BOARD OF DIRECTORS

MEETING MINUTES

November 9-10, 2017

Supporting the Success of its Members – America's SBDCs

OUR SHARED MISSION

Deliver high-quality, professional business advice, education, and information that generates meaningful results.

OUR SHARED VISION

America's SBDCs are highly valued for driving economic prosperity.

ASBDC'S PURPOSE

To support the success of its members.

BOARD OF DIRECTORS OBJECTIVE

To establish the Association's mission, vision, strategic direction, approve the Association's budget and operations plan, and appoint and evaluate the performance of the Association's President, including setting compensation.

CALL TO ORDER The Chairman called the ASBDC Board of Directors meeting to order on Thursday, November 9th at 8:30 a.m. EST.

Brief discussion on debrief of yesterday's meeting w/ APTAC to be aware of potential challenges. With 97 PTAC programs, some states have multiple PTACs within the state, which create some of the variability. Strategic planning suggested, given the significance of the issues, culture of their agency/ leadership. Brief discussion of how MEP is aligned within states and at the national level, membership organization. Thoughts on pulling together some basic intelligence on data of funding levels on each organization, structure, agency, appropriation pathway/amount, match requirements, and target market for services. Suggested this be an *action item* for the data committee.

ROLL CALL The Secretary completed the Board of Director roll call; quorum present.

PRESENT	BOARD MEMBER	NOT PRESENT
✓	Michele Abraham (South Carolina)	
✓	Allan Adams (Georgia)	
	Terry Chambers (Washington)	✓
✓	Christian Conroy (Pennsylvania)	
✓	Bill Cummins (Alabama)	

✓	**Mark Langford (Texas)**	
✓	**Michael Myhre (Florida)**	
✓	**Greg Panichello (Kansas)**	
✓	**Linda Rossi (Vermont)**	
✓	**Lisa Shimkat (Iowa)**	
✓	**Tee Rowe, America's SBDC**	

ALSO PRESENT: Donna Ettenson, Cathy Wiltse.

APPROVAL OF THE MINUTES – Minutes of the October 16, 2017 Board of Directors (BoD) Meeting were sent out by Linda Rossi via e-mail for review and comment. Secretary Rossi asked for a motion to approve the October 16, 2017 BoD Meeting Minutes. Greg made a motion to approve and Lisa seconded the motion. The BoD voted unanimously to approve the minutes.

Updates to Board liaisons: Michele Abraham as Comm/Marketing Liaison; Linda Rossi as Leadership.

PRESIDENT'S REPORT Tee gave the BoD an update:

General Business and Financial – Our budgeting effort continues to be focused on same things. Limited to 2 things: Conference and Dues.

Legislative – Senate (working on the Tax bill). Nothing will happen until Tax bill is finished. A dozen or so legislative days left until CR runs out. Wouldn't be surprised if we end up with another CR; given the disagreement on the Tax package. They can always move the debt ceiling and CR at the same time. Our number $130m has passed the House; in Senate now. If CR, we'd end up with $125m. Each subcommittee gets an allocation, which opens up an opportunity to meet the House number of $130m. Big discussion around the increase in defense spending. In prep for Hill visits in Feb—a lot will be determined by what happens with the Tax package. Don't want to go into mid-terms without a solid win/message. Anything to tell membership regarding the Senate?---at this point, not really. Letters have been sent. All are supportive.
ACTION: Mike & Tee will put together a legislative update to coordinate and let our members know in advance of the break with main talking points, to leverage Small Business Saturday. It was referenced that Tee should continue to conduct the webinars prior to Legislative conference as very helpful.

When asked about the RISE act—Tee stated that he put together a letter, from all States impacted—sent it to Allen G with estimates. Looked at county business data. Sent a request for $19m to Senate/House/Appropriation—as they are working on Supplemental. Tee explained there isn't a particular structure to apply for RISE act funding; it is a long-term effort to help businesses recover on top of the regular work we're doing.

Christian mentioned funding to authorize (not yet appropriated) an SBA accelerator/start-up.
ACTION: Tee will look into the (SOAR - Start-up Opportunity Accelerator) act to prepare a response.

Conference – Have done a walk-through of the Marriott Marquis for Conference in Sept 2018. An opportunity while in DC to engage bi-partisan speaking opportunities. A "couch" conversation facilitated by a journalist was suggested. We want the Administrator to participate, and take questions (pre-collected). Need to be cognizant of making this relevant for "business advisors". Frame to Congressional members—this is an audience of small business influencers, working directly with thousands of small businesses to overcome barriers etc. Proclamation of SBDC Day 2.0. Still have an inspiring keynote speaker on Wed, and the Senate/House on Thursday. *Will move to Legislative committee for further planning.* Contracts – Accreditation, SBNA-expect about 30 applications, from those on the webinar. Question about Boots to Business to continue—yes, contract through July 2018.

Other - none

CHAIRMAN'S REPORT

* Open Board Action Items.
    1. Meet with SBA to discuss program metrics and goals – Tee, Mike and Michele – Met w/ SBA OED and OSBDC leadership on November 8th.
    2. Complete a membership survey to assess KPIs. Mike sent survey out on 10/30 followed by 2 survey reminders. 44 of 63 responded.

* VISION 2020 – this afternoon we will look into further.
* SBA Relations ; ED/OSBDC

    ---Demonstrated to Vicky that we respect her position and value her input. She expressed gratitude for the joint conversation at Fall conference, during the last SD round table.

    --- Listening session – by SBA. An exercise and the feedback was good and thoughtful. Seemed like they got what they wanted. Now the question will be "what's next?".

TREASURER'S REPORT

Lisa went to the ASBDC office on Tuesday and appreciated the opportunity to spend time with Donna and the staff; to learn about the end dates, billing times, certain programs and the cycle and how recognized on the financials. Discussed: Conference possibly at same location for 2 years, SBNA grant has 2 more years left. It has portions of salary in it. And, looking at budget for Legislative meeting. And put together future scenarios. *Will have draft budget by end of November*. Receivables of $11,000 over 90 days as of 11/8. Some things from conference are still coming in. Growth Wheel--$16,000 outstanding. Discussion around applying interest for those who have not paid yet. Next year, if we don't have payment by a certain date, communicate Association policy that "there will not be a space for you at the Trade Show" (prior to publicity, prior to shipping your crate with exhibit booth). *ACTION: Lisa/Donna will put a policy in place and present to the Board.*

For 2018 conference –We may want to anticipate larger attendance since the conference location is within driving distance to some larger SBDC programs. Recommend build a budget with 3-4 scenarios. Joel (Conf chair) is looking at ways to save money, boost morale of conf. committee. A lot will depend on final FY'18 budget in terms of travel funds for programs to send staff.

Discussion around certifications that are desired. Interest in finding out what other states are doing for certifications and possibly bring to ASBDC. Ex) NASBITE conference – if Christian has trainers, rather than sending them to NASBITE, perhaps they could attend/train folks at ASBDC. Looks at needs assessment on where it is being done. Ex) NASBITE, APTAC, NDC; Week-long class on succession planning

COMMITTEE REPORTS (BOARD LIAISONS)

BOARD NETWORK LIAISON AND COMMITTEE REPORTS

Lisa: her states and some of the new SDs wanted more discussion on leading/lagging indicators, comparison on what we present to SBA, efficiency ratios.

Data committee--Key metrics – definitions. Need for consistency. Example- Job retention/saved varies. Various places for information between program announcement, definitions, circular, PowerPoint on SBA website. We know there are some metrics that states measure differently. *ACTION: Lisa will send definitions back out for BoD input.*

Greg: Concern over the new economic impact survey, how we are transitioning to the new survey method and suggested we get out in front of the membership. Discussion revealed that the process and questions will basically be the same. Responsibility to the members to inform them; glad that it will be more consistent across the country. *ACTION: Tee will work on that communication.*

Operations committee - Nothing new.

Allan: Concern that Cyber Security doesn't turn into unfunded mandate. Concern over new goals being considered and want to take into account all the variables. *ACTION: Legislative committee. Legislative guide/talking points.*

Michele: Marketing Committee—November 14th call—transition of Jacqueline to new Chair and prep for SBDCDay.

Linda: States discussed Fed Reserve survey, SBA listening sessions, KPI survey, SBA Goals. On this topic, most concerned over consistency/definitions across the networks. Desire flexibility, multiple stakeholder priorities. Cannot keep adding priorities without additional funding.

Leadership committee – New England hosting 2018 new SD round table May 6-8 in Freeport, ME (Same venue as 2017). Reviewed notes of new SDs to invite. Mentioned 2 SDs who may be getting close to leaving. Off Boarding---to share throughout the network. Use the two upcoming to test what that is. Off Boarding---to share throughout the network. Use the two upcoming to test what that is. *ACTION: Leadership committee to work on 'off boarding' process.*

Mark: Impact survey was the hot topic. Craig Bean is retiring. No new person named yet. Meeting Dec 1st. Expect new person will be there. Rumors that Bill Carter is close to retiring.

Conference Committee – Theme is "Protect and Connect" . Joel, new Conference chair seems awesome with high energy.

Bill: International Trade interest group---SBA had ideas to beef up export certification-NASBITE or SBA intermediate as part of improvement process. Looking at 20 hours of continuing ed every year to maintain the intermediate level of SBA, or NASBITE. Exam itself looks like it will get better. However, continuing ed unfunded mandate; definition of "continuing ed" online/Fall conf, and min. amount of hours working jointly w/ other Fed agencies. Discussed---What is the value of the certification? Want to improve the SBA's version, without the continuing ed. Investigate the new SBA international trade certifications. *ACTION: Tee will follow up.*

Christian: One of the things—mid-Atlantic talked about PTAC, Cyber legislation, discussion of KPIs…and no one could agree on them…7 different views.

Accreditation Committee - Recommend that something regarding Accreditation to be put on ASBDC website. Discussion – that if there is an adverse decision regarding Accreditation, Mike would like to know detail in order to be prepared. Chair of Accred – some accountability to Chair of Board. *ACTION: Accred committee to draft this language for April to put on website.*

Mike/Tee are willing to join the liaison calls if scheduled/available. *ACTION: Mike will send the list from the survey feedback (to all SDs and ASDs at conference).*

OLD BUSINESS

FRANFIT-VETRAN MOU – An updated MOU was sent to Tee for FRANFIT for his review. Additionally Tee discussed that loans to franchises is all new in SBA starting in January. Instead of old process, franchise agreement to SBA. Now, standard franchise agreement. If they are on the list, moves forward. Will publish list in January. *ACTION: Tee to get out to membership.*

SBA HOST SUMMIT - SBA Host Summit (Allan and Mark have agreed to work w/ Michele on this). Michele had a conversation with Andrew and Vicky (SBA) about the event. Would like to do it in conjunction with our Feb meeting—perhaps half-day on Tues morning, Feb 13th. We provide room; otherwise, not paying for it as it is an SBA/Advisory Board event. Consider registration costs for non-SBDCers to attend other events (ie. Client Showcase). SBA has a list of who they are planning to invite. It would help us decide who the right person is to invite, once we see an agenda. *ACTION: Michele will reach out for a draft agenda. And, send us the list of those to invite to review as the appropriate contact at host.*

CORE COMPETENCY - Lyle had given a report with the idea that the conference committee could use it to plan. It would replace the 2009 study (re: additional/new areas of focus).

DISASTER RECOVERY EFFORTS - Mike reported Florida recovery is going well, other than the Keys which was devastated and will take years. John is coming to Southeast meeting in Dec. Steve has been engaged. Kristin Johnson said it's early to assess needs from wild fires.

FEDERAL RESERVE –There were 13-14 participants in 2016, and 40 are planning to participate in 2017. Should have results back mid-March.

NEW BUSINESS

Review of Calendar for Board Meetings-decided to move May meeting to a Webinar (3rd Monday, 5/21 at 3:00 p.m. EST; June meeting in person 12-14th. 12th is travel day, meeting on 13th with 8:30 a.m. start, adjourn at noon on the 14th. Discussion of Board allocating funds to bring a video crew to film the client showcase in Feb-and put together footage in advance of and to promote SBDC Day. Suggest we could go out to the network to get high quality raw footage for the video--April to collect.
ACTION: ASBDC staff prepare a request for funds – for this video.

Survey of KPI's – Mike described and showed the BoD – the responses. And, his reclassification of the responses. Highlighted those that needed more clarification. Focused on high frequency responses of leading, lagging and efficiency responses. Discussed the variation may be attributed to focus areas, needs within each state/program…and there may be more similarity within the lagging indicators. Outputs: Can manage consulting hours (people's time) to achieve. Could look at the # of FTEs, to evaluate (versus population) – in terms of goals. Why is SBA having this conversation/motivation? New Administrator, strategic plan. SBA is looking at the 3 resource partners – for some type of "alignment". Some SBA folks are talking about compliance. Strategic plan is focused on underserved populations, and other things…that may not turn into goals.

Question around whether they will make a change just for the sake of it? No-Michele and Mike heard yesterday it was to make SBA look better and have meaningful results. Allen needs to say from OED programs…here are our measures and why. What is the next step? SBA left the door open for us to provide input before their change/implementation "within the next six weeks". Discussed the purpose of the survey was to give Board (only) a better understanding and will not be shared outside of SBDCs. Difficulty in translation to each state. Part of the argument relates to whether or not they truly look at it in terms of national overall goals; yet negotiate individual states. Benchmarking with some performance capability – would be helpful. Mike's logic for assigning goals: Keep the end in mind. Formula for success----Small businesses don't have a strategy for jobs; jobs are a consequence of the increase in sales & capital infused. Tax revenue is a result of the increase in sales & capital infused. What activity can we control and have in common? Consulting hours. Could reflect accreditation process and that of individual states' strategic plans, which drives everything else, and would allow for the fluctuations in state economies. We're invested in long-term relationships ----kind of goes w/ LTCs. Average hours per client (was a target). SBDC clients succeed at rates higher than other businesses. Would be good to have data on the cost of the delta (the difference between SBDC clients and non-SBDC clients). Messaging: You (SBA) goal us on the input measure (leading)—and we'll tell you what the results were. Discussed that the membership needs to be informed about the reason for the KPI survey. And the BoD is making a recommendation based on the survey responses; need to allow the membership to comment. Considered:

1. Consulting Hours--not saying a particular # of consulting hours. Need to level the playing field - only on SBA funding.
2. Client satisfaction--if we used the national economic impact study
3. Capital infusion
4. Sales increase? Concern that this takes time to accomplish and is difficult to get from client

This combination offers a blend of input, activity, outcomes-could make sense if we establish the right methodology. Then the key is how it is allocated to each SBDC----FTE's, versus population

Scenario 1 – they determine the metrics without us
Scenario 2 – we keep the same 3 and have same challenges
Scenario 3 - we provide input, focus on consulting hours, client recommendation, capital infusion

In discussion…..with our liaisons, it is not what we want to collect…but what we want the SBA to collect on us. *ACTION for Board Members to get member (liaison states) input on these (3) metrics.*

SETTING THE AGENDA FOR 2018
Review VISION 2020 – Executive Summary
Mission and Vision determined to be relevant.

REVIEW STRATEGIC PRIORITIES: WHAT DO WE NEED TO FOCUS ON TO ACHIEVE OUR VISION?
Review these 4 pillars; comments around membership responsibility, BoD responsibility.
Agreed it is still relevant. Helps foster BoD member commitment.

IDENTIFY BOARD MEMBER OBJECTIVES: WHAT ARE OUR MOST IMPORTANT SHORT-TERM STRATEGIC PRIORITIES?
Each Board Member described their most important short-term strategic priorities, followed by group discussion, and then the priority was put up on flip chart in one of the following categories: Grow Funding, Cultivate Leadership, Enhance Capacity & Capability. Discussion around the Cultivate leadership topic – many things have been achieved in the past two years that are continuing, such as continuing to be a priority and not be dropped – ie. New SD onboarding, SD round tables. Board Members ranked the priorities, and in reviewing the rankings worked toward a proclamation to the membership—of what we are committed to:

> DRAMATICALLLY IMPROVE THE VALUE OF THE SBDC PROGRAM BY DEFINING PERFORMANCE GOALS AND EQUITABLE METHOD FOR ALLOCATION THAT ENSURES ALL NETWORKS ACHIEVE HIGH PERFORMANCE MEASURED BY A CREDIBLE NATIONAL ECONOMIC IMPACT PROCESS.

2020 Goal: Core authorization to $135m; Non core $65m (Short term DHS, Mid Term AG, Long term Commerce). Define what the federal ask is and the time line for it. Plus potential other funding (which may not require the same level of match)

NON-BOARD MEMBER TOPICS - NONE

5:00 PM EST **ADJOURN for the day**

DAY 2: 8:30 a.m. Reconvene
Summarize Day 1 Progress - Mike shared with the BoD the draft of a white paper used to describe the background/context for where we are and why with regard to KPI's. The Board reviewed a document drafted by Lisa with help from Linda/Greg - which the BoD would use as talking points with its liaison

states to gather input within the next six weeks. The goal of discussions with liaison states is to see if we have concurrence and then, to find out the appropriate levels with respect to each of the performance measures. We will communicate to members and SBA that recommended metrics are in alignment with accreditation standards, are responsive to their draft strategic plan, adding a qualitative aspect of entrepreneur satisfaction, and reference the fact that Business Starts have been the current metric most challenged by individual states, and the inaccuracies of the EDMIS upload.
ACTION: Mike will send this letter out in Constant Contact – and ask for their participation.
ACTION: BoD members will communicate with liaison states and report back to Mike by Friday, Dec 1st on liaison states feedback.
Mike will collect the feedback and prepare a report to use in next conversation with SBA. Next, the board delved into a conversation on any unintended consequences of these measures. This included student engagement strategies, outside contractors versus employees; would stakeholders show concern if we don't measure start-ups? It was thought that SBA would look favorable on anything that helps them address resource utilization with SBDCs. If we hear from programs that currently have low hours/minimally funded programs ---that we will encourage a scaling aspect to this. Would need to goal on hours that are attributed to SBA core and required match. *ACTION: Mike will ask for "SBDC" program only last 3 years of consulting hours, total FTEs and Consultant FTEs.*
ACTION: Suggestion that Mike send a survey out asking for consulting hours (C&P) last 3 years. (to be sensitive to the needs of all states)

Last topic of the Board Meeting was on the National Economic Impact Survey—The new company (NBRI) will collect the data, then Chrisman or another economist will evaluate it. This company also has their own economist. Some concern was raised about lower response rates; Beth and others wrote up suggestions on how to encourage high response especially if it is coming from an outside source. Individual states can add specific questions and contract with NBRI to get their state report. Right now the proposal is to collect the same data (first change to data collection method, but keep "what" we are collecting the same). Envision that the Association would have every networks responses/activity and satisfaction #'s—which would help with benchmarking. Timing can be an issue-as this is a vehicle for collecting data used in annual reports. If have a complete data set, individual states can slice/dice however they want. Aggregated report to ASBDC should equal individual states reports totaled up. **BoD Discussion:** Who do we want to survey? Previous 2 years – everyone we've seen now back to 2 years. Clients with any time spent. Who do we want to include in the assessment? Consulting clients only (not training attendees). Let the researcher replicate the Chrisman methodology for the first year and have a 2-year overlap of both assessments. And, do some analysis as to the methodology. What results do we want the assessment to calculate? For now use the same things we measure now, use demographic forms (all that are in Table 1 of Chrisman).

Motion: Lisa made a motion to adjourn/2nd by Greg.
12:00 PM **ADJOURN the meeting**

UPCOMING BOARD MEETING: Monday, December 18th via WebEx