

## Minutes Board of Directors Meeting

Association of Small Business Development Centers (ASBDC)  
January 10-11, 2007  
Orlando, Florida

**Board Members Participating:** Mark Petrilli (Chairman); Don Wilson (President); Jody Keenan (Vice Chair); Henry Turner (Treasurer); Georgianna Parkin (Secretary); Al Salgado; Bill Carter; Mike Myhre; Becky Naugle; Barbara Necarsulmer; Jon Ryan.

**Others Participating:** Doug Gurley; John Massaua; Mike Young; Donna Ettenson; Dan O'Grady.

**Call to Order:** The meeting was called to order by Chairman Petrilli at 8:30 a.m. on Wednesday, January 10, 2007.

**Approval of Minutes:** Henry Turner moved that the minutes of the Board meeting by conference call on December 12, 2006, be approved. Bill Carter seconded the motion and the motion passed by voice vote.

**Financial Report:** Treasurer Henry Turner reviewed the reconciled financial statements for November and the un-reconciled financial statements for December. He reported that the financial condition of the Association is sound.

Chairman Petrilli asked staff to send financial statements to Board members further ahead of meetings, even if the statements are un-reconciled. Mike Myhre asked staff to give Board members a document showing the month's financial statements compared to the previous year.

**Accreditation Committee Update:** Accreditation Committee Chairman Mike Young updated the Board on the work of the Accreditation Committee.

1. Revised Self-Study Guide: Mike Young stated that the Accreditation Committee is revising the Accreditation Self-Study Guide. He stated that a revision would be presented to the Accreditation Committee the following week, and then presented to the Board. The revised Self-Study Guide will then be distributed to the membership.
2. Revised Standards: Mike Young stated that revised Accreditation Standards will be presented to the membership during the Spring Business Meeting. The revised Standards will take effect in January, 2008. Training on the revised Standards will be offered during the ASBDC Fall Conference in Denver.
3. Training for Committee Members: Mike Young stated that the Committee is developing a formal orientation and training program for Accreditation Committee members.
4. Revised Process of Accreditation Document: Mike Young stated that the Accreditation Committee is revising the Process of Accreditation document.

Henry Turner stated that he would like every SBDC state director to get a copy of the *Baldrige Award Winning Quality* book.

**Operations Committee Update:** Accreditation Committee Chairman John Massaua updated the Board on the work of the Operations Committee and the planning for Program Announcement negotiations with SBA.

**Discussion with SBA:** The Board welcomed Antonio Doss and Jean Smith of the SBA Office of SBDCs. SBA Deputy Associate Administrator for Entrepreneurial Development Programs Cheryl Mills joined the meeting by speaker phone. The Board discussed the following matters with its guests from SBA.

1. SBA Field Staff: The role of SBA field staff was discussed. Board members stated that SBA field staff help to market SBDC services and make referrals to SBDCs. Referrals are especially important for minority small business owners and aspiring entrepreneurs. It was stated that SBA field staff in some cases can perform financial and program reviews. However, it was stated that it would be difficult to measure how many SBDC clients are referred by SBA field staff or what the outcome of those referrals might be. It was suggested that a group of Entrepreneurial Development program representatives work with the Administrator's advisory council of SBA district directors to develop metrics of SBA referrals.
2. Follow-Up Meeting With OMB: It was agreed that the ASBDC and SBA should hold a follow-up meeting with OMB staff who work with a variety of Federal departments and agencies, to discuss ways to achieve greater impact and efficiency in the delivery of management and technical assistance. It was also agreed that Wednesday, March 7, or Thursday, March 8, would be the best days to hold such a follow-up meeting.
3. Community Express Loan Program: Cheryl Mills stated that one of the Administrator's priority initiatives is to enhance the Community Express Loan program. It was stated that SBDCs have been providing technical assistance to Community Express borrowers for years.

Board members suggested that the SBA seek to simplify the Community Express Loan program (making it more like other SBA loan programs), so that more financial institutions will participate.

@ Chairman Petrilli will send Cheryl Mills information on how many SBDCs participate in the Community Express Loan program as technical assistance providers.

4. 8(a) Program: Cheryl Mills stated that another of the Administrator's priority initiatives is to enhance the 8(a) program. It was stated that SBDCs have provided technical assistance to 8(a) clients for many years. Board members suggested that SBA district offices should refer newly certified 8(a) program participants to their local SBDCs.
5. Priorities of the SBA Office of SBDCs for 2007: Antonio Doss reviewed the priorities of the SBA Office of SBDCs for 2007, as follows.
  - a. Accelerating the Cooperative Agreement Process – Antonio Doss stated that he wants to release the initial draft of the 2008 Program Announcement in January, meet with the Association to negotiate in February, and post the Program Announcement on the grants.gov web site in March. Fiscal Year SBDC networks could have their cooperative agreements in place by April.

John Massaua stated that many fiscal year programs do not know what their state funding will be until July or August, and so it might be necessary to include a re-negotiation clause in the cooperative agreements of fiscal year programs that negotiate their agreements in April. Antonio Doss agreed to discuss this issue further.

- b. Strengthening Program Management – Antonio Doss stated that the SBA is considering a feed-back mechanism to allow the Office of SBDCs to know what field staff does when they visit an SBDC.
- c. Accreditation – Antonio Doss stated that SBDC program managers should learn more about the SBDC accreditation process, and perhaps reflect the accreditation process in their program reviews.
- d. Financial and Program Reviews – Antonio Doss stated that the Office of SBDCs wants to establish standards for audit and program reviews, such as timeliness of feedback from reviewers to SBDCs.

Georgianna Parkin suggested that the Office of SBDCs look at the guidelines agreed to by the SBA and the ASBDC.

Mike Myhre suggested that the Office of SBDCs consider using SBA field staff to conduct reviews. It was suggested that this possibility should be discussed at a joint meeting of SBA district directors and the ASBDC.

- e. On-Line Services – Antonio Doss stated that the SBA would like to assemble a group of ASBDC members and SBA personnel to develop ways to enhance on-line SBDC services.
  - f. Goaling Process – Antonio Doss stated that he wants to meet with the ASBDC in the spring to address problems with the goaling process. Chairman Petrilli stated that the problems with the goaling process need to be resolved in conjunction with the negotiation of the Program Announcement.
  - g. 8(a) Assistance – Antonio Doss stated that the Office of SBDCs wants to develop a plan to enhance 8(a) technical assistance.
6. Definitions: Antonio Doss stated that the Office of SBDCs will send out information about program definitions in the near future.

John Massaua urged Mr. Doss to resolve questions about definitions before the Program Announcement is concluded. John Massaua stated that it is important, for example, that the SBA find a different term for its definition of counseling of five hours or more, because the SBA's definition differs significantly from the ASBDC's definition.

- 7. Status of the Connecticut SBDC: Antonio Doss updated the Board on the transition of the Connecticut SBDC to its new host. He stated that the transition is proceeding smoothly and the job announcement to fill the position of state director has been sent out.
- 8. FY 2006 SBDC Statistics Still Not Published by SBA: Board members asked that the SBA publish the 2006 SBDC statistics on the Office of SBDCs' internal web site, so that the data

are available to the network. Jean Smith stated that the current internal web site is slated to be replaced.

9. Goaling: Board members and their SBA guests discussed the definition of “long term” clients. The ASBDC and the Chrisman Report define a “long term” client as one who receives five or more hours (including the counselor’s preparation time) of business counseling in a year. However, the SBA does not include the counselor’s preparation time in its definition of a “long term” client. In addition, Antonio Doss stated that, under the SBA’s definition, a “long term” client is any SBDC client who has received a *cumulative* total of five or more hours of business counseling, regardless of whether that client accumulated five hours of counseling in one year or several years.

John Massaua recommended that the SBA use a different term to describe clients who receive five or more hours of business counseling (not including counselor preparation time) over an indefinite number of years. Otherwise, Mr. Massaua stated, the use of the term “long term” client would be confusing to anyone who tries to assess the services and impact of the SBDC network.

Board members and their SBA guests discussed the new performance measurements issued by SBA to its staff for all SBA Entrepreneurial Development programs.

10. EDMIS: Board members asked about the ability of the EDMIS2 system to produce reports based on data uploaded by SBDCs. Jean Smith stated that she will inquire at the SBA about the status of EDMIS2 reports, and she will give the ASBDC the ability to access EDMIS2 data.
11. Accreditation Funding: Board members stated that the accreditation program is under-funded, and they asked if additional funding could be provided. Jean Smith stated that the accreditation contract is scheduled to increase to \$160,000 next year, and then increase up to approximately 170,000 in future years.

It was suggested that SBA and the ASBDC work together to try to address the under-funding of the accreditation program.

@ Bill Carter and Mike Young will draft a document showing the need for additional accreditation funding.

12. SBA Legislative Proposals to Congress: Board members asked about the SBA’s legislative proposals to the new Congress. Antonio Doss stated that the only proposals of which he is aware are the expansion of the SBA’s SBDC Advisory Board to 10 members and changes to the SBA’s organizational chart.

### **President’s Update:**

1. Changes in the New Congress: Don Wilson updated the Board on changes in the new Congress, including new chairs and ranking members of key committees.
2. Corporate Partnerships: Don Wilson discussed with the Board the importance of the ASBDC’s corporate partnerships, and the importance of reciprocating the value that the Association’s corporate partners provide to the Association and the network.

3. Communications Director: Don Wilson updated the Board on the search for a communications director. He stated that he has received several resumes and plans to begin interviews.
4. Annual Chrisman Survey: The Board discussed the importance of conducting the Chrisman Survey on an annual basis. It was agreed that the Chrisman Survey should be conducted every year, to provide up-to-date data on the economic impact of the network.
5. Network Connection Newsletter: Don Wilson stated that he planned to send out the new ASBDC newsletter, written monthly for all network members.
6. Spring Meeting Update: Don Wilson asked Board members if there is any special professional development programming they would like during the Spring Meeting. Chairman Petrilli suggested that the Spring "Membership" Meeting should be called the Spring "Business" Meeting.
7. Fall Conference Update: Don Wilson informed the Board that the Association is considering the city of Orlando, Florida as a possible site for the 2009 ASBDC Annual Conference.
8. Software Training: Don Wilson asked Board members to send him their networks' software training schedules, for Peachtree, Quikbooks, Microsoft products and other computer programs. Barbara Necarsulmer stated that she would ask the members of the Associate State Directors Working Group to send her their networks' schedules.
9. ASBDC Ad in New Women's Chamber Newsletter: Don Wilson shared with the Board a copy of an ASBDC ad in the first Women's Chamber of Commerce newsletter.

#### **Legislative Update:**

1. Congressional Letter to Appropriators: The Board discussed a suggestion that the Association support a letter, signed by as many Senators and Representatives as possible, to the members of the appropriations subcommittees that fund the SBDC network.

The Board agreed to conduct a straw poll of the membership, to determine the feasibility of such a letter.

2. 2007 Farm Bill: The Board discussed the possibility that the 2007 Agriculture Reauthorization bill will include funding for entrepreneurship and rural development initiatives. It was agreed that the Association should follow the progress of the bill so as to allow SBDCs, which have a long history in rural economic development and providing technical and management assistance to farmers and ranchers, to participate in such programs authorized by the bill. The Board agreed that Jon Ryan should coordinate the Association's efforts with regard to the bill, working as part of the ASBDC Legislative Committee and in conjunction with the ASBDC Agriculture and Rural Development Interest Section.
3. Micro-Enterprise Forums: Mike Myhre stated that the American Association of Micro-businesses is planning to hold issue forums in cities across the country and may be interested in the participation of the SBDCs. Mike Myhre and Don Wilson will contact the Micro-business Association to discuss its planned forums.

4. Legislative Consulting Firm: Don Wilson stated that the proposed budget for 2007 did not include funding to renew the Association's contract with a legislative consulting firm. Board members asked Don Wilson to let the Association's members know the outcome of the Board's decision in 2006 to retain a legislative consulting firm.

**Internet Technology Infrastructure**: Mike Myhre shared with the Board a report prepared by Al Salgado, Bill Carter and himself, on optimizing the Association's internet technology resources. The Board agreed to take the following steps:

- (1) the Board will create a group of SBDC network members to consider a long-term plan for the Association's web resources;
- (2) the Board will create a technical group of SBDC network members to consider the look and feel of the Association's web resources; and,
- (3) Don Wilson will determine the protocol for committees, taskforces and interest sections to populate their web pages on the Association's web site.

**Committees, Taskforces and Interest Sections -- Communications and Activities:**

Request for Informal Dinner Function: The Board discussed a request that the Association pay for an informal dinner for a group of state directors during the ASBDC Spring Meeting. Board members agreed that the group should meet informally in a venue that would not impose additional costs on the Association.

The Board reviewed the charters and work plans of committees, taskforces and interest sections.

Conference Subcommittee: Board members recommended that state directors be informed by the Conference Subcommittee about Fall Conference presenters from their states.

EDMIS Subcommittee: The Board discussed the need to find a chairperson for the EDMIS Subcommittee.

Marketing Committee: The Board agreed that the Marketing Committee should develop a sample letter to Members of Congress, for newly accredited SBDC networks to send to their senators and representatives. The Board also agreed that the Marketing Committee should develop a sample press release for use by newly accredited SBDC networks. Chairman Petrilli asked that the Marketing Committee review the Association's guidelines on writing success stories, and share the guidelines with the network again.

Network Engagement Committee: Chairman Petrilli asked that the ASBDC web site include a "membership benefits" link in the appropriate place on the web site, leading to the membership benefits information developed by the Network Engagement Committee.

International Trade Interest Section: Chairman Petrilli urged the International Trade Interest Section to broaden its focus to include trade with all countries. It was suggested that the Interest Section develop a brief, written piece on how small businesses can export their products and services.

Regulatory Interest Section: The Board discussed a proposal to combine the Regulatory Interest Section with the Manufacturing Interest Section. The Board agreed that the two Interest Sections should remain separate.

Government Contracting Interest Section: The Board discussed a request for a minor change in the charter of the Government Contracting Interest Section. The Board agreed with the change in the Interest Section's charter.

**2007 ASBDC Budget:** Don Wilson reviewed the Association's recovery from a budget deficit of \$300,000 in the year 2000. Donna Ettenson and Don Wilson presented a proposed budget for the Association for 2007.

After discussing the proposal, the Board asked that the Conference income figure be increased by \$50,000, and that \$50,000 be added to the budget of the Accreditation Committee for training. Don Wilson and Donna Ettenson expressed reservations about raising the revenue figure by increasing budgeted, variable Conference income. The Board also asked that adjustments be made in the proposed budget's funding to hire additional staff, to give the Association the option to hire up to two additional, part-time staff for communications and administration. The Board asked Don Wilson to present a revised budget proposal to the Board with the above changes, so that the Board could vote on the revised budget by e-mail.

[Note: Following the Board meeting in Orlando, Don Wilson presented a revised 2007 Budget to the Board, by e-mail. The revised budget included funding for two new Accreditation Committee training meetings on the expense side, and an additional \$50,000 of Conference income. There were also adjustments in the revised budget to hire additional staff (for communications and administration), with reductions in budgeted benefits for those positions since they are expected to be part-time positions.]

[The Board of Directors voted to approve the 2007 ASBDC Budget by e-mail on Monday, January 29, 2007, by a vote of 7-0.]

**Adjournment:** Henry Turner moved that the meeting be adjourned. The motion was seconded by Bill Carter and passed by voice vote. The meeting was adjourned at 5:45 p.m. on January 11, 2007.

#### **Next Meetings of the Board:**

- The Board will next meet by conference call on Tuesday, February 20, at 2:00 p.m. (Eastern Standard Time).
- Regular meetings of the Board are held by conference call on the fourth Tuesday of each month, at 2:00 p.m. (Eastern Time).
- The Board will meet in Chicago in June. A date for the Chicago meeting has not been established.

#### **New Action Items**

- @ Chairman Petrilli will send Cheryl Mills information on how many SBDCs participate in the Community Express Loan program as technical assistance providers.

- ① Bill Carter and Mike Young will draft a document showing the need for additional accreditation funding.
- ① The Board will create a group of SBDC network members to consider a long-term plan for the Association's web resources; and the Board will create a technical group of SBDC network members to consider the look and feel of the Association's web resources; and,
- ① Don Wilson will create the means for committees, taskforces and interest sections to populate their web pages on the Association's web site.
- ① Staff will place a "membership benefits" link in the appropriate place on the Association's web site, leading to the membership benefits information developed by the Network Engagement Committee.
- ① Board members will conduct a straw poll of the membership to determine the feasibility of a letter, signed by as many Senators and Representatives as possible, to the members of the appropriations subcommittees that fund the SBDC network.
- ① Board members will ask their assigned state directors if their networks are holding events in conjunction with Entrepreneurship Week 2007.
- ① Board members will let their assigned state directors know that they will be receiving an ASBDC survey about technology commercialization.

#### **Completed Action Items from the Boards Previous Meetings**

- ✓ Don Wilson will include in the *Member Connection* newsletter a request to member networks to let the Association know if they are conducting any programs for Entrepreneurship Week 2007.
- ✓ The Board will review the draft survey of the technology consulting capacities of SBDC networks, which was developed by the Technology Counselor Certification Taskforce, and consider how to disseminate it to member networks.
- ✓ Don Wilson will compile comments on the proposed definitions that Association members submit.
- ✓ Don Wilson will let Antonio Doss know that the Association will be sending suggestions to him on changes to the SBA's proposed definitions.
- ✓ Barbara Necarsulmer will send to other Board members the results of a brief survey of associate state directors.
- ✓ Chairman Petrilli and Don Wilson will send information to Board members to assist them with their calls to state directors regarding capital infusion levels in the 2007 proposals.



- ✓ The Association will ask SBA for additional funding or a change in the scope of work to pay for accreditation training. The Accreditation Committee will choose a group of members to work with Association staff on this.

### **Incomplete Action Items from the Board's Previous Meetings**

- ① Board members will contact their assigned committee, taskforce and interest section chairs to discuss the guidance, charter and action plan documents, and to ask each chair to prepare his or her action plan by January 19.
- ① Don Wilson will prepare information for OMB concerning non-Federal funding for the SBDC network, and SBA data on SBDC client satisfaction, for OMB by February 7.
- ① Board members will send to Don Wilson reports and studies on their state/regional SBDC networks to the Board, for the purpose of sharing those reports with OMB, by January 19.
- ① Donna Ettenson will look into software that can automatically update state/regional SBDC maps on the ASBDC web site whenever center information is updated, by February 15.
- ① ASBDC staff will consider purchasing a copy of the decision-tree software used by Carol Lopucki to organize the Association's work, by February 15.
- ① Don Wilson will continue working with USASBE leaders, foundations and Bob McKinley on publishing a paper about the qualifications and role of a state/regional SBDC director.
- ① ASBDC staff, in cooperation with the International Trade Interest Section, will seek a Memorandum of Understanding with NASBITE that acknowledges the SBDC role in international trade counseling for small business and recognizes the NASBITE certification as the certification standard for SBDC international trade counselors.