

MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

MEETING MINUTES

May 6, 2015 – 5:30 p.m.

5th Floor Council Conference Room, Council Office Building

Members Present

Mayra Bayonet
Margo Briggs
Cherian Eapen
Warren Fleming
Janice Freeman

Julian Haffner
Leon Hollins
Herman Taylor

Member Absent

Bethsaida Wong

County Staff Present:

Kristina Ellis, Department of Economic Development
Karen L. Federman-Henry, Office of the County Attorney
Walt Harris, Office of Council President George Leventhal
John Korpela, Department of Economic Development
Linda McMillan, County Council
Mary Anne Paradise, County Council
Linda Price, County Council
Judy Stephenson, Department of Economic Development
Sally Sternbach, Department of Economic Development
DeVance Walker, Department of Economic Development

I. Call to Order

The meeting was called to order by Task Force Chair Taylor at 5:30 p.m. The minutes from the April 15, 2015 meeting were unanimously approved by all Task Force members present.

II. Briefing – Department of Economic Development – Sally Sternbach

Ms. Sternbach and her staff, provided an overview of outreach programs and small and minority business initiatives for the Department of Economic Development (DED). The full presentation is at Attachment 1. Task Force members engaged in a question and answer session with DED staff following the presentation.

- Ms. Briggs inquired on how best to get involved in the various DED programs outlined in the presentation and asked if the Department engages the Chambers of Commerce for outreach. DED staff encourages business to access their website <http://www.choosemontgomerymd.com/> for information on their programs and will take leveraging additional outreach outlets into consideration.
- DED noted that until recently, the Office of Procurement did not have outreach staff, but DED got involved to assist with outreach to help bridge the gap.
- Mr. Eapen inquired if State Bill 1016 had passed; Ms. Stephenson indicated that they are still awaiting an outcome from the state for the enabling legislation, but it is limited to Maryland National Capital Park and Planning Commission capital projects.

- Ms. Freeman inquired if the Wheaton Innovation Network Center was closing. Ms. Sternbach said the lease expires June 2016, and that mostly professional services are accommodated there. DED's goal is to expand to reach a broader array of businesses, with training and outreach programs in a more "street level" approach.
- Mr. Hollins asked about information tracking for the department. Are they measuring outcomes or gathering business demographic information for MFD and LSB programs? Ms. Sternbach said tracking the changes that a business makes as result of DED's efforts would be cost prohibitive. However, the MD Women's Business Center tracks some data such as any changes from their counsel and attendance training, but it's hard to claim direct credit for outcomes. It was noted that DED should prioritize gathering this information. Ms. Sternbach indicated that the Department doesn't quite know how to measure outcomes.
- Mr. Walker noted that out of the 13,000 vendors in the registration system, for various reasons only 600 are registered as MFD firms.
- Mr. Haffner asked what would be the best way to align the interests of the MFD program with DED and the Office of Procurement, and questioned the disconnect between the two. He noted that the County should try to increase the amount procured through the registration system to get more participating in the program and work with the contract administrators to remind them of EEO.
- Mr. Taylor noted MFD access to capital is a concern that was highlighted in the Disparity Study. Ms. Stevenson suggested that the County may be more risk averse due to stewardship of tax payer dollars. It was mentioned that the County could do GAP or guarantee financing on top of banks. Mr. Taylor mentioned the \$50 million financing program in Prince George's County and noted that the County should include budget funds for a program such as this. Ms. Sternbach pointed out that the County has a Revolving Loan Program (\$5,000 to \$100,000) and the Economic Development Fund which is targeted to specific areas, as well as tax credits, MOVE, etc.
- Many Task Force members expressed their desire for DED to improve their outreach efforts. It was suggested that DED be more proactive and engaged with the business community, including those who haven't made contact with the County or DED, possibly soliciting assistance to reach out to businesses, brainstorming with stakeholders to come up with ideas to improve outreach, and getting contact information from the State for Montgomery County businesses.
- It was noted that the MFD program needs additional staff than the one employee managing the program.
- Ms. Sternbach suggested the Task Force consider the Local Business program implemented in the City of Rockville. It requires that all solicitations receive at least one proposal from a Rockville based business.

III. Upcoming Meeting Schedule

- The next meeting is scheduled for May 20, 2015, at 5:30 p.m. The Task Force will continue to refine their list of possible recommendations.

IV. Group Discussion

- Mr. Taylor said that the Task Force has completed the discovery process with County Government, and believes that recommendations would dovetail back to the Griffin & Strong report, and suggested looking at funding, financing, and waivers, as well as the State's 30% MFD requirement.
- Mr. Hollins suggested reaching out to other organizations. The goal should be to present well-researched recommendations based on fact.
- Mr. Haffner suggested financing issues be further researched, and align recommendations to where financing is available.
- The Task Force asked staff to find best practices around the country for Task Force reporting.
- Many members remarked that DED should be targeting MFD's and analyzing data, and noted the lack of culture and lack of accountability.
- Additional issues to consider include outreach, engagement of existing partners, benchmarks, possibly instituting practice similar to City of Rockville requiring at least one Rockville based bid, but in this case there would be an MFD requirement. It was also noted that Alvin Boss in Business Relations and Compliance needs a new title and additional staff.
- Ms. Federman-Henry said that adopting a program similar to Atlanta's would require changes to current law and regulations, but could be looked at in greater detail with some possible modifications. However, not all of the Task Force recommendations would require changes to legislation.
- Mr. Hollins, and many other Task Force members, supported the inclusion of a legal section in the Task Force report to note that the recommendations have been reviewed and vetted by County legal staff.
- The Task Force discussed taking a position on the appointment of the new Procurement Director. Mr. Hollins agreed to draft a letter to the County Executive regarding why the Task Force should have a say in the appointment. Staff will determine and report to the Task Force on the appropriate protocol regarding the appointment process.

V. Public Comment

There were no comments from public meeting participants.

The meeting adjourned at 8: 31 p.m.

**Montgomery County Department
of Economic Development**
***Local Small & Minority Business
Services & Outreach***

FY14 through March 2015

*Prepared by the Division of Small &
Minority Business Empowerment (DBE)
May 6, 2015*

DED Small & Minority Business Services
Key Areas of Focus

- **Business Assistance Programs**
 - Montgomery County Business Innovation Network (BIN)
 - Contract Management of Organizational Grants
 - Mentorship Program
 - Emerging Leaders
 - Small Business Revolving Loan Program
 - Buy Local Program

- **Direct Gov-to-Biz Services**
 - Small Business Navigator
 - Small Business Resource Seminars
 - Maryland Small Business Development Center (SBDC)
 - International Trade Assistance
 - Office Hours

DED: Small & Minority Business Services

Key Areas of Focus, (cont'd.)

- **Outreach, Recognition & Promotion**
 - LSBRP/MFD Outreach/Promotion
 - Conference & Event Sponsorships & Exhibits
 - Small Business Awards Recognition Luncheon
 - DED eBiz, eCalendar & Social Media Promotion

Business Assistance Programs:

Montgomery County Business Innovation Network (BIN)

- Montgomery County maintains a network of business incubators located in Wheaton, Silver Spring, Rockville and Germantown. In addition to providing direct support to tenants, the BIN also hosts a series of educational and informational seminars open to the business community at large.
 - 49% of incubator tenants are minority- or woman-owned.
 - 62 events have been offered to the business community from January 2014 to date.
 - Events attracted an average of 13 participants.
 - Programs received an average score of 3.52 (content) and 3.64 (presenter) out of a possible score of 4.0.



**Business Assistance Programs:
Contract Mgmt. of Organizational Grants**

Latino Economic Development Corporation (LEDC)

	FY12	FY13
Small Business Development (Training & TA)		
Business Training Sessions*	50	34
Entrepreneurs Trained	381	387
Entrepreneurs Receiving one-on-one Technical Assistance	272	188
Businesses Created	22	22
Small Business Lending		
Loans to Small Businesses	17	31
Total Amount Loaned to Small Businesses	\$272,758.19	\$517,620.82

**Business Assistance Programs:
Contract Mgmt. of Organizational Grants**

Rockville Economic Development, Inc. (REDI)/Rockville Women's Business Center

Funding for the Rockville Women's Business Center (RWBC) helps support its mission to help Montgomery County's diverse population start and build women-owned enterprises that are positioned for long-term growth in the community.

	FY12	FY13
Workshops Held	42	29
Number of Participants	936	342
Technical Assistance (counseling and peer groups) sessions	196	447
Participants Receiving technical assistance	75+	250

Business Assistance Programs: *Contract Mgmt. of Organizational Grants*

University of Maryland's Small Business Development Center

The Scope of Services in the MOU for the University of Maryland's Small Business Development Center Network focuses on providing counseling and training to assist with the creation, operation and expansion of small businesses in Montgomery County.

	FY12	FY13
New Business Created	15	9
Jobs Created	209	67
Number of Loans	11	7
Dollar Amount of Loans	\$3.5 million	\$2.6 million
Total Capital (Loans/ Equity)	53	57
Dollar Amount of Loans/ Equity	\$6.0 million	\$2.6 million
Total Client Counseled	305	342
Total Training Events	134	225
Training Attendees	1,378	2,142

Business Assistance Programs: *Contract Mgmt. of Organizational Grants*

Empowered Women International

Empowered Women International provides entrepreneurship training, mentoring, business coaching and support services to immigrant, refugee and low-income women residents of Montgomery County. DED began monitoring this contract in FY 2014.

	FY14
New Businesses Created	22
Participants in Growth Accelerator	12
Entrepreneurs Receiving One-on-one Counseling	74
Outreach Events	34



Business Assistance Programs: *Small Business Mentorship Program*

- Year-long, targeted business mentoring program aimed at helping new entrepreneurs and small business owners increase their management, financial, marketing, sales and growth skill sets.
- About 10-12 participants meet once a month at DED offices, or at other business locations within the County, to hear presentations on business-specific topics presented by seasoned business leaders and owners.



2015 Mentorship class participants listen to presenter Gerald Kaiz, Pres., ALF Consulting, specializing in business marketing, sales & training, at DED offices in April.

Business Assistance Programs: *Small Business Mentorship Program*

- **2014 participants:**
 - Dreams Roller Rink - Entertainment venue
 - Ensign Consulting – Strategic management consultant
 - Finances De-Mystified, LLC – Personal finance coaching/solutions
 - 3E Global Konsulting, Inc. - Quickbooks training and support
 - Genesis Strategic Solutions, Inc. – Data analysis and reporting
 - Hardy Company, LLC – Transportation company
 - JDM Consulting Group – Risk management company
 - Plaquita Sports, LLC – Clothing and customized apparel
 - Soldierfit – Health & fitness facility

Business Assistance Programs:
Small Business Mentorship Program

- 2015 participants:
 - Arise Consulting
 - Bass Accounting and Tax Services
 - Britt Enterprises, LLC
 - Casa Florentino Real Estate Company
 - Green Leaf Cleaners and Valet
 - Jada Solutions, Inc.
 - LGI Advisors
 - Mellidec Engineers
 - NG Security Solutions
 - Taccounting-Professional Accounting & Staffing Services?
 - Uprising Builders, LLC

Business Assistance Programs:
SBA Emerging Leaders Program

- The SBA's Emerging Leaders Initiative is a national program that offers executive education to prepare and encourage small businesses to move to the next level. The program is designed to enhance entrepreneurial success, generate new jobs, attract investment and provide participating companies with a sustainable economic base.
- This year, the Department – through the initiative of the Division of Business Empowerment – partnered with the SBA's District Office to host one of two Metro DC area Emerging Leaders programs at our Rockville offices.

Business Assistance Programs: *SBA Emerging Leaders Program*

- Twenty area "emerging leaders" (10 from Montgomery County) attend a series of 13 bi-weekly classes. The series started in early April and runs through early October, culminating in a graduation ceremony October 21st at the Silver Spring Civic Building.

2015 Emerging Leaders Program participants from Montgomery County are:

- Angela Graham, Quality Biological, Gaithersburg
- Beatrice Key, Key & Associates, Silver Spring
- Carmen Larsen, Aquas Inc., Bethesda
- Ryan Nuessle, Bravium Consulting, Kensington
- David Posin, SOLDIERFIT, Gaithersburg
- Aaron Udler, Office Pro, Gaithersburg
- Mary Windham, Occasions, Inc., Rockville
- Lindsey Allard Agnamba, School Readiness Consulting, LLC, Silver Spring
- Rosa Caldas, ZemITek, Silver Spring
- Nhora Murphy, TMNcorp, Silver Spring



Emerging Leaders listen as instructor Tim Kerin leads a session at DED's Rockville offices.

Business Assistance Programs: *Small Business Revolving Loan Program*

- Direct loans, or participation in loans made by other financial institutions, to small businesses in Montgomery County.
- Targeted for Montgomery County-based small businesses with gross revenues of less than \$5,000,000 annually and fewer than 75 employees.
- Eligible businesses must also meet one of following needs:
 - Program funds must assist the start-up or expansion of the business, or
 - Program funds must help retain and stabilize the business.
- Program assistance typically ranges from \$5,000 to \$100,000, with maximum terms up to 5 years.
- Collateral and principal's personal guarantee are required.

Business Assistance Programs: *Small Business Revolving Loan Program*

- Examples of loans made by DED via the SBRLP:
 - All African Food Stores
 - Fireworks Art Café
 - Hollywood East
 - Marimej Entertainment
 - Mayorga Coffee Roasters
 - Mendoza & Associates
 - Pyramid Atlantic
 - Shawn Bartley & Associates

Business Assistance Programs: *Buy Local Initiative*

- Based on contracted research by DED to ascertain the extent of local contracting outreach and awards by several public- & private-sector entities in Montgomery County, the DBE is working to increase local contract opportunities and awards by about targeted entities to start.
- DBE staff has met with procurement managers at Housing Opportunities Commission, Marriott, Montgomery College and Westat. During these meetings, the County's CVRS/LSBRP/MFD were reinforced as valuable tools for reaching and finding qualified local vendors.
- All of these entities were familiar with and use these tools but agreed to make sure their procurement teams were indeed making full use of the search functions of the CVRS for procurement opportunities.

Business Assistance Programs: *Buy Local Initiative*

- Additionally, Montgomery County joined with Prince George’s County to introduce State Bill 1016 in February uthorizing MNCPPC to establish a Certified County-based Business Participation Program. Awaiting the outcome of this legislation.
- The four companies met with, along with several other entities contacted via email, have let DED/DBE know of their willingness to more actively participate in targeted, County-sponsored procurement fairs and vendor capability sessions as requested.
- DED/DBE will work with the Office of Procurement and/or directly with the targeted entities to plan and present at least 2-3 such events in FY16.

Business Assistance Programs: *Buy Local Initiative*

- Targeted public-/private-sector entities are:

HOC* MCPS* MNCPPC* Montgomery College* Adventist Healthcare DARCARS Discovery FINRA GEICO Holy Cross	Hughes Network Systems IBM Corporation Kaiser Permanente Lockheed Martin Marriott MedImmune MedStar Montgomery Medical Center Johns Hopkins Medicine/Suburban Hospital Verizon Corporation Westat
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* Currently list solicitations on the CVRS.

Gov-to-Biz Services:



- **Created in 2013 by legislation to assist small businesses working in and with Montgomery County.**
- **Key functions:**
 - Advise the County Executive, County Council and County departments and agencies on actions needed to help local, small businesses comply with County requirements and regulations.

Gov-to-Biz Services:

Small Business Navigator

- **Key functions, cont'd:**
 - Advise local, small businesses on how to comply with County regulations and requirement;
 - Promote communication between small businesses and County departments and agencies;
 - Maintain and relay helpful information for small businesses and track common issues of inquiry from the local small business community;

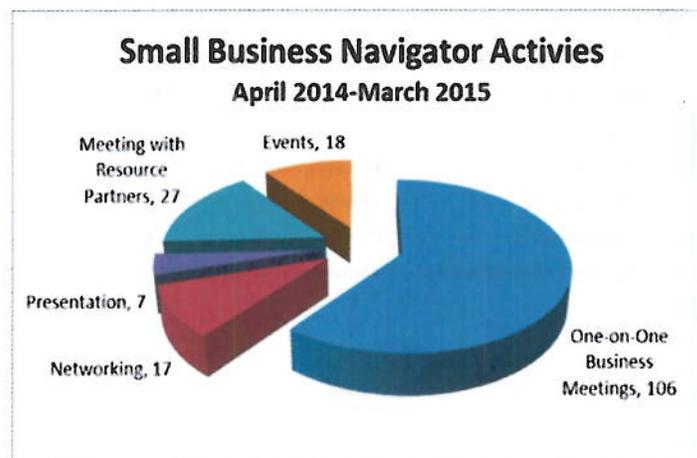


Gov-to-Biz Services: *Small Business Navigator*

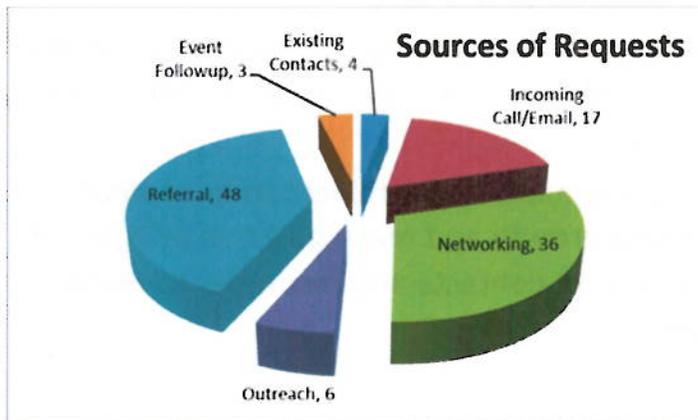
- Key functions (cont'd):
 - Collaborate with County agencies to streamline process of interaction by businesses with County agencies;
 - Identify regulatory roadblocks to local small business growth and make best use of internal government contacts and resources to resolve them.



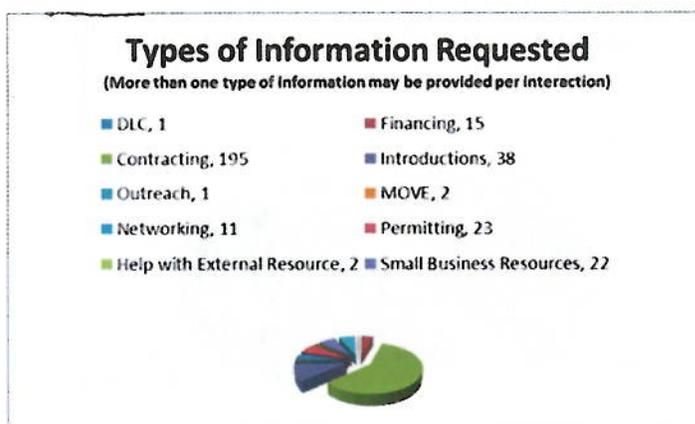
Summary of Small Business Navigator Activities



Summary of Small Business Navigator Activities



Summary of Small Business Navigator Activities



Gov-to-Biz Services:

Small Business Resource Seminars

- Monthly seminars conducted by DBE and SBDC staff geared towards prospective entrepreneurs and newly established businesses.
- Seminars currently held at the Wheaton Business Innovation Center, looking to expand to the UpCounty area in the near future.
- In addition to general info. on how to start a business, the LSBRP/MFD programs are promoted.
- Usually have @ 20-25 attendees each month.

Gov-to-Biz Services:

MD Small Business Development Center (SBDC)



- The MD SBDC provides one-stop assistance to support the success of local entrepreneurs and small businesses.
- DED, via the Division of Small and Minority Business Empowerment, secured the services of SBDC Corridor Region Business Consultant William Freeman, Jr., who conducts one-on-one meetings with local entrepreneurs and small businesses each Tuesday at DED offices.

Gov-to-Biz Services:
MD Small Business Development Center (SBDC)



- Assistance provided includes:
 - Start-up Assistance
 - Business Plan Development
 - Financial Analysis
 - 8(a)/SDB/MBE Certification Training
 - Federal & State Contracting Assistance
 - Loan Packaging
 - Strategic Planning
 - Business Valuation
 - Technology Commercialization
 - Import/Export Assistance

Gov-to-Biz Services:
International Trade Assistance

- Monthly, one-on-one international business counseling sessions focused on selling over seas, held in conjunction with the U. S. Department of Commerce and Maryland's Office of International Investment and Trade.
- Collaboration with the Montgomery County Chamber of Commerce, John Hopkins University, MD Dept. of Business & Economic Development, U. S. Department of Commerce, and the SBA for several international trade business events.



Gov-to-Biz Services: *International Trade Assistance*

- Examples of events include:
 - Doing Business in Africa
 - Doing Business in Brazil
 - Doing Business in Mexico
 - International Development Opportunities at USAID.



Gov-to-Biz Services: *Office Hours*

- DED staff meets with small businesses and startups at shared office spaces and other partner facilities throughout the County.



- 58 individual small and startup businesses participated in Office Hours in the first two months of the program.
- Participating companies range from pre-venture startups to established businesses looking for ways to expand.
- 50 percent of the participating businesses have been minority-owned and 40 percent woman-owned.
- DED provides information on financing, networking and government contracting and facilitates introductions to other resources and businesses in the County.

Gov-to-Biz Services: *Office Hours*

“This personal service provided by the Montgomery County Department of Economic Development supports the development of local businesses. But, perhaps more importantly, this service supports the morale of local businesses and just knowing personal contacts are available to us as resources is very reassuring.”

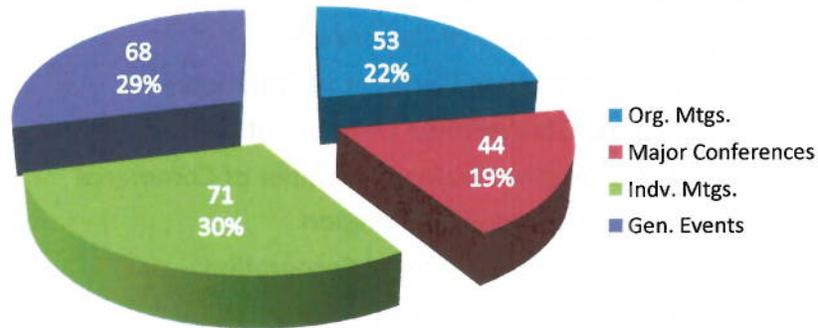
--Samad Saifudin, CEO; Gina Palladino, Chief of Business Development of SustainCreativity

Outreach, Recognition & Promotion: *LSBRP/MFD Business Outreach Efforts*

- DED, primarily via the DBE, actively promotes and markets the County’s Local Small Business Reserve Program (LSBRP) and Minority, Female & Disabled (MFD) procurement opportunity programs at conferences, one-on-one meetings, major tradeshows and other local and regional events.
- DBE staff explain and strongly encourage both local and non-local businesses to register via the Central Vendor Registration System (CVRS)/LSBRP to do business with Montgomery County.

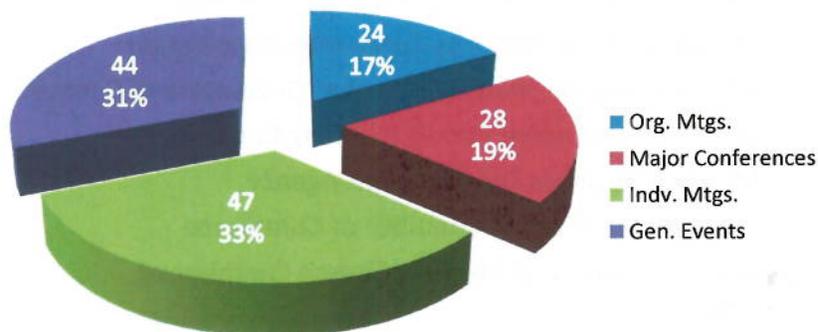
Outreach, Recognition & Promotion: *LSBRP/MFD Business Outreach Efforts*

FY14



Outreach, Recognition & Promotion: *LSBRP/MFD Business Outreach Efforts*

FY15 thru March 2015



LSBRP/MFD Business Outreach Efforts

- Organizations met with include:
 - African American Chamber of Commerce
 - Asian Pacific Chamber of Commerce
 - Bethesda Chevy Chase Chamber of Commerce
 - Gaithersburg/Germantown Chamber of Commerce
 - Greater Washington Hispanic Chamber of Commerce
 - Housing Opportunities Commission
 - Latino Economic Development Corporation
 - Maryland Women's Business Center

LSBRP/MFD Business Outreach Efforts

- Organizations met with, cont'd:
 - MD Dept. of Housing & Community Development
 - MD Washington Minority Companies Association
 - MD/Washington Minority Supplier Development Council
 - MD National Capital Park & Planning Commission
 - Minority Business Development Agency
 - Montgomery County Chamber of Commerce
 - People's Community Baptist Church Chamber of Commerce

LSBRP/MFD Business Outreach Efforts

- **Organizations met with, cont'd:**
 - Rockville Economic Development, Inc.
 - SCORE
 - U.S. Small Business Administration
 - Small Business Development Center
 - Washington Suburban Sanitary Commission
 - Wheaton Kensington Chamber of Commerce
 - Women's Executive Leadership Network

Outreach, Recognition & Promotion: *Conference/Event Sponsorships & Exhibits*

- DED/DBE co-sponsors major tradeshows and conferences to promote the County's LSBRP/MFD programs and support the attraction of new businesses to the County. Events include:
 - Capital Region Minority Supplier Development Council Procurement Conference
 - Governor's Office of Minority Affairs' University Procurement Conference
 - Maryland Hispanic Chamber of Commerce Conference
 - Montgomery County Chamber of Commerce Procurement Conference
 - The Power Conference

Outreach, Recognition & Promotion:
Annual DED/DBE Exhibits at Business Conferences

- Asian American Business Summit & Expo
- Baltimore Washington Region Chamber of Commerce Procurement Fair
- Federal Government Procurement Conference
- Governor's Office of Minority Affairs
- Greater Washington Hispanic Association Conference
- Maryland Hispanic Business Conference
- Maryland Washington Minority Companies Association
- Minority Supplier Development Council
- Montgomery County Chamber GovCon Net Conference
- Power Conference for Women Businesses
- ProBiz Conference
- Women Presidents' Education Organization Conference

Outreach, Recognition & Promotion:
Conference/Event Co-Sponsorships

- Co-sponsored seminars on MDOT Certification with the African American Chamber of Commerce.

- Regularly co-sponsor conferences/events with:
 - Capital Region Minority Supplier Development Council
 - Maryland Hispanic Business Association
 - Governor's Office of Minority Affairs
 - U.S. Small Business Administration
 - U.S. General Services Administration
 - Local Chambers of Commerce

Outreach, Recognition & Promotion:
Small Business Awards Luncheon



- DED hosts the annual Small Business Awards Luncheon honoring the accomplishments and contributions of the local, small business community.

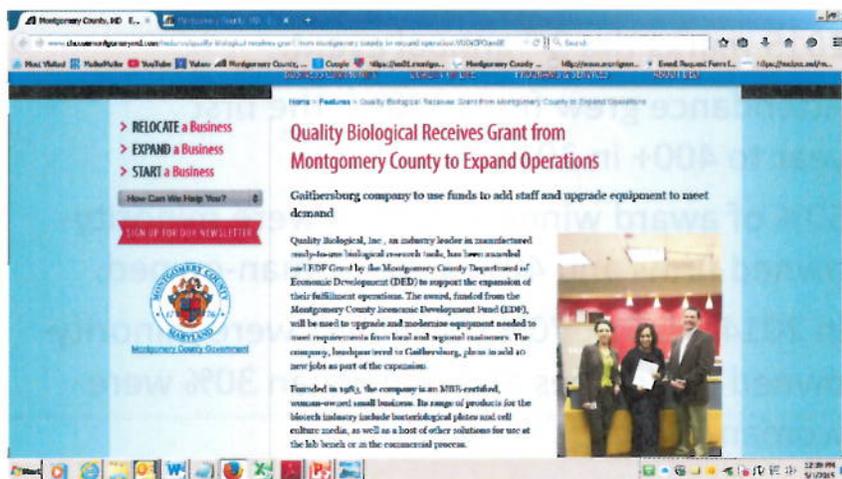
Outreach, Recognition & Promotion:
Small Business Awards Luncheon

- 2015 marks the 3rd annual event.
- Attendance grew from 300+/- the first year to 400+ in 2014.
- 50% of award winners in 2013 were minority-owned firms and 40% were woman-owned.
- In 2014, almost 70% of winners were minority-owned businesses and more than 30% were woman-owned.

Outreach, Recognition & Promotion: *DED eBiz, eCalendar & Social Media*

- DED/DBE employs many methods of outreach and engagement with the local small and minority business community.
- These include the ongoing production of a weekly e-newsletter and/or e-alerts highlighting the many initiatives, programs and services of the Department that is emailed to a list of @ 12,000, mostly local businesses.
- This also includes the management of the Department's highly-successful interactive e-calendar launched a few years ago that includes DED, County and partner events, seminars and conferences in and around the region.

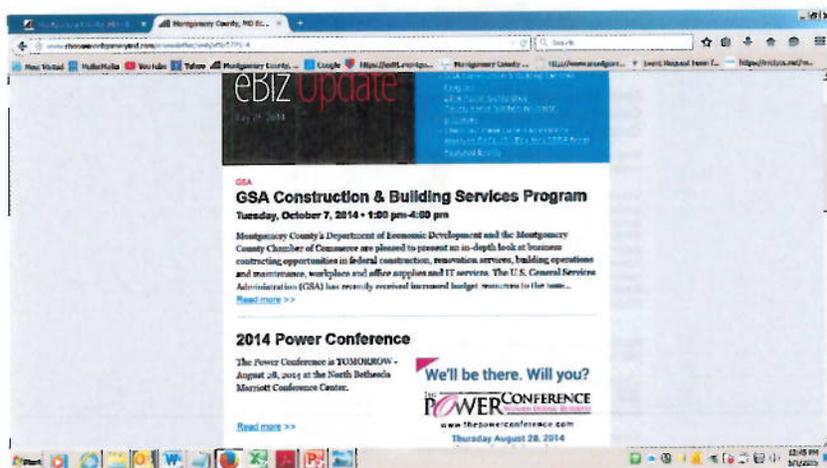
Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*



Outreach, Recognition & Promotion: DED eBiz e-newsletter & e-alerts



Outreach, Recognition & Promotion: DED eBiz e-newsletter & e-alerts



Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*

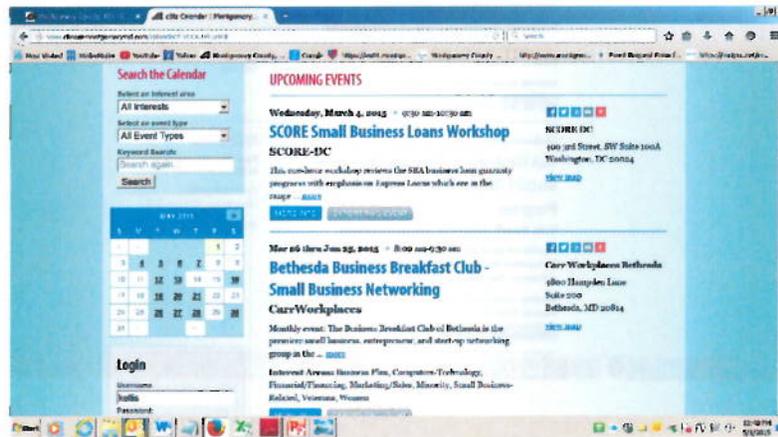


Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*

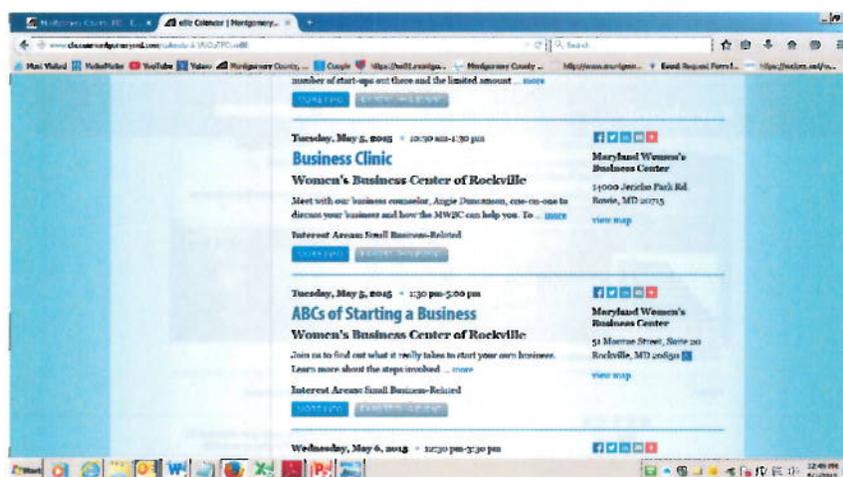


Outreach, Recognition & Promotion: *DED eCalendar*

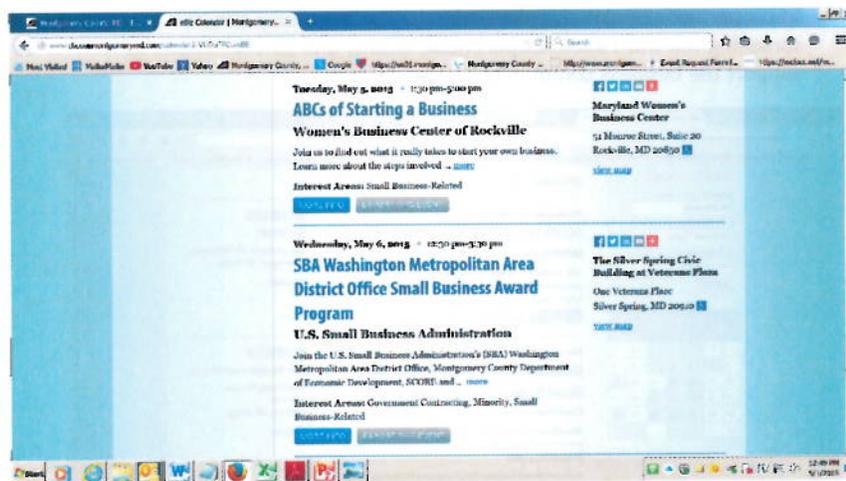
- DED's partner-populated, online calendar has been very effective in spreading the word about Department, County and partner events to support the business community.



Outreach, Recognition & Promotion: *DED eCalendar*



Outreach, Recognition & Promotion: *DED eCalendar*



Outreach, Recognition & Promotion: *Social Media - facebook*



Outreach, Recognition & Promotion: Social Media – Twitter (1,643 followers)



Outreach, Recognition & Promotion: Social Media - LinkedIn

