy suggesting the development of a portal and how to potentially veteran additions to the portal. Further discussion occurred concerning the collection of national outcomes and activities metrics. The members discussed how to address potential concerns from states about sharing this data, quality and consistency of data and what would be shared internally and externally. Bill Cummins indicated that whatever action was taken that we needed a sense of urgency about getting this data collected. Mike Myhre said that he would upload the results for the circle of influence discussion for the three goals and leave it open for the next two weeks for additional input by the Board members.

Mike Myhre and Tee Rowe discussed using other "outside" survey models such as using Price Waterhouse, one of our university partners and seeking sharing of outcome data from others already doing non-partisan national surveys such as Hearts and Minds Strategy. Tee Rowe agreed to reach out to see if such sharing of data might be possible and to look for a neutral party(s) with credibility to send an RFP to. Tee Rowe will also send out a survey

proposal for review. Mike Myhre made a motion to task Tee Rowe with this action which was seconded by Bill Cummins followed by a unanimous vote by the board to proceed with this action.

The Board meeting was closed at 12:15 PM EST.