

**Annual Performance Report
Minority Business Development Agency
Fiscal Year 2003
October 1, 2002 – September 30, 2003**

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Preface

The MBDA Annual Performance Report for Fiscal Year 2003 highlights the progress made by the Minority Business Development Agency (MBDA) to accomplish its mission to become an entrepreneurially-focused organization committed to empowering minority business enterprises for the purpose of wealth creation. This report supports a business case for a continued investment in minority business enterprise. Dramatic increases in the minority population and ethnic purchasing power warrant the dedication of resources to enhance the health, viability, and global competitiveness of the Nation's economy.

MBDA instituted the *President's Management Agenda* and incorporated benchmarks and performance measurements into all aspects of its operation. We will continue to follow the mandate of President George Bush, "*it's the completion of the task and performance results that matter to the American people.*"

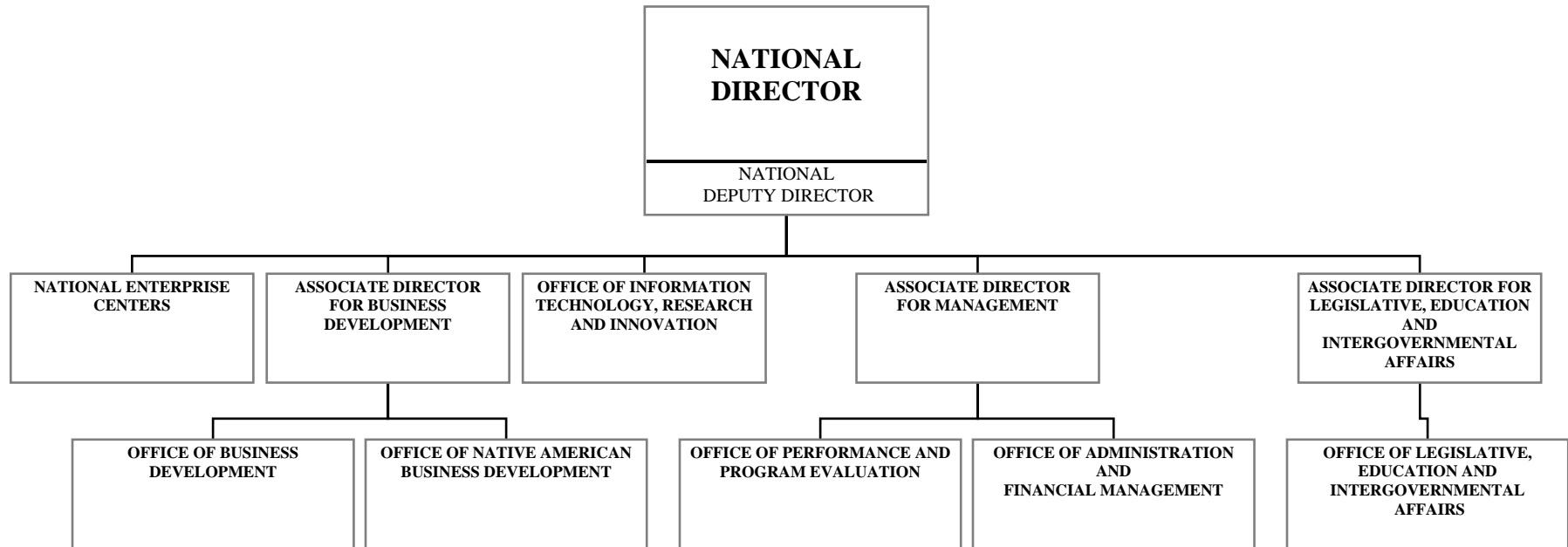
In FY 2003, thanks to the entrepreneurial approach initiated to strengthen the agency's ability to achieve its Performance goals, MBDA has introduced a new **Strategic Growth Policy** for minority business enterprises. This **Annual Performance Report** reflects the accomplishment of goals and performance measures despite the on-going challenges of transitioning agency programs in a more targeted approach to deliver business development services. The development of minority business enterprises remains a *national priority*.

I would like to thank the many dedicated employees, grantee recipients, and strategic partners for providing high quality and dedicated services to the minority business community.



Ronald N. Langston
National Director
Minority Business Development Agency
U.S. Department of Commerce

Minority Business Development Agency Organization Chart



This report was prepared by the Minority Business Development Agency, Office of Performance and Program Evaluation (OPPE). Mrs. Edith McCloud served as the team leader with assistance from Ms. Mary Choi, Melda Cabrera, Jerry Miller, Kevin Matthews and Kate Seiver Feldman.

Executive Summary

MBDA measures its success by how agency services impact “entrepreneurial parity” for minority business enterprises. Entrepreneurial parity is defined as reaching proportionality between minority population percentages and the percentage shares of business development measures such as the number of firms, gross receipts and employment. The state of minority business would look radically different if entrepreneurial parity had already been achieved. In pursuit of entrepreneurial parity, MBDA has established a Strategic Growth Policy (SGP). The policy of increasing service to the number of medium and large minority enterprises is in the long-term interest of achieving MBDA’s vision of wealth creation within the minority community.

In Fiscal Year 2003, MBDA’s performance was measured in terms of performance outcomes. MBDA had three internal goals and eleven performance measures. The National Performance Summary indicates that the Agency has met its goals for all but one measure, the total dollar of contracts obtained for clients in contracting. The most critical measures are the total dollars of awards obtained for clients in both contracts and financings. Although the dollars of contracts obtained for clients decreased in the past fiscal year, it is expected to improve with the implementation of MBDA’s Strategic Growth Policy. This policy that will focus on assisting larger minority firms who have the capacity for growth and the capability to compete for larger prime contract awards. Most Federal contracts are large-bundled awards that many minority firms cannot compete for as a prime contractor. Most minority awards result in subcontracts valued at less than \$200,000. This measure and the financing dollars obtained in loans, lines of credit and bonds are indicators that demonstrate MBDA’s impact on the nation’s economy.

MBDA continues to complete its transformation from an administrative agency to an entrepreneurial organization. One measure of success is the amount of training offered to employees. MBDA takes pride in encouraging employee training to become more entrepreneurial and responsive to the needs of clients. MBDA has been successful in delivering critical business information and matching MBEs with contract opportunities through its Phoenix On-line bid-matching tool and expanded Internet Portal.

In a continued effort of promoting minority business, MBDA encourages other bureaus to support its grant programs. Through its National and Regional Enterprise Centers, MBDA has partnered with other public and private sector

organizations to provide new resources, financial capital and a fair share of procurement opportunities in the marketplace.

MBDA's funded programs delivered a significant return on the federal investment. For example, the Minority and Native American Business Development Center (MBDC-NABDC) programs provided a return of **\$94.50** in transaction services for each dollar invested in these programs.

Finally, MBDA's performance by state reflects assistance nationwide. While MBDA does not have an office or funded presence in each state, it will expand its on-line portal and National Enterprise Center services in FY 2004 to provide greater support and opportunities for minority business in new geographical areas.

National Performance Highlights in FY 2003

- MBDCs and NABDCs assisted **7,647** clients with Management and Technical Assistance (M&TA).
- The Business Development Centers provided a total of **107,939 hours of M&TA**. This represents an average of **14** hours per client.
- Clients in Texas, California and Puerto Rico received the largest amount in transaction dollars.
- MBOCs returned **\$140.70 for each dollar** in funding.
- African Americans were the largest ethnic group assisted (**32%**) by funded projects.
- Spanish Speaking (Hispanics Americans) received the most transaction dollars (**31%**). African Americans were second with **24%**.
- Asian Americans had the most firms assisted with annual gross receipts over \$1 million (**22%**).
- The **private sector provided the largest number of contract awards (43%)**. The Federal Government provided the most dollars in contract awards (**32%**).
- Minority firms in the Construction Industry received the largest number of contracts (**42%**) and the most contract dollars (**57%**).
- MBDA **staff received 9,874 hours of training** which was **197%** of the goal.

Introduction

The Minority Business Development Agency (MBDA), now in its 35th year, maintains the lead role within the Federal Government in providing management and technical assistance services to minority-owned businesses (MBEs). The Agency awards grants and cooperative agreements to qualified consultants in areas of high minority business concentration in order to expand and assist MBEs in the domestic and international marketplace. It is MBDA's objective to achieve entrepreneurial parity for minority businesses. MBDA has re-engineered its organizational structure to be the **frontline** support in business assistance, information and customer service and continue to work diligently to promote strategic growth, job creation, and sustainable development for the rapidly expanding minority business population in the United States.

MBDA's Mission and Goal

MBDA's mission is to achieve entrepreneurial parity for MBEs by actively promoting their ability to grow and to compete in the global economy. MBDA's National goal is to “**Increase Opportunities and Access to Minority-owned Businesses in the Marketplace and Financing.**” MBDA was established to address the special demands and barriers experienced by minority-owned firms and entrepreneurs for the purpose of gaining full access and participation in the free enterprise system. MBDA will continue to open doors to access financial capital and procurement contracts that will allow MBEs to grow, increase gross receipts, create job opportunities within the minority community and utilize strategic partnerships to leverage resources.

MBDA in 2004 and Beyond

MBDA has initiated a Strategic Growth Policy (SGP) to focus services on firms with rapid growth potential and the ability to create jobs and have an economic impact in geographic areas with a high concentration of the minority population. Specifically, MBDA has redefined its target client base for firms with \$500,000 or more in annual revenue as well as firms with a rapid growth potential but smaller annual receipts. MBDA will service these companies in the following ways:

- **MBDCs, NABDCs, MBOCs, and Special Projects** (i.e., Minority Business Roundtable) – MBDA has re-engineered its programs to implement the SGP. A customized training program developed in partnership by MBDA and the Amos Tuck School of Business at Dartmouth will provide business consultants with the higher skill levels necessary to implement the SGP. The funded projects have a revised work requirement to assist rapid- and high-growth potential clients in the areas of contracts, financing, and technical assistance to increase gross receipts.
- **National Enterprise Center (NEC) Staff Activities and Services** – MBDA has identified and established performance goals for the National Enterprise Centers. In FY 2004, staff will be expected to assist with M&TA and marketing services to clients of size and capacity to better compete for contract award opportunities and financial capital.
- **National Industry Partnerships** – MBDA will encourage minority firms with a specialized capacity and supply-chain ability to partner with large corporations and financial institutions that are willing to assist them with increased market opportunities.
- **The MBDA Equity Capital Access Project (MECA)** – MBDA will expand its MECA program for serving minority firms looking for venture capital. In the first year of this program, selected minority firms obtained \$10 million in investment capital and contracting opportunities.
- **Customer Satisfaction Initiative** – MBDA recently received an American Customer Satisfaction Index (ACSI). In order to enhance the effectiveness and efficiency of agency programs and operations, MBDA will focus on improving knowledge management; staff and consultant training; and customer relations management.

*National Performance Accomplishments in FY 2003
October 1, 2002 – September 30, 2003
Agency Performance Measures*

In FY 2003, MBDA has channeled its activities to support three strategic goals and eleven corresponding performance measures. These goals were developed to ensure the efficient and effective allocation of MBDA resources. While businesses of all size categories are important, MBDA is now focused on nurturing "high-growth potential firms" that can compete in an era of contract bundling and strategic partnering. Entrepreneurial business initiatives, electronic commerce and a willingness to engage in partnerships and joint ventures will continue to be promoted by MBDA in the minority business community. MBDA has designed a diversified approach to business development services to support these activities. The Federal Consulting Group, a team of federal leaders who have managed major agency programs, have assisted MBDA in strategic planning, customer relations management and developing new efficiency measures to improve unit costs in operations. A summary of goals and key performance measures appear below.

Goal 1: To improve opportunities for minority-owned businesses to have access to the marketplace

MBDA has fully embraced the Administration's Management Agenda to meet this goal and the new performance measures proposed for the Agency. In 2003, MBDA implemented its strategic plan to develop a system that focused on human and program resources to meet performance outcomes for its clients and customers. This strategic planning process was designed to coordinate services and the fiscal budget to maximize performance results.

MBDA has accomplished 70% of this key measure for the dollar value of contract awards. The revised Minority Business Opportunity Committee (MBOC) program was started in calendar year 2003. Most MBOC projects did not receive funding until the second quarter of the fiscal year. Therefore, most of the larger contract awards obtained for clients by the MBOCs did not occur until the first quarter of FY 2004 (October – December, 2003). This is the first time that all MBOCs will operate with the same performance measures and unified statements of work, which should impact agency goals in FY 2004.

The 35 MBDCs and NABDCs obtained 1,739 contracts and generated \$494.3 million in awards. The nine MBOCs obtained 1,697 contracts equaling a total dollar amount of \$141.5 million. MBDC-NABDC contracts averaged \$250,000, while contracts secured by MBOCs averaged \$83,000 per contract. The observation here is that the MBOCs are securing more subcontract awards from their volunteer committee members. The MBOCs need to focus more on prime contracts and service larger MBEs in order to generate higher returns on MBDA's program investment.

While Headquarters assisted in securing \$3 million in contract awards, it was a Dallas NEC special project (the Arkansas Minority Business Roundtable) that secured contributed \$32.9 million. This represents 5% of total procurement dollars. More impressive is the return on the project's investment of \$186.30 for each dollar invested.

Performance Goal 1: Improve the opportunities for minority-owned businesses to have access to the marketplace.							
Key Performance Measure	FY 2003 National Target	BDC Accomplishments	MBOC Accomplishments	Headquarters Accomplishments	Regional Staff and Special Projects	Total	% Accomplishments (10/1/02 - 9/30/03)
Dollar value of contracts awarded	\$1.0 B	\$494.3 M	\$141.5 M	\$3 M	\$32.9 M	\$.7 billion rounded	70%
Number of contracts received	620	1,739	1,697	15	41	3,492	563%

Table 1 – Performance Goal 1 results for contracts

Goal 2: To improve opportunities for MBEs to pursue financings

Historically, access to capital for minority businesses has focused on debt capital. Based on a study commissioned by the Milken Institute for MBDA in 2000, **Democratizing Capital for Emerging Domestic Markets**, it was estimated that the actual demand by MBEs for equity capital exceeded \$144 billion per year, much more than debt capital.

As the minority business community continues to grow, the demand for capital will increase over the next 20 years. MBDA will address these challenges by collecting and assessing information about the financing needs of the minority business community. The

results of these findings will be disseminated to financial institutions, policymakers, and the minority business community. MBDA is exploring the use of innovative strategies and is working on identifying instruments that will help to increase capital flow for MBEs. Further, MBDA continues to work in creating new public and private partnerships. Obtaining financial capital represents actual assistance rendered by MBDA's funded network. The results are monitored, verified, and reported in MBDA's performance database.

MBDA successfully met its financing goal of \$400 million in secured financing for its clients, while exceeding the number of financial packages by 175%. The MBDA Equity Capital Access Program (MECA) operated by the Office of Business Development helped to secure \$10 million in venture capital for new startup firms. Under the new MBOC program, committee members reported that they were able to obtain \$69.1 million in financial capital for MBEs. The actual totals for dollar value and number of financial packages secured demonstrated an outcome close to agency projected targets.

The BDCs contributed 80% of the total dollars in financial packages secured for the clients. The MBOCs showed an accomplishment of almost 20%. Over 40% of all financial dollars secured went for bonding requirements. During FY 2003, the MBOCs had only an 8-month operation period (February 2003 through September 2003) under the new program. This new program now requires financial performance measures for the first time. These new measures will help generate greater performance outcomes in FY 2004.

Performance Goal 2: Improve the opportunities for minority-owned businesses to pursue financing.							
Key Performance Measures	FY 2003 National Target	BDC Accomplishments	MBOC Accomplishments	Headquarters Accomplishments	Regional Staff and Special Projects	Total	% Accomplishments (10/1/02 - 9/30/03)
Dollar value of financial packages	\$400 M	\$311.5 M	\$69.1 M	\$8.5 M		\$.4 Billion rounded	100%
Number of financial packages received	308	510	24	5	0	539	175%

Table 2 – Performance Goal 2 results for financings

Goal 3: To improve organizational effectiveness, responsiveness, and efficiencies

In FY 2003, MBDA instituted the concept of teams; reduced supervisory levels within the organization; created the Budget and Accounting Reporting System (BAR); established the Office of Performance and Program Evaluation (OPPE); increased its outreach activities to encourage new strategic partnerships; and redefined Regional and District offices into National and Regional Enterprise Centers.

MBDA also upgraded the Minority Business Internet Portal (MBIP). This Website extended MBDA's ability to collect real-time data from grantee recipients to be used for Government Performance and Results reporting. The system facilitates user access while maintaining increased security measures. In addition, MBDA integrated its Intranet, Extranet, and Internet into one easily-accessible, user-friendly Internet Portal. In addition, OPPE established guidelines for all funded projects and agency staff for the verification of performance data to maintain the integrity of information.

In FY 2003, the agency tracked firms registered in the MBDA Phoenix Database firms that received opportunity matches. This activity, as well as any other business development activities, resulted in an outcome of 137% for "clients assisted." The Agency increased the number of contract matches for firms in the Phoenix Database by 146%, and it recorded 560,000 hits on the Portal. Each hit averaged 15 minutes per visit. As new tools are developed, MBDA expects more users and expanded time with on-line resources. MBDA remains committed to train staff to effectively implement the Agency's mission and to improve customer relations.

Performance Goal 3: Improve organizational effectiveness, responsiveness, and efficiencies.							
Key Performance Measures	FY 2003 National Target	BDC Accomplishments	MBOC Accomplishments	Headquarters Accomplishments	Regional Staff and Special Projects	Total	% Accomplishments (10/1/02 - 9/30/03)
Number of BDC clients	5,600	7,647	N/A	N/A	N/A	7,647	137%
Number of national strategic partnerships (Nongovernmental)	6			8		8	133%
Number of interagency and interdepartmental initiatives and agreements (Federal, State, and Local Government)	6			12		12	200%
Average annual Minority Business Internet Portal (MBIP) Hits	500,000			560,000		560,000	112%
Average user time for MBIP	15 minutes			15 minutes		15 minutes	100%
Number of contract opportunities matched	325,000			473,741		473,741	146%
Number of employees training hours (base full-time equivalent: 94)	5000			2,469	7,405	9,874	197%

Table 3 – Performance Goal 3 results from organizational efficiency

MBDA accomplished all but one performance measure in Fiscal Year 2003.

Historical Performance – FY 2000 – 2003

MBDA resumed tracking the number of clients who received assistance in FY 2002. Historical data has shown that there has been a steady improvement in this performance measure. With support from the NEC staff, performance measures are expected to continue to improve with each new fiscal year. At first glance, the dollar value of contract awards secured for the period FY 2000 to FY 2003 reveals an inconsistent trend. The rise and fall of outcomes, especially for contracts and financial awards secured, are impacted by various factors, such as program funding, overstated targets, OIG disallowances, changes in program work requirements and fluctuations in the global economy.

Starting in 2004, MBDA proposed new performance targets that resulted from strategic planning discussions held in early 2003. It was determined that in order to track performance measures across different sectors, the agency needed uniformity in all of its program entities for the BDC, MBOC, special projects and staff activities. These targets result from improved planning and negotiation. MBDA expects consistent levels of performance as it moves forward.

In FY 2003, as the number of contract awards increased, the dollar value decreased. Likewise, as the number of secured financial awards decreased, the dollar value increased. This imbalance occurs when the economy fluctuates and financial institutions become more conservative in their lending practices. Since prime contracts are more difficult and time consuming to obtain, funded projects pursued smaller awards, especially subcontracts in an effort to meet performance goals. Also, since Federal financing and contracts are not directly affected by the market, government programs are the targets for many opportunities.

Agency performance measures and projections for FY 2004 and 2005 appear in the last section of this report.

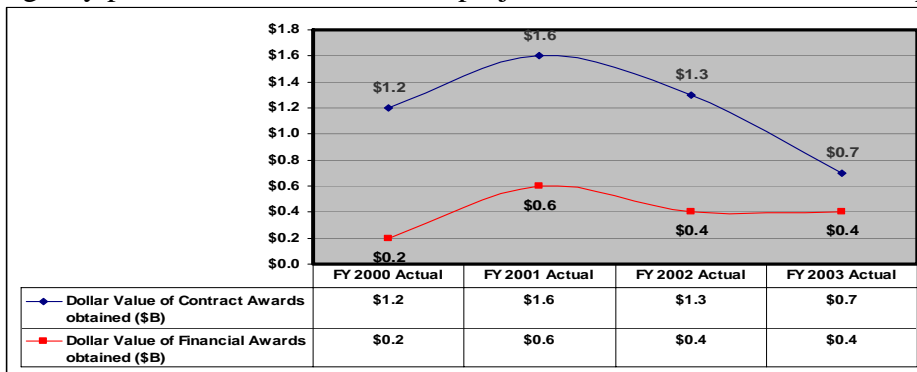


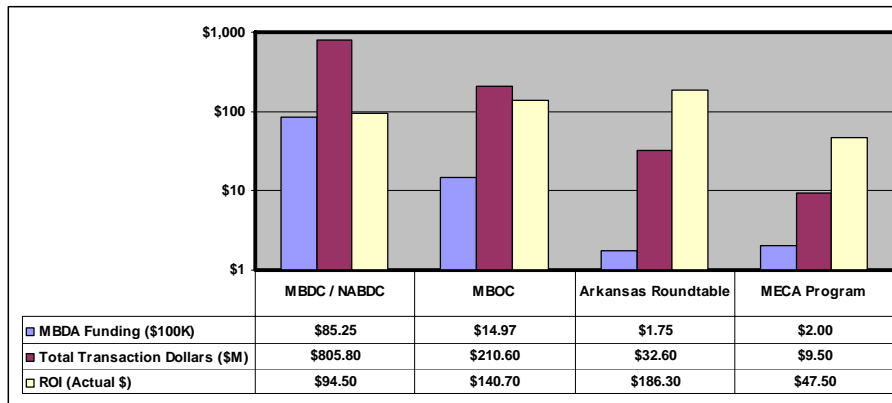
Chart 1 - Fluctuations in Transaction dollars since 2000.

Table 4 - Historical Accomplishments since 2000:

Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual
Total Number of Clients receiving BDC services	new	new	5,600	7,647
Number of Contract awards obtained	New	New	New	3,492
Dollar value of Contract awards obtained	\$1.2B	\$1.6B	\$1.3B	\$.7B
Number of Financial Awards obtained	556	1,155	1,512	539
Dollar Value Of Financial Awards obtained	\$.2B	\$.6B	\$.4B	\$.4B
Number of employee training hours	New	New	9,817	9,874
Number of National Strategic Partnerships	New	New	6	6

Return on Investment (ROI) for MBDA Programs in FY 2003*
(\$ Millions Rounded)

Program	MBDA Funding	Total Transaction Dollars	ROI
MBDC / NABDC	\$8.525 M	\$805.8 M	\$ 94.50 per \$1
MBOC	\$1.497 M	\$210.6 M	\$140.70 per \$1
Arkansas Roundtable	\$0.175 M	\$ 32.6 M	\$186.30 per \$1
MECA Program	\$0.200 M	\$ 10 M	\$ 47.50 per \$1



Compared to the BDC program, the MBOC program is the most cost effective based on the number of projects and federal investment. However, the MBOC needs to adapt to the Strategic Growth Policy to generate higher contract awards to MBEs.

Chart 2 - Program Funding, Total \$ in Transactions and ROI

The Return on Investment represents the dollars in total transactions for approved procurement contracts and financial awards obtained for minority businesses divided by the total federal funding for that program during FY 2003. The result is the return for each dollar invested or ROI. In reviewing the return on investment for the programs outlined above, the data can be understood by the following:

- A major portion of the agency’s program budget goes to funding for the MBDC-NABDC program. This program provides Management and Technical Assistance services for MBE clients. This hands-on approach requires invested consultant time and resources that are expected to generate awarded contracts and financial transactions for clients. The ROI was impressive at \$94.50 per \$1 invested into the overall BDC program.
- In FY 2003, the MBOC was funded at only 20% of the BDC program. The ROI was higher in comparison to the BDC at \$104.70 per \$1. The MBOC program provides assistance to MBEs through facilitation and brokering by a committee composed of volunteers who are high-level public and private sector community and business leaders. The strategy of engaging strategic partners and committed volunteers may be the secret ingredient for the success of this program.
- The Arkansas Minority Business Roundtable is a special demonstration project that was very successful in 2003. This project is structured similarly to that of the MBOC program. However, the program strategy and activities involve Roundtable Partnerships forged with clients who are offered a network of contracting and financing sources needed to become successful.
- The MBDA Equity Capital Access (MECA) program, an agency staff-coordinated event, has been successful with demonstrated M & TA in the area of financing for high-growth, emerging MBE firms. This effort represents an enhancement of MBDA’s current capabilities in successfully linking minority entrepreneurs with start-up and expansion capital.
- The MECA program included:
 - A nationwide business plan search for high-growth minority entrepreneurs.
 - A “boot camp” training program at MED Week for selected finalists.
 - A panel presentation and proposal session by all participants at MED Week.

Comparison of Program Effectiveness

Based on the ROI analysis, the MBOC program experienced a higher ROI per federal dollar invested. However, the dollar value of individual contracts generated by the BDC program is higher than the MBDC program. Therefore, it has been recommended that the MBOC program implement the Strategic Growth Policy to increase the size of opportunities.

**Client Assistance by Minority Group
MBDC and NABDC Programs**

Ethnic Category	Clients	Hours of M&TA	# and \$ Value of Contracts		# and \$ Value of Financings	
African American	3,305	38,430 (35%)	284	\$134.6 M	135	\$91.2 M (24%)
Spanish Speaking	2,379	30,858 (29%)	569	\$211.6 M (38%)	197	\$187.2 M (49%)
Asian American	606	11,030 (10%)	378	\$46.4 M	81	\$49.2 M
Native American	890	18,083 (17%)	463	\$155.5 M (28%)	96	\$31.5 M
Hasidic Jew	147	6,693 (6%)	112	\$9.8 M	6	\$16.8 M
Other Minority	320	2,845 (3%)	11	\$4.0 M	19	\$5.1 M

Table 5 - Client Assistance by Ethnic Category

The table above identifies six different ethnic groups that received assistance from MBDCs and NABDCs in FY 2003. Centers provide 12 categories of Management and Technical assistance. African American clients represented the largest ethnic group assisted and received the most hours (35%) of M&TA. Spanish Speaking (Hispanic) clients received 29% of M & TA hours but were first in both number and dollars of contracts obtained (38%) and number and dollars of financings obtained (49%). The percent of financial dollars secured is significant. Native American clients ranked second in the number and dollar value of contracts obtained, primarily because nationally, 40% of Native American businesses are larger firms that could compete for prime contracts.

The number of hours of assistance for clients that actually result in a transaction award is a concern. For example, sixty-two percent of Asian clients assisted obtained contracts while fifty-two percent of Native American clients secured contracts. However, only 9% of all African American clients assisted were able to secure a contract and only 4% secured financings. Native American and Asian firms had the highest annual receipts and growth rate for the number of firms between 1992 and 1997 as stated in the **1997 Survey of Minority-Owned Business Enterprises (SMOBE)**.

**Percent of Minority Firms Assisted by Annual Gross Receipt Range
(As Reported)**

<u>Ethnic Group</u>	<u>\$0 - \$299,999</u>	<u>\$300,000- \$999,999</u>	<u>Greater than \$1 Mill</u>
African American	90%	5%	5%
Spanish Speaking	70%	14%	16%
Asian American	65%	13%	22%
Native American	62%	19%	19%
Other Minority	77%	10%	13%
Average firms by receipts	73%	12%	15%

Table 6 – Firms by Annual Receipt Range

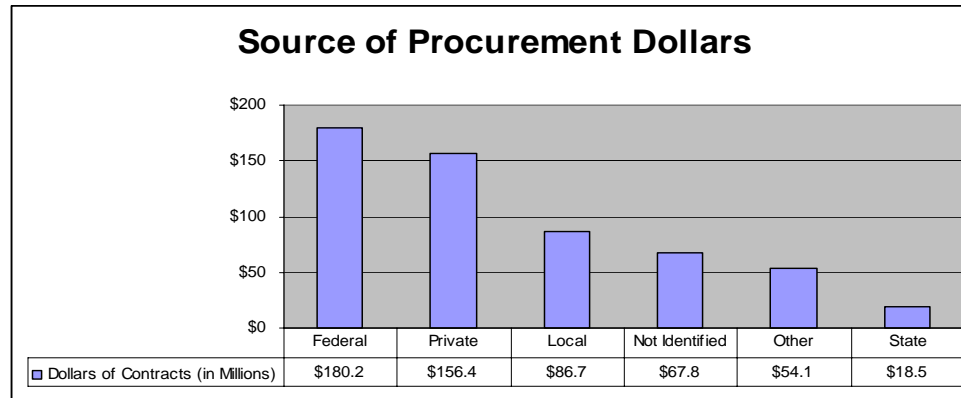
Above is the breakdown showing percent of firms assisted by annual gross receipt, as reported for this fiscal year. Approximately 73% of all clients had receipts of less than \$300,000. This table is important since MBDA will be focusing on a strategic growth policy for minority firms in the future, especially firms with receipts greater than \$500,000. In FY 2003, the MBDA performance system tracked receipts by ranges shown above. In FY 2004, actual receipts will be reported at intervals to benchmark the growth and development that results from network assistance and from the impact of contracts and financials secured. Over 90% of African American firms assisted had annual receipts of less than \$300,000. This could change in the future if larger minority firms are targeted by the centers. Since it may mean less African American clients will be assisted. Asian American and Native American business clients had the most firms assisted with annual receipts greater than \$1 million. An average of 15% of firms assisted had receipts greater than \$1 million.

**Source of Procurement Contract Awards
MBDC-NABDC Programs**

Below is a breakout of contracts obtained by source. Since contract transactions are a key performance measure, recognizing the source and developing new partnerships with these sectors is critical. The Private Sector and Local Government communities had the largest number of awards to minority firms. Most of these awards were less than \$200,000 each. The Federal Government (32%) and Private Sector (28%) contributed the most dollars in awards and is the primary source for large prime contracts. It should be noted that the average federal award was \$735,000.

Table 7 – Contracts obtained by Source

	<u>Number of Contracts</u>	<u>Dollars of Contracts</u>
Federal Government	245 (13%)	\$180.2 million (32%)
State Government	90 (5%)	\$18.5 million (3%)
Local Government	506 (28%)	\$86.7 million (15%)
Private Sector	777 (43%)	\$154.6 million (28%)
Other Entities	117 (6%)	\$54.1 million (10%)
Not Identified	82 (5%)	\$67.8 million (12%)



**Federal Agencies
contributed
contracts that
averaged
\$735,000.**

MBDA Assistance by State
MBDC/NABDC and MBOC Performance as reported

STATE	Clients	M&TA Hours	# Financings	\$ Financings	# Contracts	\$ Contracts	Total Dollars
Alabama	3	29	5	\$.72 M	3	\$.51 M	\$ 1.23 M
Alaska	102	1,308	8	\$ 1.13 M	18	\$ 9.13 M	\$ 10.26 M
American Samoa	3	6	-	-	-	-	-
Arizona	293	2,566	11	\$ 4.24 M	27	\$ 16.43 M	\$ 20.67 M
Arkansas	2	38	-	-	-	-	-
California	785	15,300	38	\$ 38.84 M	59	\$ 76.24 M	\$ 115.09 M
Colorado	131	3,090	4	\$ 5.07 M	29	\$ 1.32 M	\$ 6.39 M
Connecticut	3	58	-	-	-	-	-
Delaware	1	2	-	-	-	-	-
District of Columbia	1	2	-	-	-	-	-
Florida	659	3,818	42	\$ 20.19 M	14	\$ 10.36 M	\$ 30.55 M
Georgia	400	2,321	1	\$ 1. M	-	-	\$ 1. M
Hawaii	207	3,279	28	\$ 6.23 M	256	\$ 21.94 M	\$ 28.17 M
Idaho	5	73	1	\$.96 M	2	\$.52 M	\$ 1.48 M
Illinois	323	4,399	22	\$ 9.46 M	123	\$ 60.83 M	\$ 70.29 M
Indiana	8	210	2	\$ 1.48 M	6	\$ 2.66 M	\$ 4.14 M
Iowa	-	-	-	-	-	-	-
Kansas	2	80	-	-	3	\$.24 M	\$.24 M
Kentucky	77	1,689	1	\$.02 M	13	\$.65 M	\$.67 M
Louisiana	2	2	-	-	-	-	-
Maine	-	-	-	-	-	-	-
Maryland	2	84	1	\$.01 M	-	-	\$.01 M

STATE	Clients	M&TA Hours	# Financings	\$ Financings	# Contracts	\$ Contracts	Total Dollars
Massachusetts	1	1	-	-	-	-	-
Michigan	3	5	-	-	1	\$.23 M	\$.23 M
Minnesota	76	1,816	22	\$1.35 M	7	\$3.17 M	\$4.52 M
Mississippi	1	2	-	-	-	-	-
Missouri	1	51	-	-	-	-	-
Montana	3	57	-	-	-	-	-
Nebraska	-	-	-	-	-	-	-
Nevada	1	1	-	-	-	-	-
New Hampshire	-	-	-	-	-	-	-
New Jersey	259	6,143	5	\$19.18 M	11	\$3.83 M	\$23.01 M
New Mexico	216	4,546	30	\$29.94 M	25	\$65.15 M	\$95.09 M
New York	886	15,171	57	\$20.93 M	143	\$33.93 M	\$54.86 M
North Carolina	271	4,016	13	\$.43 M	224	\$12.99 M	\$13.42 M
North Dakota	58	1,543	3	\$5.11 M	63	\$7.7 M	\$12.81 M
Ohio	237	2,709	11	\$36.04 M	34	\$10.25 M	\$46.29 M
Oklahoma	324	5,063	36	\$20.42 M	84	\$21.98 M	\$42.4 M
Oregon	13	169	-	-	1	\$.38 M	\$.38 M
Pennsylvania	214	1,123	6	\$2.11 M	27	\$11.31 M	\$13.42 M
Puerto Rico	288	4,653	45	\$70.18 M	325	\$39.97 M	\$110.15 M
Rhode Island	1	22	-	-	-	-	-
South Carolina	357	2,644	23	\$5.71 M	104	\$33.18 M	\$38.89 M
South Dakota	10	154	1	\$.9 M	-	\$. M	\$.9 M
Tennessee	4	70	-	-	12	\$1.29 M	\$1.29 M

The five top states
Receiving MBDA
Assistance:
Texas
California
New York
Florida
Georgia

STATE	Clients	M&TA Hours	# Financings	\$ Financings	# Contracts	\$ Contracts	Total Dollars
Texas	1,335	18,096	110	\$65.42 M	171	\$97.12 M	\$162.54 M
Utah	1	8	-	-	-	-	-
Vermont	-	-	-	-	-	-	-
Virginia	1	12	-	-	-	-	-
Washington	75	1,499	4	\$12.54 M	12	\$13.69 M	\$26.23 M
West Virginia	-	-	-	-	-	-	-
Wisconsin	2	14	4	\$1.32 M	20	\$4.9 M	\$6.22 M
Wyoming	-	-	-	-	-	-	-

Table 8 - State Services to minority clients

Above is the distribution of services to minority clients by state. MBDA had 45 funded projects nationwide. Many clients received opportunity matches through the Phoenix Bid-Matching system on the MBDA Portal. Currently, MBDA is adding new tools and plans to reach more clients in remote and rural areas while continuing direct services to the large population centers for minority business as identified in the SMOBE Report. The most clients assisted were from Texas and New York and clients in Texas and California received the most transaction dollars for contracts and financings.

Procurement Contract Awards by Industry Group MBDC-NABDC and MBOC programs		
Industry	Number of awards	Dollars of Contracts
Construction	754	\$316.2 million
Services	489	\$151.4 million
Other Industries	40	\$36.5 million
Manufacturing	250	\$33.8 million
Wholesale Trade	40	\$11 million
Not Identified	5	\$8.1 Million
Retail	237	\$4.8 million
Agriculture	2	\$0.2 million

Table 9 – Procurements by Industry Classification

Percentage of Clients Served by Industry	
Services	22%
Construction	10%
Other Industries	9%
Manufacturing	5%
Retail	5%
Wholesale Trade	2%
Agriculture	1%
Not Classified	46%

Table 10 - Clients by Industry

Contract Awards by Industry

The above table indicates that minority firms in the construction industry received the largest number (42%) and dollars (57%) in contract awards. The average construction contract was valued at \$420,000. The service industry was second with 27% of the awards and dollars. The average service contract was valued at \$309,000. The Service industry classification did have the largest number of firms assisted at 22%. MBDA will be focusing on the manufacturing industry in the future to support a Department initiative. The national demand for construction contractors to support the housing boom is being met by minority firms. Forty-Six percent of clients assisted were not classified by a business industry. However, the new performance system will capture this information in 2004.

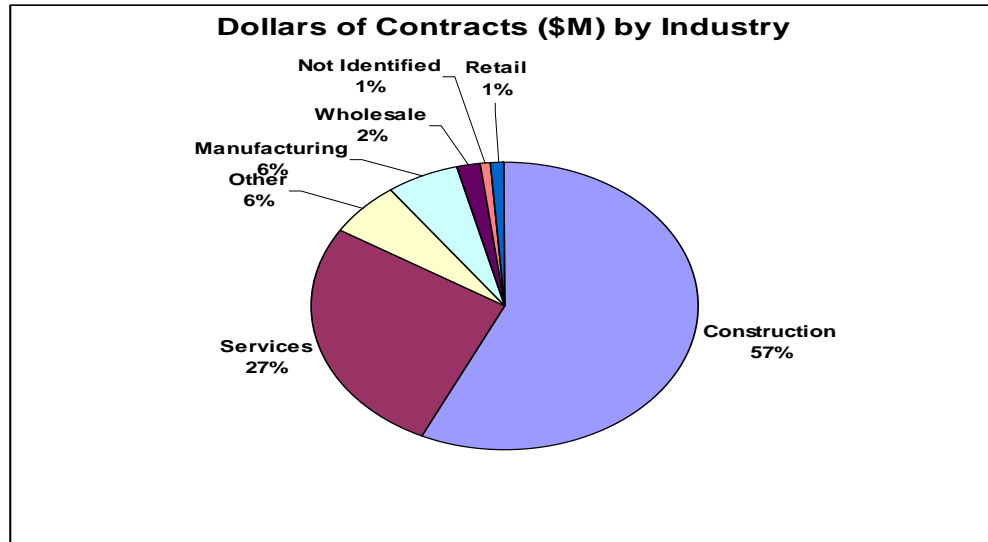


Chart 4 – Contract Dollars by Industry Group

National Enterprise Center (NEC) Performance

MBDA has five regional offices that are now referred to as National Enterprise Centers (NEC) and four district offices (Regional Enterprise Centers). These organizations coordinate the implementation of agency programs and support the goals and performance measures for MBDA. Five of the eleven key performance measures result directly from NEC funded projects and staff-related outcomes, especially in the categories of contract and financial award transactions. In FY 2003, MBDA exceeded in all but one performance measure by 100% or better. The measure for the dollar value of contracts awarded met 70% of the national target of \$1 billion. MBDA project managers have verified reported transaction amounts and provide assurance to the integrity of this information.

MBDA implemented a new Minority Business Opportunity Committee (MBOC) program in February 2003. Each committee is evaluated on a calendar year basis. At the request of the Inspector General, the Los Angeles MBOC, the Agency's highest-performing project in FY 2002, was not officially funded until June 2003, which allowed only one quarter of service for the fiscal year. However, the LA MBOC is expected to deliver over \$90 million in contract awards by the end of the calendar year and will be reflected in Fiscal Year 2004.

Below is a chart showing the percent of each NEC and Headquarters contribution to the total dollars in transactions for contract awards and financings.

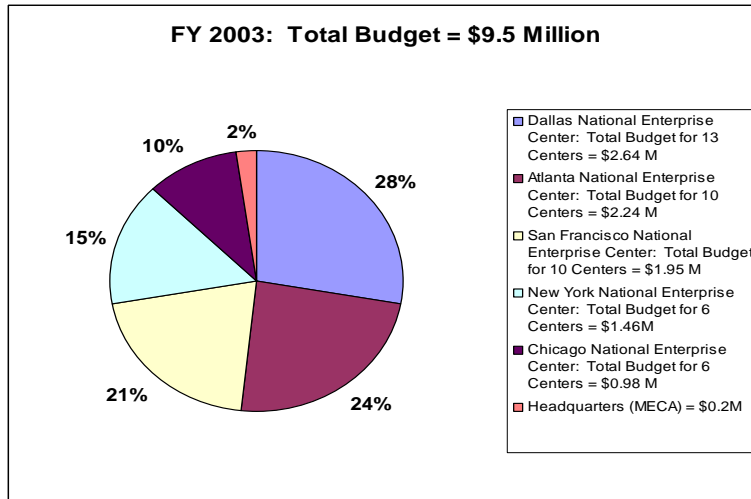


Chart 5 – Program Budgets by Region

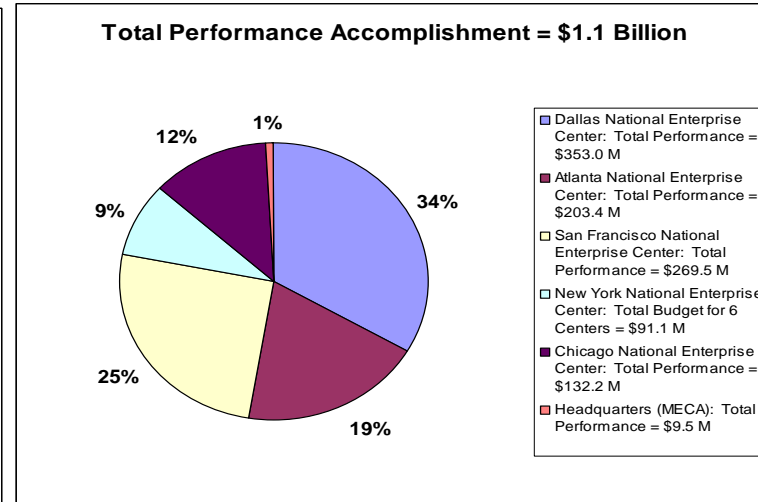


Chart 6 – Transaction Performance by Region

Each National Enterprise Center has substantially contributed to the agency's overall performance targets for Fiscal Year 2003. There appears to be a noticeable correlation between the actual NEC program budget for funding projects and the percent in performance accomplishment for transactions dollars. The table below reflects the program budget for each NEC; the number of projects associated with the respective budget levels; and the actual performance accomplishments with the Return on Investment (ROI) calculation. The Dallas National Enterprise Center had 28.5% of the Agency program budget and respectfully contributed 33.3% of transaction dollars. Dallas has the most projects providing services. The San Francisco and Chicago NECs demonstrated a significant trend with their ROI. San Francisco had the highest return at \$138.20. Chicago had the lowest program budget but returned \$135.00 for each dollar invested.

Region	Total Budget	Total # of projects	No. of BDCs	No. of MBOCs	No. of Special Projects	Total Performance Transaction \$	ROI per \$1 invested
Atlanta NEC	\$2,243,816	10	7	3	0	\$203.4	\$90.65
Chicago NEC	\$979,251	6	3	3	0	\$132.2	\$135.00
Dallas NEC	\$2,643,853	13	11	1	1	\$353.0	\$133.50
New York NEC	\$1,460,083	6	5	1	0	\$91.2	\$62.50
San Francisco NEC	\$1,950,600	10	9	1	0	\$269.5	\$138.20

Table 11 – Budget, Projects, Transaction \$ and ROI by Region

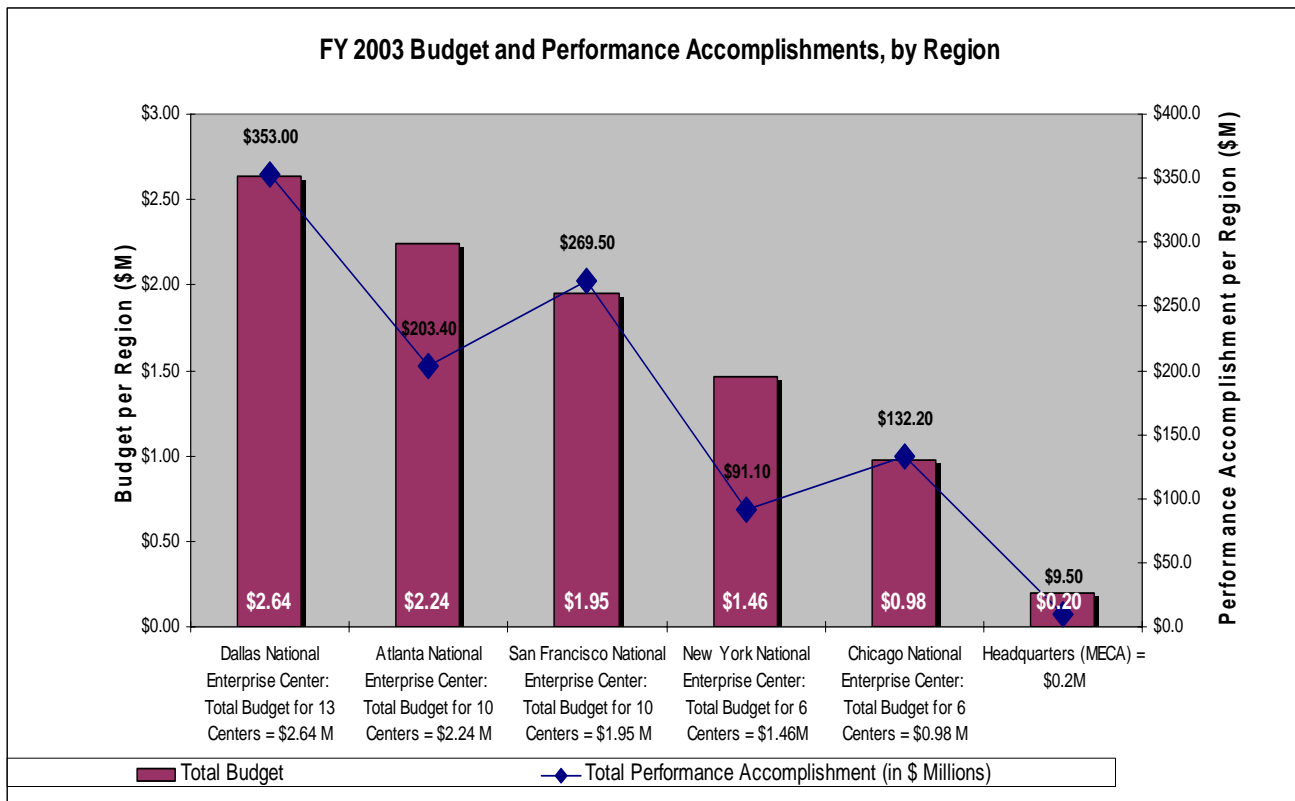


Chart – 7 – Budget and Performance by Region

Three out of five regions met or exceeded the budget percentage in their performance percentage.

MBDA is doing its best to reach out to the minority community to provide services that will allow businesses to succeed. Tables 12 thru 62 represent performance data associated with each National Enterprise Center and each project for the fiscal year period through September 30, 2003. Prior to their funding in February 2003, MBOCs did not have uniform performance measures and were not required to facilitate contract awards or financial transactions secured. Most of the fiscal year resulted in a "maturation period" for this program.

Atlanta National Enterprise Center

The Atlanta NEC managed 10 funded projects to include 7 MBDCs/NABDCs and 3 MBOCs. This network contributed 19.2% of the national total for contracts and financing dollars. As a national center, the Atlanta region exceeded two key performance goals – number of clients (194%) and total transactions (106%).

The South Carolina Statewide MBDC produced the highest BDC return on investment (\$101.00). The three MBOCs fell short of expectations by the end of the fiscal year; however, they are expected to meet their calendar year goals. The fiscal year Return on Investment for each project appears below in the tables:

Atlanta National Enterprise Center Region Totals	FY 2003 Target BDC	BDC Accomplishments & %	MBOC Accomplishments %	Total
Number of BDC clients	1,068	2,069 (194%)	N/A	2,069
Number of contracts received	N/A	672	24	696
Number of financial packages received	N/A	122	8	130
Dollar value of contracts awarded	N/A	\$68.1 M	\$37.1 M (37%)	\$105.2 M
Dollar value of financial packages	N/A	\$36 M	\$62.2 M (89%)	\$98.2 M
Total Transactions	\$98.7 M	\$104.1 M (106%)	\$99.3 M	\$203.4 M

Table 12 – Atlanta NEC Performance summary

The South Carolina Statewide MBDC performed at a high level during the performance year. The center was involved with other resource providers throughout the state. Being a statewide center allowed it to accept MBEs of all sizes to offer services from a large base of operations. The two key performance goals were exceeded by 149% and 195%, respectfully.

Table 13 – SC Statewide MBDC summary

South Carolina Statewide MBDC (\$101.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	239	356 (149%)
Dollar value of financial packages (23)	N/A	\$5.7 M
Dollar value of contracts awarded (104)	N/A	\$33.2 M
Dollar value of transactions awarded	\$20 M	\$38.9 M (195%)

The Puerto Rico MBDC has the entire island as its base of operations. The business community makes good use of the services by this MBDC. MBEs participate in many MBDA functions and have numerous National MED Week awards as a result. This center has been in the MBDA program for more than twelve years and understands the needs of their community.

Table 14 – Puerto Rico MBDC summary

Puerto Rico MBDC (\$79.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	220	291 (132%)
Dollar value of financial packages (43)	N/A	\$10.2 M
Dollar value of contracts awarded (317)	N/A	\$20.2 M
Dollar value of transactions awarded	\$21.18 M	\$30.4 M (144%)

Table 15 – NC Cherokee NABDC summary

NC Cherokee NABDC (\$61.20 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	116	149 (128%)
Dollar value of financial packages (7)	N/A	\$.1 M
Dollar value of contracts awarded (213)	N/A	\$11.4 M
Dollar value of transactions awarded	\$10.73 M	\$11.5 M (107%)

The Miami/Ft Lauderdale MBDC operates with the community business resource backing. There is an early notification of opportunities and a referral of clients from multiple sources. This BDC serviced the most MBEs in the region. MED Week in Miami has allowed the Center to network with many of the high level community leaders. This center has a history of high performance and it is expected to continue at this level.

Table 16 – Miami/Ft. Lauderdale MBDC summary

Miami/Ft. Lauderdale MBDC (\$55.20 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	166	658 (396%)
Dollar value of financial packages (41)	N/A	\$18.7 M
Dollar value of contracts awarded (3)	N/A	\$.01 M
Dollar value of transactions awarded	\$15.88 M	\$18.7 M (118%)

The Raleigh/Durham/Charlotte MBDC has a good staff with the technical skills to support the program; however, it fell way short in meeting the dollar value of awarded transactions. The area is one of largest pharmaceutical clusters in the region and this center has operated at a higher level in the past.

Table 17 – Raleigh/ Durham/Charlotte MBDC summary

Raleigh/Durham/Charlotte MBDC (\$12.35 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	129	128 (99%)
Dollar value of financial packages (6)	N/A	\$.3 M
Dollar value of contracts awarded (22)	N/A	\$2.6 M
Dollar value of transactions awarded	\$12.35 M	\$2.9 M (23%)

The Louisville project met 84% of its client goal but only 7% of its dollar value of awarded transactions.

Table 18 – Louisville MBDC summary

Louisville MBDC (\$4.50 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	95	80 (84%)
Dollar value of financial packages (1)	N/A	\$.02 M
Dollar value of contracts awarded (13)	N/A	\$.7 M
Dollar value of transactions awarded	\$9 M	\$.7 M (7%)

The Atlanta MBDC assisted a great number of clients but could not deliver awarded transactions. Most firms assisted were start-ups and too small to meet its performance measures. A new operator is being selected in 2004.

Table 19 – Atlanta MBDC summary

Atlanta MBDC (\$4.25 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	103	407 (395%)
Dollar value of financial packages (1)	N/A	\$1 M
Dollar value of contracts awarded (0)	N/A	N/A
Dollar value of transactions awarded	\$9.578 M	\$1 M (10%)

The Atlanta NEC now has three operational MBOCs that are below schedule to meet annual performance goals. The new Puerto Rico MBOC was funded in February 2003 and is doing well as shown below.

Table 20 – New Puerto Rico MBOC summary

Puerto Rico MBOC (New) (\$599.00 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments %
Dollar value of contracts awarded (8)	\$91.7 M	\$19.8 M (22%)
Dollar value of Financings awarded (2)	\$69 M	\$60 M (87%)

Table 21 – Old Puerto Rico MBOC summary

Puerto Rico MBOC (Old) (\$107.30 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments & %
Dollar value of contracts awarded (2)	N/A	\$6.5 M

Table 22 – Florida MBOC summary

Florida MBOC (\$90.60 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments %
Dollar value of contracts awarded (12)	\$7.3 M	\$10.7 M (147%)
Dollar value of financial packages (1)	\$0.4 M	\$1.5 M (375%)

Table 23 – Birmingham MBOC summary

Birmingham MBOC (\$7.70 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments %
Dollar value of contracts awarded (2)	\$0.367 M	\$0.1 M (27%)

Chicago National Enterprise Center

The Chicago National Enterprise Center (CNEC) oversees a ten state area that includes much of the mid-west. In FY 2003 the Chicago NEC funded three MBOC programs: the Chicago MBOC, the Wisconsin MBOC, and the Northwest Indiana MBOC. This is the first MBOC in the City of Chicago since 1995.

The Chicago staff worked closely with each funded organization to assist them in achieving their goals and the delivery of services and outreach to the minority business community. An integral part of strategy was to involve the funded projects in all of the program activities. For example, they participate in the Regional MED Week events. One of the BDC consultants gave a presentation on micro-lending. Another Project Director gave a presentation on procurement opportunities and business services provided by the BDC. In addition, all projects participate in the annual Chicago Business Opportunity Fair and other outreach events. At each of the events the Projects have an opportunity to network, market its services and attract new customers. It is the general practice to host teleconferences on a quarterly basis with all of Chicago NEC's Funded Organizations. This allows projects to promote the sharing of information, resources and team work.

The Chicago National Enterprise Center has 6 funded projects which include 3 MBDCs/NABDCs and 3 MBOCs and all successfully accomplished 12.3% of the national total for transaction dollars. The Chicago NEC had the smallest number of funded projects in the country. The projects assisted 640 clients and exceeded the total regional goal for transaction dollars by 240%.

Table 24 – Chicago NEC Performance summary

Chicago National Enterprise Center Region Totals	FY 2003 Target BDC	BDC Accomplishments %	MBOC Accomplishments %	Total
Number of BDC clients	392	640 (163%)	N/A	640
Number of contracts received	N/A	138	54	192
Number of financial packages received	N/A	46	15	61
Dollar value of contracts awarded	N/A	\$45.1 M	\$37.5 M (79%)	\$82.6 M
Dollar value of financial packages	N/A	\$42.7 M	\$6.9 M (56%)	\$49.6 M
Total Transactions	\$36.4 M	\$87.8 M (241%)	\$44.4 M	\$132.2 M

The Ohio Statewide MBDC has operated on a statewide basis since 2001. The MBDC is strategically located in a central area of Cincinnati which is very accessible to the minority community. The current staff has developed excellent resources within the public and private sectors. The project has developed several key strategic alliances and major strategic partners that have enabled the center to exceed its targeted goals on a consistent basis. The Ohio Department of Development, Division of Minority Business Affairs, and Ohio Procurement Technical Assistance Center are a few of the resources that have contributed greatly to the success of the MBDC in making its contract and financial goals. The MBDC also operates the Minority Contractors Business Assistance Program, (MCBAP) which is a statewide program that has provided the center a strong leveraging capability to access procurement opportunities offered by other cities within the state of Ohio. The MBDC has nominated MED Week winners at the local, Regional and National levels since 2000. The Ohio Statewide MBDC had the highest ROI in the region (\$233.75).

Table 25 – Ohio MBDC summary

Ohio Statewide MBDC (\$233.75 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	94	241 (256%)
Dollar value of financial packages (11)	N/A	\$36 M
Dollar value of contracts awarded (32)	N/A	\$1.4 M
Dollar value of transactions awarded	\$9 M	\$37.4 M (416%)

MBDA has always funded an MBDC (BDC) program in Chicago. For the past six years or longer the Chicago MBDC has been operated by the Chicago Latin American Chamber of Commerce (LACC). The organization has 25 years of business management and consulting services. The LACC has in excess of 1,300 members, making it the largest Hispanic Trade Association in the Midwest. LACC is also one of the largest Minority Business Consulting Groups in Illinois. The Chicago MBDC performance for FY 2003 resulted in \$5.3 M in financial transactions secured; \$40.4 M in contracts awarded; and \$45.7 M (233%) in total dollar value of transactions awarded out of a targeted goal of \$19.6M.

Table 26 – Chicago MBDC summary

Chicago MBDC (\$127.20 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	204	326 (160%)
Dollar value of financial packages (13)	N/A	\$5.3 M
Dollar value of contracts awarded (99)	N/A	\$40.4 M
Dollar value of transactions awarded	\$19.6 M	\$45.7 M (233%)

The Minnesota Native American Business Development Center (NABDC) is operated by the Minnesota Chippewa Tribe. This center is strategically centered between several other Native American Reservations. The NABDC has developed many partnerships in their area including a very strong liaison with the Minnesota Indian Economic Development Fund (MIEDF). A major setback occurred in April of 2001, when the NABDC building was completely destroyed by fire. Although it has recovered, the NABDC fell short of its two major goals in 2003.

Table 27 – Minnesota NABDC summary

Minnesota NABDC (\$29.40 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments %
Number of BDC clients	94	73 (78%)
Dollar value of financial packages (22)	N/A	\$1.4 M
Dollar value of contracts awarded (7)	N/A	\$3.3 M
Dollar value of transactions awarded	\$7.8 M	\$4.7 M (60%)

The Chicago MBOC services the largest minority population in Illinois. The MBOC is operated by the Chicago Business Development Council (CMBDC) in partnership with the Latin American Chamber of Commerce and Chicago Community Ventures. The Chicago MBOC became operational in February of 2003 and was established to assist the minority business community in the areas of access to capital, and the identification and attainment of procurement opportunities for minority and women-owned-businesses. Although the MBOC was only operational for eight months during the fiscal year, it managed to obtain \$31.5 M (115%) in contracts, and \$4.1M (45%) in financial awards. The return on investment was \$213.60.

Table 28 – Chicago MBOC summary

Chicago MBOC (\$213.60 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments
Dollar value of contracts awarded (29)	\$27.5 M	\$31.5 M (115%)
Dollar value of financial transactions (9)	\$9.1 M	\$4.1 M (45%)

The Wisconsin Business Resource Center operates the Wisconsin MBOC. The MBOC office is centrally located in Milwaukee, and is accessible to the business community. Although the WMBOC was operational only eight months during FY 2003, it was successful in achieving 82% of its goal for contracts secured and 93% of its goal of financial transactions. This performance resulted in a \$93.00 return for every dollar invested.

The WMBOC held a successful Business Roundtable, where companies seeking MBE participation discussed available contract opportunities, financing and bonding requirements. The State of Wisconsin, the County of Milwaukee and the City of Milwaukee are three major agencies participating in the *WMBOC Opportunity Matching Database*. As a result of their participation, these agencies have been instrumental in helping the WMBOC achieve its procurement goals. The Chicago NEC anticipates that the WMBOC will continue to work closely with public officials and private industry in growing its database.

Table 29 – Wisconsin MBOC summary

Wisconsin MBOC (\$93.00 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments & %
Dollar value of contracts awarded (20)	\$6 M	\$4.9 M (82%)
Dollar value of financial transactions (4)	\$1.4 M	\$1.3 M (93%)

The Gary, East Chicago, Hammond (GECH) Empowerment Zone, in partnership with the City of Gary, operates the Northwest Indiana Minority Business Opportunity Committee (NIMBOC). The NIMBOC was established to serve the Northwest Indiana growing minority business community. The MBOC hosts monthly meetings that address access to capital, and access to market for minority businesses. The GECH Empowerment Zone initiates Economic Development activity to stimulate growth through business development. Its mission is to develop regional partnerships that will enhance the economic, educational and environmental conditions for those who live, work or do business within the Empowerment Zone. The City of Gary serves as the fiscal manager of the MBOC program. It maintains the accounting system, provides technical assistance, prepare financial reports and identify resources. The NIMBOC had a return of \$39.00 for each dollar in funding and is behind in meeting its annual goals.

Table 30 – Northwest Indiana MBOC summary

Northwest Indiana MBOC (\$39.00 return per \$1 invested)	FY 2003 Target	MBOC Accomplishments & %
Dollar value of contracts awarded (5)	\$13.8 M	\$1.1 M (8%)
Dollar value of financial transactions (2)	\$1.8 M	\$1.5 M (83%)

Dallas National Enterprise Center

The Dallas NEC managed 13 funded projects to include 11 MBDC-NABDCs, 1 MBOC and 1 special project. The funded network reported 33.3% of the national performance totals, exceeding all other regions and assisted 2,099 clients. The New Mexico Statewide NABDC showed a Return on Investment of \$357.45. This was the highest in the region and highest for a BDC nationally.

The Arkansas Roundtable, which operates as a special demonstration project, reported \$32.6 million in procurement awards secured. Two MBDCs and the one MBOC were behind for the fiscal year.

Table 31 – Dallas NEC Performance summary

Dallas National Enterprise Center Region Totals	FY 2003 Target BDC	BDC Accomplishments & %	MBOC Accomplishments %	Special Projects	Total
Number of BDC clients	1,349	2,099 (156%)	N/A	N/A	2,099
Number of contracts received	N/A	373	2	40	415
Number of financial packages	N/A	184	0	0	184
Dollar value of contracts awarded	N/A	\$193.6 M	\$.03 M	\$32.6 M	\$226.2 M
Dollar value of financial packages	N/A	\$126.8 M			\$126.8 M
Total Transactions	\$125.9 M	\$320.4 M (255%)	\$.03 M	\$32.6 M	\$353 M

Table 32 – New Mexico NABDC summary

New Mexico Statewide NABDC (\$357.45 return per \$1 invested)	FY 2003 Target BDC (1st Q 03)	BDC Accomplishments & %
Number of BDC clients	11	33 (300%)
Dollar value of contracts awarded (7)	N/A	\$16.1 M
Dollar value of financial packages (2)	N/A	\$.7 M
Total Transactions	\$2.3 M	\$16.8 M (730%)

The New Mexico Statewide NABDC far exceeded its targets for FY 2003 and has an ROI of \$355.90. The Center performs 8(a) certification packaging and has certified 80% of its client base into the program. The MBDC has also been successful with joint venturing; such as taking a new certified 8 (a) firm and forming a partnership with an older established firm who has graduated from the 8(a) program and has a successful track record. In addition, the Center is actively involved with the New Mexico 8(a) association which advocates for minorities to secure procurement opportunities.

Table 33 - New Mexico Statewide MBDC summary

New Mexico Statewide MBDC (\$355.90 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	139	183 (132%)
Dollar value of contracts awarded (18)	N/A	\$49.1 M
Dollar value of financial packages (28)	N/A	\$29.2 M
Dollar value of transactions awarded	\$12.2 M	\$78.3 M (642%)

The same operator for the NABDC manages the Statewide New Mexico and the El Paso MBDCs. The Project Director at the El Paso MBDC is skilled at developing financial packages and facilitating contract opportunities. Both targeted goals were exceeded by this project.

Table 34 – El Paso MBDC summary

El Paso MBDC (\$198.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	95	126 (133%)
Dollar value of contracts awarded (4)	N/A	\$2.2 M
Dollar value of financial packages (18)	N/A	\$28.5 M
Dollar value of transactions awarded	\$9 M	\$30.7 M (341%)

The Dallas MBDC also exceeded its targets for the year. The Project networks with financial institutions and procurement resources as well as support organizations such as minority chambers of commerce, Certification Agencies, Supplier Development Councils, associations and technical service providers. The Project Director uses partnerships to bring larger business deals to the Center.

Table 34 – Dallas/ Ft. Worth MBDC summary

Dallas/Ft. Worth MBDC (\$166.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	180	326 (181%)
Dollar value of contracts awarded (100)	N/A	\$44.8 M
Dollar value of financial packages (43)	N/A	\$16.5 M
Dollar value of transactions awarded	\$19.6 M	\$61.3 M (313%)

The Oklahoma Statewide Native American Business Development Center has been able to meet and exceed its goals and continues to improve as an entrepreneurial organization. The center provides high-quality business plans and financial packaging. The staff promotes opportunities by distributing Dodge Reports, Bid Radar notifications, and FedBizOpps announcements.

Table 35 – Oklahoma NABDC summary

Oklahoma Statewide NABDC (\$123.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	132	225 (171%)
Dollar value of contracts awarded (87)	N/A	\$22.2 M
Dollar value of financial packages (32)	N/A	\$6.7 M
Dollar value of transactions awarded	\$13.2 M	\$28.9 M (219%)

The Houston MBDC is well known in the community. The center provides a planning room to research documents and bids for construction projects. The center brought in bonding companies to support clients that wanted to bid on three new sport arenas in the area. They have good connections with banks to obtain lines of credit on construction contracts. Also, they have been successful in using the Geographic Business Information Systems (GBIS) program to determine market conditions and site locations for clients expanding their businesses.

Table 36 – Houston MBDC summary

Houston MBDC (\$118.65 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	259	543 (210%)
Dollar value of contracts awarded (42)	N/A	\$36.7 M
Dollar value of financial packages (26)	N/A	\$10.8 M
Dollar value of transactions awarded	\$22 M	\$47.5 M (216%)

The North/South Dakota NABDC strives to assist new and expanding Native American business entrepreneurs throughout the Dakotas and Indian Country providing technical assistance and marketing services. The NABDC uses its resources to seek out bigger and stronger Native American firms who have the capacity to grow. These firms are mostly in the areas of construction and gaming. The staff is committed to helping many of its contractor clients to become financially stronger in order to obtain the necessary bonding and insurance to competitively bid on larger construction projects that might otherwise go to non-minority contractors.

Table 37 – North/South Dakota NABDC summary

North/South Dakota NABDC (\$88.40 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	94	73 (78%)
Dollar value of contracts awarded (63)	N/A	\$7.7 M
Dollar value of financial packages (4)	N/A	\$6 M
Dollar value of transactions awarded	\$9 M	\$13.7 M (152%)

The Oklahoma City MBDC achieved phenomenal success in FY 2003. The Project Director engaged in strategic partnerships with community based organizations that have incorporated minority business development into their mission statements. The Center has aligned itself with elected officials throughout the state of Oklahoma. As a result, it has been able to secure a \$100,000 contract with the City to develop economic revitalization strategies for a blighted section of Oklahoma City minority business community. This contract enhanced business opportunities for MBEs selected to participate in the construction and renovation projects.

Table 38 – Oklahoma City MBDC summary

Oklahoma City MBDC (\$88.40 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	90	101 (112%)
Dollar value of contracts awarded (0)	N/A	0
Dollar value of financial packages (4)	N/A	\$13.7 M (240%)
Dollar value of transactions awarded	\$5.7 M	\$13.7 M (240%)

The Corpus Christi MBDC employs an experienced staff who is well known in the community which enables them to network with financial institutions, procurement resources as well as support organizations such as minority chambers of commerce. The Center leveraged its resources with the National Minority Supplier Development Council, Inc., for approximately \$30,000 to establish a planning room. This assisted new minority clientele to obtain contract awards.

Table 39 – Corpus Christi MBDC summary

Corpus Christi MBDC (\$73.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	94	110 (117%)
Dollar value of contracts awarded (16)	N/A	\$8.2 M
Dollar value of financial packages (9)	N/A	\$3.1 M
Dollar value of transactions awarded	\$9 M	\$11.3 M (126%)

The San Antonio MBDC experienced low performance during the first two quarters of FY 2003 due to a slow down in the local economy. Eventually, the MBDC performance level increased and the center reached its goal during the fourth quarter of CY 2003. The Center has an experienced staff and the support of the University of Texas at San Antonio network, which includes the SBDC, the International Trade Center, and the Southwest Trade Adjustment Center. The center remains a strategic partner with the City of San Antonio, local area Chambers of Commerce, financial institutions, and military base installations.

Table 40 – San Antonio MBDC summary

San Antonio MBDC (\$43.70 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	155	246 (159%)
Dollar value of contracts awarded (7)	N/A	\$5.3 M
Dollar value of financial packages (14)	N/A	\$6.5 M
Dollar value of transactions awarded	\$15.1 M	\$11.8 M (78%)

The Denver MBDC is skilled in leveraging services with other Federal, state and local business assistance programs, as well as resources in the private sector. These resources include banking institutions, purchasing departments of large corporations, government contracting agencies, trade associations and business groups. Certification takes approximately 9 months through the State Office of Certification and 4-5 months through the City of Denver. This remains a problem in obtaining timely contract awards for many minority firms. The economic slowdown has resulted in a cutback of public procurement opportunities available.

Table 41 – Denver MBDC summary

Denver MBDC (\$36.75 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	100	133 (133%)
Dollar value of contracts awarded (29)	N/A	\$1.3 M
Dollar value of financial packages (4)	N/A	\$5.1 M
Dollar value of transactions awarded	\$8.8 M	\$6.4 M (73%)

The Arkansas Minority Business Development Roundtable (AMBDR) consists of senior executives representing corporate and government entities. Members have established an alliance with contractors, and have used grants to certify MBEs so they could bid on contracts and secured funding from bank representatives for Minority Business expansion.

The AMBDR worked with State Legislators during the 84th General Assembly in 2003 to pass House Bill 2835 entitled “**One Arkansas: the Arkansas Economic Development Expansion Act**”. Senate Bill 2835 requires all future state contracts that exceed \$25,000 to include minority participation. Senate Bill 944 establishes a centralized registry of Minority Business Enterprises and creates an MBE Certification process.

Table 42 – Arkansas Roundtable summary

Arkansas Roundtable (Special Project) (\$186.30 return per \$1 invested)	FY 2003 Target	Special Project Accomplishments
Dollar value of contracts awarded (40)	N/A	\$32.6 M

The South Texas MBOC experienced difficulty meeting performance goals during fiscal 2003. The transition to the new performance based program resulted in problems recruiting resources and leveraging Strategic Partners to become committee members. The MBOC showed improvement during the last quarter of CY 2003 and is expected to meet a satisfactory performance level for the year.

Table 43 – South Texas MBOC summary

South Texas MBOC (\$0.20 return per \$1 invested)	FY 2003 Target	MBOC (9-mth.) Accomplishments & %
Dollar value of contracts awarded (2)	\$9.1 M	\$.03 M (.3%)

New York National Enterprise Center

The New York NEC managed 6 projects which included 5 MBDCs and 1 MBOC. The network contributed 8.6% of the national performance goal for transaction dollars and assisted 1,363 clients during the fiscal year. The Williamsburg and Queens/Brooklyn MBDCs were regional leaders in their respective performance. Both centers had a ROI of almost \$80 for each dollar in funding.

Table 44 - New York NEC Performance Summary

New York Nat'l. Enterprise Center Region Totals	FY 2003 Target BDC	BDC Accomplishments & %	MBOC (9-mth.) Accomplishments & %	Total
Number of BDC clients	760	1,363 (179%)		1,363
Number of contracts received	N/A	181	0	181
Number of financial packages received	N/A	68	1	69
Dollar value of contracts awarded	N/A	\$49 M	0	\$49 M
Dollar value of financial packages	N/A	\$42.2 M	\$.01 M (0%)	\$42.2 M
Total Transactions	\$69.9 M	\$91.2 M (131%)	\$.01 M (0%)	\$91.2 M

The Williamsburg MBDC assists primarily Hasidic Jews. The center has a well qualified and seasoned Project Director with a strong technical staff. The Center expanded the range of business development services to attract more clients. The center geared their activities to service more industry-specific MBE firms. The efficiency of their consulting endeavors has been repeatedly demonstrated by their track record in propelling their clients into the economic mainstream.

Table 45 – Williamsburg MBDC summary

Williamsburg MBDC (\$78.90 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	182	179 (98%)
Dollar value of financial packages (3)	N/A	\$15.3 M
Dollar value of contract awards (112)	N/A	\$9.8 M
Total value of transactions awarded	\$15.9 M	\$25.1 M (158%)

The Queens MBDC has an extensive base in business consulting and a strong collaborative and strategic partnership with the major financial institutions, government agencies and related resources that they have utilized as a key network to assist MBE firms and facilitate their growth potential. The Center has capitalized on public works and transportation development projects in their target areas to assist minority contractors and other large-scale MBEs in the high growth areas.

Table 46 – Queens MBDC summary

Queens/Brooklyn MBDC (\$78.70 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	138	435 (315%)
Dollar value of financial packages (10)	N/A	\$.9 M
Dollar value of contract awards (9)	N/A	\$17.6 M
Dollar value of transactions awarded	\$13.2 M	\$18.5 M (140%)

The New Jersey Statewide MBDC has a track record of operations in New Jersey. New Jersey is known for its research, high-tech, electrical and petroleum industries. The center has focused on leveraging its technology tools, strong collaboration with strategic partners and other resources to assist firms in these high tech areas to obtain financing and major procurements. The center along with corporate, universities and the public firms have been collaborating with its strategic partnership to identify and assist MBEs with growth potential, especially those that have a good track record of doing business with both the public and private sectors.

Table 47 – New Jersey MBDC summary

New Jersey Statewide MBDC (\$70.60 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	156	232 (149%)
Dollar value of financial packages (5)	N/A	\$19.2 M
Dollar value of contract awards (2)	N/A	\$1.1 M
Dollar value of transactions awarded	\$15.7 M	\$20.3 M (128%)

The Philadelphia MBDC worked closely with a network of strategic partners in the private and public sectors to generate business opportunities for MBEs. Additionally, the center worked closely with their area transportation authorities to assist MBE contractors to obtain procurements as well as the needed bonding and financial assistance required to compete. The center was active with many public and private sector financial institutions to provide capital. The Project Director served on the board of directors of a major financial institution that facilitated the availability of financing for MBEs. Overall, the center refined its business planning strategy to assist larger, high-growth MBE firms.

Table 48 – Philadelphia MBDC summary

Philadelphia MBDC (\$68.50 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	138	228 (165%)
Dollar value of financial packages (6)	N/A	\$2.1 M
Dollar value of contract awards (36)	N/A	\$14 M
Dollar value of transactions awarded	\$13.2 M	\$16.1 M (122%)

The Manhattan MBDC has been developing its expanded MBDC program with increased emphasis on technology tools and enhanced collaboration with strategic partners and other resources. The center has targeted MBE firms in the manufacturing, technology wholesale and construction industries for assistance in planning for growth, financial access, and market development. The center has access to and has utilized a variety of financial and other private sector resources to generate financing for its MBE client base.

Table 49 – Manhattan MBDC summary

Manhattan MBDC (\$44.60 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	146	289 (198%)
Dollar value of financial packages (44)	N/A	\$4.7 M
Dollar value of contract awards (22)	N/A	\$6.5 M
Dollar value of transactions awarded	\$11.9 M	\$11.2 M (94%)

The National Capital MBOC started late (April 2003) and is behind in reporting awarded transactions for the year but expects to achieve its overall goals during the 4th quarter of CY 2003. The organization's program structure represents a partnership focused toward pooling resources, talents, and knowledge of their respective communities to augment the delivery capacity of the program. The partnership approach should provide more value added and impact toward facilitating the overall goal achievements. The organization is gradually facilitating the access of business opportunities, financing and procurements for its clientele.

Table 50 – National Capitol MBOC summary

National Capitol MBOC (\$0.10 return per \$1 invested)	FY 2003 Target	MBOC (9-mth.) Accomplishments & %
Dollar value of contracts awarded	\$91.7 M	\$0
Dollar value of financials awarded (1)	\$15.6 M	\$.01 M

San Francisco National Enterprise Center

The San Francisco NEC manages 10 funded projects to include 9 MBDC-NABDCs and 1 MBOC. This network contributed 25.4% of the total national goal for transaction dollars and assisted 1,476 clients. All centers are on target for the year, reporting almost 200% of their annual goal. As a whole, projects in this region exceeded their target goals for number of clients by 139% and the total dollar value of transactions by 195%. Projects secured a greater dollar value in contracts (\$138.5 M) for clients, then that secured for financial packages (\$63.8 M).

It should be noted that projects in the San Francisco NEC had a return on investment from a low of \$40.00 (West Los Angeles MBDC) to a high of \$114.70 (Honolulu MBDC). The LA MBOC produced the largest ROI - \$516.00 under the old program and \$156.10 under the new program. The California and Northwest NABDCs should be recognized for their contribution to Native American clients and their high Rate of Return.

Table 51 - San Francisco NEC Performance summary

San Francisco Nat'l. Enterprise Center Region Totals	FY 2003 Target BDC	BDC Accomplishments & %	MBOC Accomplishments & %	Regional Accomplishments	Total
Number of BDC clients	1,060	1,476 (139%)	0		1,476
Number of contracts received	N/A	375	1,617 (LA MBOC)	1	1,993
Number of financial packages received	N/A	90			90
Dollar value of contracts awarded	N/A	\$138.5 M	\$66.9 M	\$0.3 M (Coca Cola)	\$205.7 M
Dollar value of financial packages	N/A	\$63.8 M	0		\$63.8 M
Total Transactions	\$103.6 M	\$202.3 M (195%)	\$66.9 M (113%)	\$0.3 M	\$269.5 M

While the **California NABDC** did not meet its target goal in clients, it exceeded its target dollar value of transactions awarded by 330%. This shows that while there were fewer clients, these clients received larger dollars in awarded transactions.

Table 52 – California NABDC summary

California Statewide NABDC (\$182.30 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	160	93 (58%)
Dollar value of contracts awarded (28)	N/A	\$51.7 M
Dollar value of financial packages (2)	N/A	\$.7 M
Dollar value of transactions awarded	\$15.9 M	\$52.4 M (330%)

The **Northwest NABDC** focuses its efforts on marketing development, 8(a) assistance and Mentor-Protégé. These elements seem to produce the highest impact per employee hours for the Center. While the contracts are typically quite sizeable, often reaching the million-dollar range. The Center claims the corresponding performance bonding that is issued as a result of that procurement, doubling the impact of a successful marketing effort. This Center has recently taken to teaming its MBEs by having one of its larger MBEs secure a contract and then encouraging sub-contracts to smaller MBE clients. Thus, the MBE obtains bonding and contracting through the Center's efforts and the Center in turn encourages the MBE to partner with one of its other clients.

Table 53 – Northwest NABDC summary

Northwest NABDC (\$147.90 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	117	95 (81%)
Dollar value of contracts awarded (15)	N/A	\$14.6 M
Dollar value of financial packages (5)	N/A	\$13.5 M
Dollar value of transactions awarded	\$10.6 M	\$28.1 M (265%)

The Honolulu MBDC exceeded its target goals for number of clients by 148% and the dollar value of transactions awarded by 256%.

Table 54 – Honolulu MBDC summary

Honolulu MBDC (\$114.70 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	140	207 (148%)
Dollar value of contracts awarded (256)	N/A	\$21.9 M
Dollar value of financial packages (28)	N/A	\$6.2 M
Dollar value of transactions awarded	\$11 M	\$28.1 M (255%)

The East Los Angeles MBDC exceeded its targeted goals. The number of clients was exceeded by 111% and the dollar value of awarded transactions was exceeded by 171%. Of the targeted dollar value of transactions awarded (\$17.7 M), the Center secured \$23.3 M or 132%. This was the only project that secured a greater dollar value in financial packages (\$23.3 M) compared to the dollar value of contracts awarded (\$6.9 M) in the region.

Table 55 – East Los Angeles MBDC summary

East Los Angeles MBDC (\$89.15 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	159	176 (111%)
Dollar value of contracts awarded (5)	N/A	\$6.9 M
Dollar value of financial packages (10)	N/A	\$23.3 M
Dollar value of transactions awarded	\$17.7 M	\$30.2 M (171%)

The Alaska Center exceeded all of its targeted goals. Specifically, the number of clients was exceeded by 119% and the total dollar value of transactions awarded was exceeded by 131%. The Center secured more contracts than financial packages.

Table 56 – Alaska MBDC summary

Alaska MBDC (\$65.80 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	85	101 (119%)
Dollar value of contracts awarded (18)	N/A	\$9.1 M
Dollar value of financial packages (8)	N/A	\$1.1 M
Dollar value of transactions awarded	\$7.8 M	\$10.2 M (131%)

The **Arizona NABDC** strategy seems to be working to attract MBEs that are the capable of securing large contracts and surety bonding. While this project did not meet its target goal for the number of clients that were to receive assistance (55%), it did exceed its goal of awarded transactions (101%). More of the awarded transactions (87%) were contract related, as opposed to financial packages (14%) secured.

Table 57 – Arizona NABDC summary

Arizona Statewide NABDC (\$55.60 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	107	59 (55%)
Dollar value of contracts awarded (13)	N/A	\$8.6 M
Dollar value of financial packages (3)	N/A	\$1.4 M
Dollar value of transactions awarded	\$9.9 M	\$10 M (101%)

South Los Angeles MBDC is on target to all of its goals for the calendar year. The number of clients assisted was exceeded by 154%, while the dollar value of awarded transactions was at 95%. More contracts were secured on behalf of clients by this Center (63%) then were financial packages (32%).

Table 58 – South Los Angeles MBDC summary

South Los Angeles MBDC (\$53.60 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	188	289 (154%)
Dollar value of contracts awarded (13)	N/A	\$13 M
Dollar value of financial packages (8)	N/A	\$6.7 M
Dollar value of transactions awarded	\$20.7 M	\$19.7 M (95%)

The **Arizona MBDC** is highly diversified in its approach to secure contracts and financial awards. The staff has many strengths, namely in procurement and bank finance. Efficiency is gained through this Center by volume and size of the awards and the extra efforts of the Center's staff.

Table 59 – Arizona MBDC summary

Arizona Statewide MBDC (\$48.60 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	104	233 (224%)
Dollar value of contracts awarded (14)	N/A	\$7.9 M
Dollar value of financial packages (8)	N/A	\$2.8 M
Dollar value of transactions awarded	\$10 M	\$10.7 M (107%)

One of three MBDCs which served the City and County of Los Angeles, this project exceeded its target goal for clients by 120%; however, it did not meet its target goal in dollar value of transactions awarded. Only 73% of this goal was met.

Table 60 – West Los Angeles MBDC summary

West Los Angeles MBDC (\$40.00 return per \$1 invested)	FY 2003 Target BDC	BDC Accomplishments & %
Number of BDC clients	186	223 (120%)
Dollar value of contracts awarded (13)	N/A	\$4.8 M
Dollar value of financial packages (18)	N/A	\$8.1 M
Dollar value of transactions awarded	\$17.8 M	\$12.9 M (73%)

The Los Angeles MBOC operated under two different programs and is shown below. Under the old MBOC program, the project was not required to report the dollar value of contracts awarded, nor was it required to report the total number of contracts awarded, however, awards were identified.

Under the new MBOC program, the project is required to establish goals in both categories.

The Los Angeles MBOC, over a six month period, secured 66.9% of its annual calendar goal. The project did not secure financial awards during this period.

Table 61 – Old Los Angeles MBOC summary

Los Angeles MBOC (Old) (\$516.00 return per \$1 invested)	FY 2003 Target MBOC	MBOC (3-mth.) Accomplishments & %
Dollar value of contracts awarded (1,247)	N/A	\$51.6 M

Table 62 – New Los Angeles MBOC summary

Los Angeles MBOC (New) (\$156.10 return per \$1 invested)	FY 2003 Target MBOC	MBOC (3-mth.) Accomplishments & %
Dollar value of contracts awarded (370)	\$40.8 M	\$15.3 M (38%)
Dollar value of financings awarded	\$4.8 M	0

Agency Projections for FY 2004 and FY 2005

MBDA New Performance Goal for FY 2004:

Increase opportunities and access of minority-owned businesses to the marketplace and financing.

The performance measures for FY 2004 and 2005 were developed at an Agency strategic planning conference last year. These indicators will focus on the ability of minority firms to grow, create more jobs, and increase gross receipts, thereby achieving entrepreneurial parity. MBDCs and NABDCs provide direct management and technical assistance that result in awarded contracts and financial transactions; MBOCs facilitate new contract awards; and the National and Regional Enterprise Centers assist MBEs within their respective communities to obtain opportunities.

Below is the justification for changes that are planned for the coming fiscal years.

Performance Measures	FY 2004 Target	FY 2005 Target
Total Number of all Clients receiving services	25,000	30,000
Number of Contract awards obtained	3,200	3,300
Dollar value of Contract awards obtained	\$.8B	\$1.0B
Number of Financial Awards obtained	550	600
Dollar Value Of Financial Awards obtained	\$.4B	\$.45B

Table 63- FY 2004 – 2005 Measures- part 1

Total Number of all Clients receiving services

For reporting purposes, MBDA proposes to consolidate all clients served by its staff, funded network (MBDCs, NABDCs, MBOCs,) and on-line Portal (business) tools including the Phoenix Opportunity contract matching system. FY 2005 reflects a 20% increase over FY 2004.

Number of contract awards obtained

This measure indicates the number of contract awards obtained by minority business enterprises as a result of MBDA activities conducted by staff, funded network, and on-line business tools. Targets for this measure are based on FY 2003 Actual performance and anticipated increase in operational efficiencies. FY 2005 reflects a 3% increase in its target for this measure over FY 2004.

Dollar Value of contracts awards obtained

The dollar value of contracts awarded to minority business enterprises will measure the efficiency of MBDA's impact on the nation's economy. MBDA's FY 2004 target is based on the projected increase due to the implementation of the agency's Strategic Growth Policy. This policy focuses MBDA's resources for firms with growth potential that have the greatest impact on the nation's economy. The Strategic Growth Policy will be in full effect in FY 2005 with a complete contingency of operational MBDCs, NABDCs and MBOCs. MBDA will plan for a 25% increase in FY 2005.

Number of financial awards obtained

This measure indicates the cumulative number of approved and verified financial awards obtained for clients. MBDA will encourage a strategy of mergers and acquisitions through strategic partnerships and alliances that will foster an increased number of financial awards obtained. Due to the program funding in FY 2004, MBDA has reduced its 2004 target for this measure. However, MBDA expects to return to full capacity in FY 2005. The FY 2005 measure reflects a 10% increase over FY 2004.

Dollar value of financial awards obtained

This represents the cumulative dollar value of approved and verified financial packages for clients. During FY 2004, MBDA will be awarding grants to operate a reengineered BDC program. This effort will be entrepreneurial in its approach and includes curriculum training from the Amos Tuck School of Business at Dartmouth College. Some grant awards will not occur until April in certain geographic locations. Therefore, MBDA has maintained its FY 2003 actual of \$400 million as its FY 2004 target. In FY 2005, when the program is fully operational, MBDA expects a 13% increase in the dollar value of financial transactions.

Performance Measures	FY 2004 Target	FY 2005 Target
Number of employee training hours	5,500	5,500
Number of New Job Opportunities Created	New	2,100
Percent Increase in Client Gross receipts	New	10%
Percent increase in American Customer Satisfaction Index (ACSI)	New	5%
Number of National and Regional Strategic Partnerships	150	175

Table 64 – FY 2004 – 2005 measures – part 2

Number of Employee Training Hours

MBDA believes that training leads to greater operational efficiency and enhanced business development services. MBDA is committed to enhancing the skill level of its staff. The number of employee training hours indicates the agency's continued commitment to enhance human capital. To effectively implement the Agency's mission, MBDA will continue to train and re-train its employees. Based on budgetary restraints, MBDA has maintained the same targets in FY 2004 and FY 2005.

Number of new job opportunities created

The number of new jobs that are created in MBE firms is one of the parity components that will benchmark MBDA's long-term success. In FY 2004, MBDA in consultation with independent experts will develop a baseline to benchmark the number of new jobs created. The FY 2005 target for new jobs will also be based on historical data and economic information concerning business development.

Percent increase in Client Gross receipts

In FY 2004, MBDA will measure increases in gross receipts for the BDC program as a benchmark to determine the extent to which entrepreneurial parity is being reached. The FY 2005 projected increase in gross receipts will consider actual increases that occur during the year as reported by funded projects. Likewise, a final tabulation of FY 2004 will be evaluated to reflect the initial impact of the Strategic Growth Policy. MBDA anticipates a 10% increase in FY 2005; however this measure may be adjusted as a target.

Percent Increase in American Customer Satisfaction Index (ACSI)

MBDA will continue to work with the Federal Consulting group and the University of Michigan to improve the baseline for the American Customer Satisfaction Index using an established model to survey the MBDC program, Information management, the Phoenix /Opportunity Bid-matching system and customer relations. We expect to improve this index and complete another survey in 2005. FY 2005 reflects a 5% increase from this benchmark.

Number of National and regional strategic partnerships

Strategic partnerships play an important role in the leveraging of resources. MBDA will monitor the number, growth, wealth, and empowerment that are enhanced through national, regional, and local partnerships established by the agency and funded network. In FY 2004, MBDA will include both regional and local partnerships in addition to national partnerships established. Regional and local partnership estimates will be reported by the National Enterprise Centers and funded network in FY 2004. FY 2005 reflects a 17% increase over FY 2004.