



Minority Business Development Agency

Mission Statement

The Minority Business Development Agency is an entrepreneurially-focused and innovative organization, committed to minority business enterprise and wealth creation.

The Minority Business Development Agency (MBDA) was created specifically to foster the establishment and growth of minority-owned businesses in the U.S. The Department of Commerce's "Economic Information and Framework" theme is supported by the policies and programs that MBDA designs to increase minority business participation in the national and global economy.

MBDA is re-engineering its organizational structure into a new and vigorous direction of entrepreneurial management. If the nation's emerging businesses are to compete nationally and internationally in the rapidly changing global economy, MBDA, as the national lead agency for minority and emerging businesses, must be transformed from a historically administrative agency to a new and vigorous entrepreneurial organization.

An entrepreneurial organization is designed to *purposefully* engage in *systemic* continuous innovative and performance improvement strategies. The entrepreneurial organization (Note: innovative is used in the previous sentence) fuses innovation and entrepreneurship in a systemic model to pursue purposeful and strategic opportunity.

MBDA's new entrepreneurial motivation includes the establishment of strategic public/private sector alliances that will move minority businesses beyond the historical focus on increased penetration and dependence of the federal government marketplace. MBDA's entrepreneurial vision challenges the entrepreneur to make sound business decisions, to accept risks as a factor of doing business, and to implement "best practice" models for sustainable growth.

MBDA will continue to leverage its resources for delivering business development services by utilizing electronic tools and strategic partnerships. MBDA services and electronic tools are accessible throughout the country via the Internet. The introduction of MBDA's Minority Business Information Portal in FY 2002 was a major step toward reaching a significantly larger client base. The Internet portal will be used by minority businesses to access Agency services and it will be the national center for referral of minority-owned businesses of all sizes to the vast network of public and private sector resources. MBDA will continue to provide specialized access to markets and financial capital for firms seeking substantial growth opportunities. Management and technical assistance, education and training will be provided by MBDA's network of Business Development Centers through its Business Internet Portal.

Virtual Business Development Centers, Geographic Business Information Systems (GBIS) and the Phoenix/Opportunity System are accessible through the Minority Business Information Portal.

According to U.S. Census Bureau statistics, the number of minority-owned firms increased 41 percent between 1992 and 1997. Yet minority businesses account for only 14.6 percent of total businesses, 3.2 percent of business receipts, and 4.4 percent of employment.

The Census Bureau is projecting that 90 percent of the net U.S. population growth over the next fifty years will be in minority groups. Minority-owned businesses experienced substantial growth between 1992 and 1997, but there remain significant disparities between minority and non-minority firms. In order to address the disparities, MBDA has instituted a strategy and policy initiative of *entrepreneurial parity*. Entrepreneurial parity is defined as reaching proportionality between minority population percentage and percentage share of business development measures such as numbers of firms, gross receipts and employment. The state of minority business in 1997 would look radically different if entrepreneurial parity had been achieved. In this scenario, the number of minority-owned businesses would have been almost twice the actual number, or 5.7 million firms, rather than 3 million firms. Entrepreneurial parity in minority-owned business receipts would have resulted in more than eight times the actual number—from \$0.6 trillion to \$5.1 trillion. Employment in minority-owned firms would increase from 4.5 million to 28.2 million if entrepreneurial parity were achieved.

The Business Participation Rate (BPR) is a measure of businesses in a specific population group for every 1000 persons in that group. The national BPR for non-minority groups is ninety-one firms for every 1000 people in the United States. For minorities, the BPR is forty-two firms for every 1000 minorities.

While businesses of all size categories are important, the national minority business community needs to focus on becoming "growth firms" that can compete in an era of contract bundling and strategic partnering. Entrepreneurial initiatives, electronic commerce, and a willingness to engage in strategic alliances and joint ventures will continue to be promoted by MBDA in the minority business community.

Priorities/Management Challenges

In FY 2004, MBDA will continue its transformation from an agency focused on the administration of business development programs to an agency *entrepreneurially-focused* and committed to the empowerment of minority business enterprises for the purpose of wealth creation.

MBDA must continue to leverage existing resources to reach more firms than its Minority Business Development Centers (MBDCs) are able to service. MBDA will utilize private/public sector strategic alliances, Internet technology, research and innovation, its funded network of organizations, and the vast internal assets at the Department of Commerce to expand its reach.

OMB's Program Assessment Rating Tool (PART) findings indicated that MBDA should focus on (1) redefining its performance measures and examine unit costs, (2) continue to engage in strategic partnerships with public and private sector entities to leverage resources and enhance business development activities, (3) study the viability of obtaining an independent program performance evaluation within current resources to ensure MBDA is best advancing its mission.

Consequently, MBDA's efforts in FY 2004 will include review and revision of the performance measures and long-term strategy. For example, MBDA created a Performance Verification Team. The Performance Verification Team has commenced an intense, analytical process to review and revise MBDA's FY 2004 Performance Measures. If the review of the measures results in revisions, the revisions will more adequately benchmark MBDA's progress toward meeting its mission and vision.

In addition, the Team is charged with developing a more comprehensive performance measurement system that will be integrated into the budget formulation process. This integration will ensure that all budget-supported activities are evaluated based on associated performance goals. The Performance Verification Team will engage the assistance of stakeholders and consultants to enhance the overall effectiveness of the performance measurement system.

An important programmatic element of MBDA's Workforce restructuring effort led to the establishment of an Office of Program Planning and Evaluation. The new office will focus on tracking and determining the success of all MBDA's activities.

MBDA will continue to review its goals and measures to ensure that they reflect the Agency's activities and are linked strategically with MBDA's long-term objectives.

The major management challenge in FY 2004 is to institutionalize a structure that establishes a process and system of continuous improvement at MBDA. Succession planning will be vigorously conducted to address the fact that 40 percent of MBDA's workforce is currently eligible for retirement. Simultaneously, employee training and re-training will require innovative, cost-efficient techniques.

Targets and Performance Summary

See individual Performance Goal sections for further description of each measure.

Performance Goal 1: Improve the Opportunities for Minority-owned Businesses to have access to the Marketplace

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Dollar value of contracts awarded to assisted minority-owned businesses	\$0.6B	\$1.2B	\$1.6B	\$1.0B	\$1.3B	\$1.0B	\$1.0B
Number of contracts received by assisted minority-owned businesses	New	New	New	New	New	620	620

Performance Goal 2: Improve the Opportunities for Minority-owned Businesses to Pursue Financing

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Dollar value of financial packages to assisted minority-owned business	\$0.7B	\$0.2B	\$0.6B	\$0.4B	\$0.4B	\$0.4B	\$0.4B
Number of financial packages received by assisted minority-owned businesses	755	556	1,155	1,000	1,512	380	380

Performance Goal 3: Improve Organizational Effectiveness, Responsiveness and Efficiencies

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Target	FY 2002 Actual	FY 2003 Target	FY 2004 Target
Number of BDC clients	New	New	New	New	New	5,600	5,600
Number of national strategic partnerships (Nongovernment)	New	New	New	6	6	6	6
Number of interagency and interdepartmental initiatives and agreements (Federal, State, and Local Government)	New	New	New	6	6	6	6
Average annual Minority Business Internet Portal (MBIP) hits	New	New	New	50,000	585,755	500,000	500,000
Average user time for MBIP	New	New	New	13 mins.	14 1/2 mins.	15 mins.	15 mins.
Number of contract opportunities matched	New	New	New	40,000	343,826	325,000	325,000
Number of employees training hours (base full-time equivalent: 94)	New	New	New	3,384	9,817	5,000	5,000

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal 1: Improve the Opportunities for Minority-owned Businesses to have access to the Marketplace

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Business Development	8.82	9.5	8.5	4.8	4.8	5.0	0.0	5.0
Advocacy, Research, and Information	6.18	6.6	5.9	3.4	3.9	4.0	0.0	4.0
Total Funding	15.0	16.1	14.4	8.2	8.8	9.0	0.0	9.0
IT Funding ¹	0.9	0.9	0.9	0.7	0.7	0.7	0.0	0.7
FTE	58	61	54	31	31	33	0	33

Performance Goal 2: Improve the Opportunities for Minority-owned Businesses to Pursue Financing

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Business Development	8.1	8.3	8.0	6.3	6.3	6.2	0.0	6.2
Advocacy, Research, and Information	5.6	5.5	5.5	4.1	4.3	4.4	0.0	4.4
Total Funding	13.7	13.8	13.5	10.4	10.6	10.6	0.0	10.6
IT Funding ¹	0.6	0.6	0.8	0.5	0.5	0.5	0.0	0.5
FTE	38	40	36	40	42	42	0	42

Performance Goal 3: Improve Organizational Effectiveness, Responsiveness and Efficiencies

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Business Development	New	New	New	5.8	6.0	6.1	0.0	6.1
Advocacy, Research, and Information	New	New	New	3.9	4.1	4.2	0.0	4.2
Total Funding	New	New	New	9.7	10.1	10.3	0.0	10.3
IT Funding ¹	New	New	New	0.8	0.8	0.8	0.0	0.8
FTE	New	New	New	21	45	45	0	45

Grand Total	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Estimate	FY 2004 Base	Increase/ Decrease	FY 2004 Request
Total Funding	28.7	29.8	27.9	28.4	29.5	30.0	0.0	30.0
Direct	28.4	29.5	27.6	28.3	29.2	29.5	0.0	29.5
Reimbursable ²	0.3	0.3	0.3	0.1	0.3	0.5	0.0	0.5
IT Funding ¹	1.5	1.5	1.7	2.0	2.0	2.0	0.0	2.0
FTE	96	101	90	92	120	120	0	120

¹ IT requirements: Operations, maintenance, and reengineering; IT funding included in total funding.

² Reimbursable funding included in total funding.

Skill Summary: Marketing, Finance, Research, Information Technology and Internet.

FY 2004 Performance Goals

Performance Goal 1: Improve opportunities for minority-owned businesses to have access to the marketplace

(This goal has been reworded since the publication of the FY 2001 Annual Program Performance Report and FY 2003 Annual Performance Plan. This goal was previously worded as “develop an entrepreneurially innovative market-focused economy.”)

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Rationale for Performance Goal

The Minority Business Development Agency (MBDA) is an entrepreneurially-focused organization that provides business development services to the minority business community via a combination of funded projects and e-commerce. Although an array of business development services are provided and measured, the obtainment of contracts and financing are major components of business development. MBDA monitors, verifies, and captures results in its performance database.

The identification and obtainment of market opportunities has a direct impact on the gross receipts of minority businesses. This key indicator of business success must be measured to determine wealth and opportunities necessary for economic security. A strategy designed to provide minority businesses access to the global marketplace leads to increases in innovation, productivity, wealth creation, and global competitiveness, which are necessary for sustained domestic economic growth and expansion.

Measure 1a: Dollar Value of Contracts Awarded to Assisted Minority Businesses						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	\$0.6B	\$0.6B	\$0.7B	\$1.0B	\$1.0B	\$1.0B
Actual	\$0.6B	\$1.2B	\$1.6B	\$1.3B		
Met/Not Met	Met	Met	Met	Met		

Explanation of Measure

The dollar value of contracts awarded is an important factor in measuring the success of businesses. MBDA uses the information to show the following results:

- The assistance provided to the minority business community.
- The return on investment of the business development center program.
- The success of minority-owned businesses in obtaining contracts to provide goods and services, both domestically and abroad.

The immediate goal of the measure is to establish an environment for wealth creation. The focus will be on the long-range impact on gross business receipts.

FY 2003 & FY 2004 Targets

MBDA based its FY 2003 and FY 2004 targets on historical trends related to the dollar value of contracts awarded to minority business enterprises as a result of services provided by the Business Development Centers.

In FY 2002 and FY 2003 the targets were maintained at the same levels. These levels are 43 percent over the FY 2001 target.

Measure 1b: Number of Contracts Received by Assisted minority-owned Businesses						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	620	620
Actual						
Met/Not Met						

Explanation of Measure

The number of contracts received by minority business enterprises is important because it determines the number of minority business enterprises associated with the dollar value of the contracts received by firms that receive assistance from MBDA’s funded organizations. This measure helps to determine the number of businesses impacted and the size of contracts awarded.

FY 2003 & FY 2004 Targets

The results of this measure were previously reported as part of measurement 2b, the number of financial packages received by assisted minority-owned businesses. The target for FY 2003 and FY 2004 are based on historical trends.

Program Evaluation

MBDA’s Reorganization Plan established an Office of Performance and Program Evaluation that will assess the success of all of its program initiatives and internal operations. This office will review and evaluate performance measurements, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of Agency programs.

Currently, MBDA conducts performance assessments periodically on each of its funded projects. A detailed, comprehensive source verification process is used to confirm the validity of data. The Strategic Planning process ensures that performance measurements continue to assess program effectiveness.

Cross-cutting Activities

Intra-Department of Commerce

MBDA is engaged in the following intradepartmental activities with:

- International Trade Administration—to assure that minority-owned businesses are included in department trade missions and other international trade opportunities, along with having access to the management and technical assistance services of the export assistance centers.
- National Institute of Standards and Technology and National Oceanic and Atmospheric Administration—to include minority-owned businesses in programs involving new and emerging technology such as aquaculture. Additional activities would include working with the manufacturing extension program centers.
- Census Bureau—to expand the survey of minority-owned businesses annually, to conduct research on the emerging minority marketplace, and to provide market information about the fastest-growing consumer segment.
- Economic Development Administration (EDA)—to co-locate with EDA to establish Business Development Centers where EDA has funded infrastructure projects.

Other Government Agencies

MBDA will initiate intergovernmental partnerships with:

- Small Business Administration—to ensure that minority-owned small businesses benefit from the existing management and technical assistance services available to other businesses.
- Export-Import Bank—to have access to export financing and export markets on minority trade initiatives.
- U.S. Agency for International Development—to have access to export markets for referral of trade opportunities to minority businesses.

Government/Private Sector

Private sector corporations contribute more than half the cost of the annual minority enterprise development week (MED Week) conference. MED Week, an annual event that has been held throughout the country since 1982, promotes business growth through a variety of networking opportunities and constitutes a forum that allows minority businesses to:

- Participate in workshops and seminars on issues of importance to the minority business community
- Gather information about available business opportunities.
- Network with governmental and private sector purchasing officials.
- Market their goods and services through the purchase of exhibit booths.
- Receive congressional and presidential recognition for significant achievements.

External Factors and Mitigation Strategies

Low E-commerce Participation Rates

In 2000 it was estimated that there were 275 million Internet users and nearly four million unique Web sites. Forecasters at the U.S. Department of Commerce suggest that business to business e-commerce may reach the \$300 billion mark in 2002 (Forrester Research estimates total e-commerce to reach \$1.3 trillion in 2003)¹. The new Internet-based companies, and even traditional firms, that are producing goods and services are changing their business habits and processes. They are establishing e-commerce operations and procedures in an attempt to lower costs, improve customer service, and increase productivity. Furthermore, driven by the current e-business imperatives and increasing choices by customers, the digital economy is rapidly becoming the new global economy.

MBDA is mitigating these factors by applying an e-commerce and e-government strategy to its market-focused programs and operations that will increase the propensity of minority business to utilize information technology. For example, using the Phoenix database and the Opportunity Database, a contract matching system, a minority business can be matched with business opportunities in the public and private sectors on the Internet.

New Business Practices

Corporate purchasing practices are undergoing a radical change that requires minority suppliers to alter their strategies. Supply-chain management; ISO 9000, an international standard for organizations recognized in the public and private sectors; and business-to-business e-commerce demand that minority businesses also adopt e-commerce technology, be willing to partner with other firms, and re-engineer their processes.

Federal government contracting programs are designed to be more cost effective by bundling small contracts into larger opportunities. Often, these larger opportunities are beyond the reach of smaller minority firms.

MBDA will provide access to management and technical assistance resources, including the manufacturing extension program that can assist minority businesses in their efforts to increase capacity through strategic alliances. In addition, MBDA will work with appropriate federal partners regarding federal government contract opportunities.

¹ *MBE Participation in Electronic Commerce (Tomas Rivera Policy Institute) Electronic Commerce DOC Emerging Minority Marketplace The New Realities for Minority Business Digital Economy 2000 (DOC/6/00) Washington Post 2/22/01 (RJ Samuelson) - May 31, 2001.*

Performance Goal 2: Improve Opportunities for Minority-owned Businesses to Pursue Financing

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Rationale for Performance Goal

Historically, capital access programs for minority businesses have focused on debt capital. Based on a study commissioned by the Minority Business Development Agency (MBDA), it is estimated that minority business enterprise demand for equity capital exceeds \$144 billion per year. Minority business enterprise’s demand for debt financing is approximately \$1 billion. As the minority business community continues to grow, the demand for capital will increase over the next twenty years. MBDA is working to address these difficulties by collecting and assessing information about the financing needs of the minority business community. The results will be disseminated to financial institutions, policymakers, and the minority business community. Additionally, MBDA is exploring innovative strategies and instruments to increase capital flow to minority communities along with working in public/private partnerships. Obtaining financing represents actual assistance by MBDA’s funded network contributing to the development of minority businesses. The results are monitored, verified, and captured in MBDA’s performance database.

Measure 2a: Dollar Value of Financial Packages to Assisted Minority-owned

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	\$0.7B	\$0.9B	\$1.0B	\$0.4B	\$0.4B	\$0.4B
Actual	\$0.7B	\$0.2B	\$0.6B	\$0.4B		
Met/Not Met	Met	Not Met	Not Met	Met		

Explanation of Measure

Minority business enterprises must have access to capital in order to grow and create U.S. jobs.

MBDA’s performance reporting system captures verifiable information concerning the dollar value of loans and bond packages delivered by MBDA’s funded organizations to minority business enterprises. The Minority Business Internet Portal continues to increase the number of clients seeking and acquiring business development services through MBDA’s funded organizations.

FY 2003 & FY 2004 Targets

The targets reflected are consistent with historical trends and funding level.

Measure 2b: Number of Financial Packages Received by Assisted Minority-Owned Businesses

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	858	858	925	1,000	380	380
Actual	755	556	1,155	1,512		
Met/Not Met	Not Met	Not Met	Met	Met		

Explanation of Measure

MBDA measures the number of financial packages that are awarded to minority business enterprises as a result of services provided by the Business Development Centers. These awards assist in the creation of wealth in the minority business community.

FY 2003 & FY 2004 Targets

Prior to FY 2003, the reported number of packages included procurement contracts and financial packages. From FY 2003 procurement contracts and financing are reported separately. Due to this change, the targets for 2003 and 2004 only appear “small” next to previous years’ reported performances which included procurements.

Program Evaluation

MBDA's service providers sign three-year cooperative agreements that are renewed annually. The three-year agreements outline the number of contracts, the dollar value of contracts, the number of financial transactions, and the dollar value of financial transactions required on a quarterly basis during the contract period.

Each day, staff monitors input of these measures into the Performance Reporting System. Feedback is provided concerning progress on a quarterly and/or as needed basis. Each year, renewal of the Cooperative Agreement is based on performance as it relates to achieving the goals. A comprehensive evaluation of the results of the performance of service providers is conducted semi-annually.

Cross-cutting Activities

Intra-Department of Commerce

MBDA will collaborate with the Economic Development Administration, the International Trade Administration, the Economic and Statistics Administration, and the National Institute of Standards and Technology to create jobs and businesses involved in the development of private enterprises in targeted economically distressed communities and specific growth industries.

Other Government Agencies

MBDA has collaborated with the National Economic Council, the Department of Treasury, the Office of the Comptroller of Currency, the Federal Reserve Bank, and the Department of Housing and Urban Development on the New Markets program and the Department of Commerce's capital access task force. MBDA has worked closely with the California State Treasurer's office on the pilot securitizations program in California. MBDA also works with the Small Business Administration (SBA) in a variety of areas including providing information about SBA loan guarantee programs to MBDA's clients, and funding network Business Development Centers, in connection with the Department of Commerce's capital access task force and minority business coordinating council, which plan to:

- Work with the Department of Treasury's New Markets program.
- Explore the provision of sureties for small businesses and minority business loans that are occurring in California.

Government/Private Sector

MBDA has partnered with numerous private sector entities such as the Minority Business Roundtable, the Joint Center for Political Studies, and the International Franchising Association to produce a report on issues related to access to financing for minority enterprises. These reports will be utilized to enhance discussions concerning the development of programs and the revision of federal and private sector regulations that will increase the availability of financing for minority business enterprise.

External Factors and Mitigation Strategies

The following are external and mitigating strategies for MBDA:

- MBDA will make every effort to ensure that information on financing opportunities is made available to minority-owned businesses through its funded network of organizations and its minority business Internet portal. In addition, MBDA will hold a number of meetings to discuss regulatory reforms that need to be made in order to increase financing opportunities.
- MBDA will hold several meetings with venture capital firms to discuss increasing the amount of venture capital available for minority business enterprises. In addition, the annual minority enterprise development week conference will have an investor's showcase where minority business enterprises will have the opportunity to present business ideas to venture capitalists.
- MBDA will make extensive use of the Internet along with electronic presentations in this effort. Moreover, MBDA will promote and help establish strategic alliances and joint ventures to provide financing opportunities for minority-owned businesses.
- MBDA's Equity Access Program will offer minority enterprises equity capital training on a national level. Minority enterprises will participate in intensive training in the fundamentals of obtaining venture capital.

Performance Goal 3: Improve Organizational Effectiveness, Responsiveness, and Efficiencies

Corresponding Strategic Goal

Strategic Goal 1: Provide the information and the framework to enable the economy to operate efficiently and equitably.

Rationale for Performance Goal

The Minority Business Development Agency (MBDA) is committed to promoting the President's Management Agenda. In order to accomplish this, MBDA has established new goals and objectives to transform from an administrative culture to an entrepreneurially focused one.

In FY 2002, MBDA unveiled the Minority Business Internet Portal (MBIP). This electronic system extended MBDA's ability to collect data to be used for the Government Performance and Results Act reporting. This system also facilitates user access, while maintaining (and in some cases increasing) security measures. MBDA integrated its intranet, extranet, and Internet into one easily accessible Internet portal.

Measure 3a: Number of BDC Clients

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	New	5,600	5,600
Actual						
Met/Not Met						

Explanation of Measure

This measurement is important because it captures the number of clients that receive assistance from MBDA's Business Development Centers. These centers provide a full array of business development services and advocacy to minority business enterprises.

FY 2003 & FY 2004 Targets

The target level was increased in FY 2004 based on prior years' trends and MBDA's FY 2004 budget request.

Measure 3b: Number of National Strategic Partnerships

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	6	6	6
Actual				6		
Met/Not Met				Met		

Explanation of Measure

MBDA's success will be based in part on leveraging its resources through strategic alliances that are promoting minority business development. The number of effective partnerships that are secured will maximize and broaden outreach efforts.

FY 2003 & FY 2004 Targets

MBDA will continue to establish partnerships that will enhance minority business enterprises and further wealth creation in the minority business community.

Measure 3c: Number of Interagency and Interdepartmental Initiatives and Agreements

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	6	6	6
Actual				6		
Met/Not Met				Met		

Explanation of Measure

MBDA is mandated to coordinate federal government programs that strengthen minority business efforts. By establishing interagency and interdepartmental initiatives and agreements, MBDA will ensure the maximum impact of all federal expenditures to increase minority business development.

FY 2003 & FY 2004 Targets

The target level was increased in FY 2004 based on prior year's trends.

Measure 3d: Average Annual MBIP Hits

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	50,000	500,000	500,000
Actual				585,755		
Met/Not Met				Met		

Explanation of Measure

It is critical that MBDA measure the utilization of MBIP because it is intended to deliver high-quality tools and services to the minority business community. MBDA, with other public and private entities, is attempting to measure the effectiveness of its Web site. For MBDA, one of the measurements used will be the number of hits received on the Web site. Although hits provide a quick reference for benchmarks, MBDA is currently investigating new processes to measure success and benchmark for empirical data. Although the actual for FY 2002 exceeded the target level, MBDA has only one year of data available. MBDA will obtain data for another year to have a better basis to revise its target level.

FY 2003 & FY 2004 Targets

The targets for FY 2003 and FY 2004 are estimates based on the projected use of the MBIP. As the MBIP and its tool gain exposure, it is projected that the MBIP will be used more effectively by minority business enterprises.

Measure 3e: Average User Time for MBIP						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	13 mins.	15 mins.	15 mins.
Actual				14 1/2 mins.		
Met/Not Met				Met		

Explanation of Measure

The MBIP is designed to provide information for and about minority businesses. The number of minutes that each user spends on the MBIP indicates the extent to which the information provided is useful to the minority business community. The length of time a customer uses the MBIP indicates that a person not only visited the Web site but also found the information available of use.

FY 2003 & FY 2004 Targets

As usage of the MBIP increases, the average number of minutes a user spends viewing the website is estimated to increase. Therefore MBDA has increased the targets for FY 2003 and FY 2004 to reflect these projections.

Measure 3f: Number of Opportunity Matches						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	40,000	325,000	325,000
Actual				343,826		
Met/Not Met				Met		

Explanation of Measure

The Phoenix/Opportunity system electronically matches minority businesses with contract opportunities. The number of matches correlates with how successful MBDA has been in providing information concerning contracts to the appropriate minority business enterprise. FY 2002 is the first year that MBDA has recorded such data. Based on the initial projection and the result, the target was exceeded. MBDA does not have long-term historical data and therefore cannot be certain whether the actual 2002 performance was the result of the initial introduction of the portal, and whether this performance will become a trend in the future.

FY 2003 & FY 2004 Targets

The targets for FY 2003 and FY 2004 are based on incomplete historical information. As MBDA become more familiar with the electronic system and its capabilities, useful projections will become more valid. MBDA will become more comfortable of the captured results to make better and more accurate projections.

Measure 3g: Number of Employee Training Hours						
	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Target	New	New	New	3,384	5,000	5,000
Actual				9,817		
Met/Not Met				Met		

Explanation of Measure

During FY 2002 the National Director set forth a new organizational structure designed to obtain the goals, objectives, and strategies outlined in the Agency’s mission statement. A part of this reorganization required a training plan to increase the productivity of MBDA’s employee. One of the results of this training plan has been the high number of actual training hours for FY 2002. To effectively implement the Agency’s mission, MBDA will continue to train and re-train its employees.

FY 2003 & FY 2004 Targets

The targets for FY 2003 and FY 2004 are representative of MBDA’s commitment to becoming an entrepreneurially focused organization. MBDA will use resources each fiscal year to train its employees; the targets set are based on a comprehensive training plan which continues to be developed for the Agency and the projected personnel changes in FY 2003 and 2004.

Program Evaluation

MBDA will continue to review each measure reflected under goal three. These evaluations will assess the success of all of its program initiatives and internal operations. MBDA will use these benchmarks to evaluate performance, and develop and conduct a comprehensive, ongoing evaluation process to assess and improve the effectiveness of Agency programs.

Cross-cutting Activities

Intra-Department of Commerce

MBDA will utilize the resources offered by the Department of Commerce to ensure the most effective transformation from an administrative to an entrepreneurial agency. MBDA will do the following:

- Acquire best practices concerning financial processes in cooperation with the National Institute of Standards and Technology.
- Develop an automated procurement and contracting system with the National Oceanic and Atmospheric Administration.
- Ensure effective human capital initiatives through the International Trade Administration, which serves as the human resource office for MBDA.

Other Government Agencies

MBDA will reach out to other federal government agencies, such as:

- The Office of Personnel Management to stay current with the latest and most effective programs for enhancing human capital.
- The U.S. Department of Agriculture and the U.S. Department of Treasury to provide information regarding the latest and best training programs for budget, debt management, and finance.

Government/Private Sector

MBDA may utilize the service of private sector companies to obtain state-of-the-art information technology and other administrative tools.

External Factors and Mitigation Strategies

By FY 2003, 40 percent of MBDA's workforce will be eligible for retirement. This could create a significant exodus of skills. MBDA will mitigate this factor by engaging in an extensive training and recruitment program focusing in the areas where employees will be retiring.

MBDA Data Validation and Verification

MBDA's Office of Administration and Financial Management (OAFM) oversees a review of all performance data at the end of each fiscal year. OAFM ensures that all data collected and reported is accurate and complete. OAFM also validates and compiles data for the Agency. This office verifies performance data reported by funded organizations through the Field Coordination Division (FCD) and Performance database. OAFM also reviews documentation used to support all data not reported through an automated system. OAFM and FCD prepare an initial report of performance data. The initial report is then analyzed for variances and trends. All variances and trends are investigated and used as benchmarks in determining future target adjustments. All findings and performance data are formulated and presented to the MBDA management team for review and approval. The MBDA Data Validation and Verification table can be found on the following page.

MBDA Data Validation and Verification

Performance Measure	Data Source	Frequency	Data Storage	Verification	Data Limitations	Actions to be Taken
Measure 1a: Dollar value of contracts awarded to assisted minority-owned businesses	Internet link from MBDA headquarters to client delivery sites.	Collect real-time and report quarterly.	The performance database management system running on an Oracle platform.	A 100% client verification survey.	Responsiveness to client verification survey.	Follow up notices to non-responsive clients.
Measure 1b: Number of contracts received by assisted minority-owned businesses	Internet link from MBDA headquarters to client delivery sites.	Collect real-time and report quarterly.	The performance database management system running on an Oracle platform.	A 100% client verification survey.	Responsiveness to client verification survey.	Follow up notices to non-responsive clients.
Measure 2a: Number of financial packages received by assisted minority-owned businesses	Internet link from MBDA headquarters to client delivery sites.	Collect real-time and report quarterly.	The performance database management system running on an Oracle platform.	A 100% client verification survey.	Responsiveness to client verification survey.	Follow up notices to non-responsive clients.
Measure 2b: Dollar value of financial packages to assisted minority-owned business	Internet link from MBDA headquarters to client delivery sites.	Collect real-time and report quarterly.	The performance database management system running on an Oracle platform.	A 100% client verification survey.	Responsiveness to client verification survey.	Follow up notices to non-responsive clients.
Measure 3a: Number of national strategic partnerships	Memorandum of understanding and agreements.	Collect real-time and report quarterly.	Automated spreadsheet and database running on an Oracle platform.	A 100% verification survey.	Responsiveness to verification survey.	Follow up notices to non-responsive clients.
Measure 3b: Number of interagency and interdepartmental initiatives and agreements (Federal, State, and Local Government)	Memorandum of understanding and agreements.	Collect real-time and report quarterly.	Automated spreadsheet and database running on an Oracle platform.	A 100% verification survey.	Responsiveness to verification survey.	Follow up notices to non-responsive clients.
Measure 3c: Average annual MBIP Hits	Web trends reporting.	Collect real-time and report quarterly.	The MBIP running on an Oracle platform.	A database sampling.	Responsiveness of database verification.	Follow up database inquiries.
Measure 3d: Average user time for MBIP	Web trends reporting.	Collect real-time and report quarterly.	The MBIP running on an Oracle platform.	A database sampling.	Responsiveness of database verification.	Follow up database inquiries.
Measure 3e: Number of opportunity matches	Web trends reporting.	Collect real-time and report quarterly.	The MBIP running on an Oracle platform.	A database sampling.	Responsiveness of database verification.	Follow up database inquiries.
Measure 3f: Number of employees training hours	Training requests.	Collect real-time and report quarterly.	Automated spreadsheet and database running on an Oracle platform.	A 100% verification survey.	Responsiveness to personnel verification survey.	Follow up notices to non-responsive personnel.

