

Governor's Supplier Diversity Council

October 24, 2018 Meeting

Minutes from October 24, 2018, Governor's Supplier Diversity Council Meeting Video Conferenced Meeting in Delaware State Housing Authority conference rooms in both Wilmington and Dover

Attendees:

Present in Wilmington: Ken Anderson, Jayshree Moorthy, Givvel Marrero, and Sakthi A. Vel PhD (arrived in person at 10:51am)

Present in Dover: Dean Stotler C.P.O., Devona Goeins Williams PhD., and Debbie Sacra

Present on the phone: Sakthi A. Vel PhD (and arrived in person at 10:51am), Stephanie Young (DSHS), and Cherie Dodge Biron (DHR)

Absent: Theresa Brown Edwards Esq., Anas Ben Addi, Nick Callazzo III, Ralph Truitt, Ron Frazier Esq., and Michelle Morin.

Public Present in room in Wilmington: none.

Public Present in room in Dover: none.

Meeting Opened: 10:40 am

Meeting Called to Order by Ken Anderson, GSDC Chair, at 10:40 am. There were parking issues, which caused the delay in arrival for some.

Quorum: A quorum (currently requires 6 of 11 members) was not reached at the start of the meeting, with only five members present and a sixth member was on the phone participating while travelling to the meeting. A quorum was reached when that sixth entered the meeting at 10:51am.

Prior Meeting Minutes:

The meeting minutes for September 25, 2018, were reviewed at the start of the meeting, but a vote was not called, as a quorum was not yet reached. Later in the meeting, after reaching quorum, the minutes were unanimously accepted, upon motion by Ken Anderson and seconded by Dean Stotler.

October 24 Meeting Notes:

Under Old Business,

- Chair Ken Anderson focused on the Governor's priorities and shared how the Council has been through this process many times. He referenced the introductory meeting with Governor Carney after the onset of his Administration. Points that Ken mentioned include:
 - The need to address small and diverse business funds
 - Ken noted that there has been one year of performance during this administration
 - Most of the stats come from OSD and GSS

- We need to think about other relevant issues to prioritize on the Governor's Agenda.
- Ken- Opened this topic to the Council for thoughts and any highlighted items.
- Dean- reiterated that we need to bring forward the need for education based on the last statements from Anas Ben Addi. While we have stats relevant to B2G, we need to anchor B2B and B2C metrics or information relevant to Supplier Diversity. How we structure this will determine how it move forward and B2B and B2C continues to be a challenge.
- Ken added that DSB has not had much activity yet and said they are chasing the market. He referenced the DSB handout (attached to the September minutes) and will look at items in the handout as part of the agenda. Ken eluded to an initiative that he would share more about later.
- Ken asked Givvel Marrero about if he had anything to add to the Governor's priorities concerning Hispanic business. Givvel did not have anything specific to add, but referenced Supplier Diversity numbers from previous minutes and noted the decrease in the number of Hispanic businesses. He said that there are likely multiple reasons for this but that now is not the appropriate time to discuss.
- Devona G. Williams added that it would be helpful to have a few bullet points to show where we (Council) started and where we are today- essentially a check- list to illustrate the oversight of council to share with the Governor. Ken asked how far back in time. Devona- Back to Executive Order 44 with 5 to 6 high-level bullet points.
- Dean Stotler: Noted that we have a Quorum at 10:51am, noting the arrival of Sakthi Vel PhD. Council moved to a vote on the September 2018 minutes.
- Jayshree Moorthy: shared that she has observed all of the numbers reported and that Michelle Morin's numbers are extremely impressive- noting we have come a long way. She also referenced WBENC and NMSDC and said they should be hearing more about all that Delaware is doing. She asked why isn't this being highlighted. This could be that we have a better mechanism in place. Jayshree mentioned that she has not had the opportunity to speak to Michelle about this - that the corporate reporting is not being heard.
- Dean Stotler- reported that we have participated recently in a joint meeting with EMSDC hosted at DuPont and others and we have extended offers to coordinate and collaborate and expand outreach for WBENC. There is a geographical disparity and issues with finding the right topics and talking points applicable to business in rural areas. There was discussion to find relevant topics for that business vertical. WBENC, EMSDC, and others have access to our OSD Certified Business Directory and our OSD List Serve. We are actively engaged and aware of those activities with WBENC and NMSDC.
- Ken opined that we need to up the ante to give more visibility to Delaware
- Dean identified that there is much economic activity and opportunity to positions businesses to be successful. The real opportunity is with B2B and B2C. Many businesses do not wish for B2G. He asked, how are we positioning Delaware businesses for success in B2B and B2G? We have good B2G success and B2G data to support that. Dean inquired how DSB will represent their B2B and B2C outcomes. He inquired, what is DSB hoping to see for Small Biz Development? Our Directory of Certified Businesses will help with visibility and can be used for when a business wishes to compete outside of Delaware. Dean noted that Philadelphia's Office of Economic Opportunity uses our

directory and said that our information and market verticals are clear. Corporate certifications (WBENC, NMSDC) have a fee for service but OSD is free. (Fee vs Free)

- Ken shared that it is new that DSB has an agenda for public focus and mentioned that there may be guidance from DOS and data metrics around that is in process. He mentioned OSD sharing of information of B2G with WBENC and suggested that perhaps WBENC would highlight Delaware based on metrics.
- Ken mentioned the Angel Fund launch on Nov 1st and that this is one DSB initiative, which will be very visible for the B2B space. DSB is currently considering a proposal of funding for Small Business. He mentioned there is interest from the Governor (Strategic Fund) as grants for small and diverse businesses at various thresholds. Ken noted that it is difficult for businesses to obtain capital and many small businesses may never qualify for CDF grant. Small Business grants and the launch of tax investment credit and others in CDF (B2B) we are evolving and want to create interest in the State of Delaware.
- Devona- responded to what Dean highlighted. How do we get Delaware visibility within B2G, B2B, & B2C? We have much opportunity in the B2B space. Partnerships could be an area of focus and a benefit for Small Business. She asked about the possibility of a media campaign to highlight the successes of diverse and small businesses, which will reflect the increased B2G. She referenced the success of DSHA and Anas's comments from the previous meeting. She identified her opinion that this has been a big contention for years. Idea to put inspirational success stories into the media to inspire. She made the following points: Communicate value propositions for certifications, Statistics can be overwhelming, It is really about the impact of the story- communication of the value, Capitalization needs, Initiatives out there to benefit Small business, Where we are now, and opportunities for the future, and How we communicate our successes.
- Dean noted that the economy is moving (a good thing) and businesses can be more selective. There is infrastructure in place for B2G opportunities. He also referenced the DSHA successes noted in the last meeting. Put it on the radar that some things are outside of our influence-namely the economy and indicated that fewer businesses may have interest in B2G when the economy is good or that their goods or services may not be appropriate for B2G.
- Dean commented to Givvel that real dollars associated with projects such as the DSHA from last month's minutes can really move the needle but are not sustainable path for continual increase, as they are one-time money projects rather than on-going needs.
- Ken indicated that we have the opportunity to add to our communications and transfer /share more in context about B2G and evolve to more B2B and B2C.
- Jayshree suggested the need to define the starting point for Small Business.
- Ken Anderson- mentioned the potential need to codify actions. He then added that this council will need to act on this in the future as things unfold. In addition, mentioned his earlier reference to an initiative for State funding which may require a change in the code.
- Ken then looked back at our legacy and shared that if he left tomorrow, that he is proud of what Council has done and culminated with E.O. 44. Ken spoke about E.O 44 and read some of it. He said that the E.O. is worthy to review and that it clearly states its purpose and is very significant to reiterate how we are set up (council) and how we operate. With my work, what I have seen in support, there is still a huge gap for funding for Women and Minority business. There is a wealth gap, which creates a challenge to start and launch small business. He then added that many will never qualify for CDF

grant program and are often challenged because of social and economic disadvantage. We are looking for a way to make the state grant money more accessible to those who may not normally qualify. Ken stated that he knows that Governor Carney has already expressed support for this idea.

Under New Business,

- **B2B update regarding DSB:**

- Ken Anderson read a lengthy piece and indicated he will share it with Council for review, and Dean Stotler requested a copy for Council review. (Attached to the end of the minutes is an email from Ken regarding the items he shared with Council, it is not known if this was copied from the document he read). The major points include:
 - An inquiry as to if GSDC supports a funding program to be scoped out including:
 - Businesses with 5 employees or less.
 - Self-certification to help increase and help to facilitate businesses that are not prepared to launch
- Dean Stotler raised that Council has already had clear conversation about goals. Our success has had equal opportunity with no goals. There are legal questions for set asides and associated funding. He indicated that it makes more sense to serve the diverse population inclusively by focusing on Small Business. A discussion was held regarding what could potentially be considered diverse.
- Ken added that this is a hot button topic. That is why he is focused on Minority and Women owned.
- Dean clarified that as GSDC; we are focused on Diverse and already include Small Business Certification.
- Would you be losing opportunity to focus on diverse if your focus was small?
- Ken reply- Yes, this is fair, as long as other metrics are included.
- Dean – Wouldn't you track the entrepreneur interest?
- Ken- we know that diverse businesses tend to be young and also tend to not be certified or on the path to capitalization
- Devona Goeins Williams acknowledge that there are issues. Criteria needs to be clear on who receives any funding, mentioning that startup and capitalization varies according to the industry or professional service. Asking: What is the criteria? Wilmington did this in the 90's for funding early stage minority business. She noted that many businesses that received funding eventually went out of business. Asking: How is the business selected to have the best opportunity for success? Understands that if they already have resources....
- Ken responded that we are evolving and pointed to the attached DSB handout and criteria laid out therein. He identified that there will first need to be a validated business concept, agreement that they have a business concept but are "pre-revenue", and that we do not want to misunderstand the market. Ken will send an early draft of the document and bring input to the business finance group.
- Ken asked for any other input. Jayshree Moorthy inquired if there is room to somehow include mentorship or a way that industry can help small businesses. Suggesting a program to support business in early stages so they do not fail.

- Givvel referenced Small Business mentoring programs that are already in place. Ken joined the topic and mentioned that the point is to help so that a new business does not fail in 3 years.
- Dean affirmed that a business plan would need to be in place, and asked, “What, other than good will”.... What is it that the State of Delaware might expect in return for any investment provided? For funding, (Ken had mentioned \$35,000) what does the taxpayer get for investment? Ken indicated we already certify large business from without the State of DE. I am fighting for language that will help In State businesses.
- Dean- There is opportunity to look at B2B and B2C. Let's focus on B2C- this is a good area for metrics.
- Ken- will bring enhanced language if it is processed through DSB.
- **B2G update regarding OSD:**
 - Dean Stotler shared GSS and OSD updates as follows:
 - The creation of the Annual Supplier Diversity Report for FY2018 is in process and OSD will outreach to the Governor's office for a letter to lead the report, as was done last year.
 - \$314.3M diverse and small business spend; an overall 9.36% increase over FY2017
 - Overall 319% increase over 5 years
 - GSS and OSD participated in or conducted 84 trainings and workshops since the September GSDC meeting to engage business in B2G opportunities. During these events, business individuals were exposed to OSD and B2G access to opportunity information. For the past month, OSD participated at 15 events and had contact with 379 individuals monthly.
 - Delaware Innovation Week (DIW18) is November 2 through 10. OSD created an ‘Access to Delaware BIG Business Opportunity’ event for the Business Conference day of the week. OSD was successful in recruiting Supplier Diversity Procurement professionals to speak on a panel and to network with business owners. They are from DuPont (*Thank you to Luis Concepcion who is either in Wilmington or on the phone*), Chemours, Comcast, Exelon / PECO, M. Davis & Sons, and (waiting to hear back from) Delmarva Power. The day includes Speed Networking and Corporate Roundtables. This is on November 6 from 930am to 3pm (leaving time for voting), in Wilmington, and is free for the business community.
 - Devona complemented that we have made great progress.
 - Ken mentioned that this should be shared beyond us (Council).
- **Other new business.**
 - Givvel shared about the Latino Summit and noted the break out session for entrepreneurs
 - Dean shared that Damian DeStefano, Director of Division of Small Business, will be there with OSD and there are currently 150 registered for the break out session
 - Givvel shared that registration is nearly full and that the Delaware Latino Professional Network (DLPN) will host networking after lunch from around 2-2:30 at the Chase Center, at the end of the Summit

- Sakthi Vel shared that there is a Healthcare summit the same day as the Latino Summit

Public Question / Comment:

- At 11:30 am, Chair Ken Anderson opened the floor for public comment. There were not any members of the public in the meeting rooms. It is unknown if any members of the public were on the phone as none self-identified.

Next Meeting:

The next meeting is set for November 20, 2018, from 2pm to 3:30pm at the Housing Authority, with Dover as the primary location, and with video-conferencing between Wilmington and Dover.

Meeting Adjournment:

Meeting adjourned by Ken Anderson, GSDC Chair, at 11:39am upon motion by Dean Stotler and seconded by Devona Goeins Williams PhD.

- **CHAIR GAGING GSDC'S INPUT AND SUPPORT FOR A PROGRAM BEING BRAINSTORMED AT THE DSB THAT, IF A DECISION IS MADE TO GO FORWARD, *MAY* OR MAYNOT CONTAIN SOME OF THE FOLLOWING ELEMENTS:**
 - STATE FUNDED PROGRAM THROUGH THE DIVISION OF SMALL BUSINESS TARGETING SMALL BUSINESSES IN GENERAL AND DIVERSE BUSINESSES IN PARTICULAR
 - WOULD BE OPERATING AND GENERATING THE MAJORITY OF THEIR REVENUES IN THE STATE OF DELAWARE.
 - GENERALLY WOULD BE PRE-REVENUE, WITH FIVE (5) EMPLOYEES OR LESS, WITH VALIDATED BUSINESS MODELS/PLANS
 - WHO ARE SELF-CERTIFIED, OR ON PATH TO SELF-CERTIFICATION THROUGH THE OFFICE OF SUPPLIER DIVERSITY.
 - FUNDING MAY NOT EXCEED _____(35 OR 50k)
 - LOOKING TO HELP INCREASE THE BUSINESS FORMATION OF SMALL AND DIVERSE FIRMS, ASSIST IN MARGINALIZING THE IMPACT OF THE WEALTH GAP FOR MINORITY AND WOMEN ENTREPRENEURS AND THE RESULTING IMPACT

ON PERSONAL RESOURCES TO START AND GROWN
BUSINESSES

- HELP FACILITATE ACCESS CAPITAL FOR EARLY STAGE
YOUNG, SMALL AND DIVERSE FIRMS, WITH VALIDATED
BUSINESS MODELS AND WHO ARE OTHERWISE PREPARED
TO LAUNCH AND GROW THEIR BUSINESSES IN DELAWARE.