Association of Small Business Development Centers
Board of Directors' Conference Call
Friday, August 11, 2006

Agenda:

John Massaua, Chair, called an urgent conference call for the ASBDC Board to discuss the new goaling concept in the 2007 Program Announcement as it relates to a change in the definition of "long term client" which historically has been composed of SBDC time for preparation and contact hours. The SBA changed the definition in the Program Announcement to include contact hours only. Antonio Doss was invited to participate on the call to explain the reasoning for changing the definition and respond to questions and comments.

Participants:

ASBDC Board of Directors, Antonio Doss and other SBA staff, Don Wilson, and a number of State/Region Directors or their designees.

Summary of Discussion:

Antonio Doss, along with other SBA staff, were offered the first opportunity to speak to discuss the change in the definition of "long term client:" in the 2007 Program Announcement. Antonio's comments focused on the following:

1. The process of securing approval of the change in goal focus resulted in a last minute rush to produce the 2007 Program Announcement,
2. Part of the SBA strategy in moving from outputs to outcomes is to identify benchmarks to indicate if individual SBDC program are moving toward higher numbers of economic impact clients.
3. Antonio made a unilateral decision to redefine "long term client" as one with 5 hours or greater of contact time which he believes is a key benchmark.
4. Antonio acknowledged that the "five hour contact" description may or may not be the correct benchmark.
5. The last minute rush to issue the Program Announcement left no time to examine data and research to form a basis for the change in definition, therefore the change was made to identify a base line which may need to be adjusted upward or downward depending on future results.
6. Antonio expressed disappointment that the change in definition has created confusion as his objective is to provide benchmarks that will help to improve the quality of SBDC clients and economic impact.
7. Antonio stressed that it was not his intention to devalue or minimize the importance of preparation time, and he specifically stated that as contact time increased, he expected preparation time to expand exponentially.
8. Antonio also confirmed that it was not the intention of the Central Office to interfere in the negotiation between the District Offices and SBDCs to arrive

at a goal for long term clients. He further indicated that he would be participating with Mike Pappas on a Field Operations conference call to insure that the negotiation process was clearly understood.

9. Antonio acknowledged that the goaling numbers would be low reflective of the changed definition and could be as low as 50% of the traditional definition of a long-term client.

John Massaua then asked the Board members and State/Region Director to have an open discussion of the definition of long term clients. There was considerable discussion and a number of questions were directed to Antonio.

The two keys concerns arising out of the discussion were:

1. Changing the definition of "long term client" as one with greater than or equal to 5 hours of contact time is arbitrary, totally without proper and adequate foundation, and lacking in supportive data and research.
2. Use of this metric to compare SBDC programs would be both unfair and misleading due to the exclusion of preparation and travel time, and the numerous quality variations of delivery of client services.

Near the end of the call, Mike Young agreed to document the key points for which both Antonio and the Association are in agreement which resulted from and out of the dialogue between SBA staff and the Association as follows:

1. The new outcome focused goals are a positive start in the right direction.
2. FY/CY 2007 is a base year and starting point for developing and refining economic impact benchmarks and performance standards. Nothing is "set in concrete".
3. SBA and the ASBDC share a common goal to strengthen the SBDC program.
4. Without consultation with ASBDC, SBA selected 5 or more contact hours for the definition of long term client as a FY2007 indicator that may or may not be the most representative factor leading to impact.
5. Preparation time is an essential component of long term counseling, and will typically have a heavier weight in overall client hours than contact time.
6. Over the immediate months, SBA and the ASBDC will work together to identify critical factors and their weight and relationship in long term counseling to create success.
7. Metrics will evolve over time as more data and research highlights the key factors of success.
8. The definitions for capital formation are not clear and need to be addressed as well.

Note: Subsequent to the conference call, John Massaua/Don Wilson had email correspondence from and with Cheryl Mills regarding goaling. Those communications created additional confusion which subsequently resulted in the Association sending Cheryl a lengthy email communicating both uncertainty and concern over the method of deploying the new goaling concepts. Don Wilson and John Massaua requested a formal meeting be scheduled promptly between ASBDC leadership and Cheryl, Antonio, and Jean Smith.

Postscript: Look for greatness through cooperation.