

STATUTORY CHARGE MET

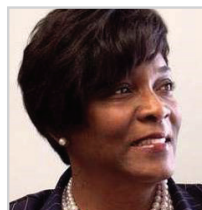
If you want the best out of your business, give the best to your business to succeed. If Florida wants the best for businesses, give the best to businesses to ensure their success. The 2011-2012 Annual Report marks the turning point for the Council in fulfilling the scope of its work. The 2012-2013 Annual Report sets priorities going forward in a measurable and accountable fashion. The 2013-2014 Annual Report provides an update on the Council's progress, lists accomplishments and identifies critical issues going forward for small and minority business development and sustainable job creation.

By its activities, the Council, through collaboration and partnerships, seeks to increase awareness of and responsiveness to small and minority business development issues and improve collaboration and outcomes among the various stakeholders with respect to its charge.

STATUTORY CHARGE

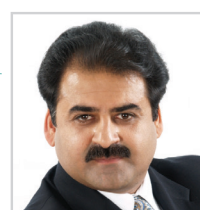
The Council's statutory charge is to advise and assist with small and minority business development. Its powers and duties include, but are not limited to:

- Researching and reviewing the role of small and minority businesses in the state's economy; reviewing issues and emerging topics relating to small and minority business economic development;
- Studying the ability of financial markets and institutions to meet small business credit needs and determining the impact of government demands on credit for small businesses;
- Assessing the implementation of s. 187.201(21), requiring a state economic development comprehensive plan, as it relates to small and minority businesses;
- Assessing the reasonableness and effectiveness of efforts by any state agency or by all state agencies collectively to assist minority business enterprises; and
- Advising the Governor, the Department of Management Services Secretary, and the Legislature on matters relating to small and minority business development.



Cheryl S. Gonzalez

CHERYL GONZALEZ, CHAIR
University of North Florida
Jacksonville, FL



Jay Narang

**JAY NARANG
VICE CHAIR**
GDKN, Inc.
Fort Lauderdale, FL

2014-2015 RECOMMENDATIONS

ESTABLISH A DIRECT SUPPORT ORGANIZATION (DSO)

Assist state government's efforts for supplier diversity and small business development through this entrepreneurial vehicle to improve business and economic opportunities for all small businesses in Florida (including micro-enterprises, minority, women, service-disabled veteran and war-time veteran business enterprises).

REALIGN THE DEFINITION OF SMALL BUSINESS

Exercise consistent use of the term "small business" for capital access initiatives, and in existing and proposed state law, programs and services.

RE-CONFIGURE CURRENT MICRO-FINANCE LEGISLATION

Rewrite legislation passed during the 2014 session and/or implement the initiative from the standpoint of inclusion.

EXPAND THE EFI PERFORMANCE BONDING AND CAPITAL ENHANCEMENT PILOT PROGRAM STATEWIDE:

Impact growth and development of small and minority businesses and job creation by closing the gap for their bonding needs.

AUTHORIZE A BUDGET PER STATUTE FOR COUNCIL:

Follow statute: Pursuant to s. 112.061, F.S., members of the Council shall serve without compensation or honorarium but shall be entitled to per diem and travel expenses pursuant to s. 112.061 for the performance of duties for the Council.

PROVIDE PROFESSIONAL DEVELOPMENT TRAINING FOR STATE PROCUREMENT OFFICIALS:

Authorize FAMBE as the legislative body to train state procurement officials in support of business inclusion.

FLORIDA ADVISORY COUNCIL ON SMALL & MINORITY BUSINESS DEVELOPMENT

CHERYL GONZALEZ, CHAIR
University of North Florida
Jacksonville, FL



Malik Ali
Central-North Florida
MSDC, Inc.
Orlando, FL



Dale Coxwell
Coastal Steel, Inc.
Cocoa Beach, FL



Julius Davis
VoltAir Consulting
Engineers
Tampa, FL &
Enterprise Florida, Inc.



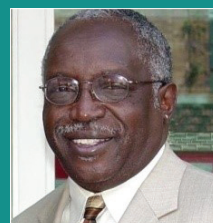
Pamela Hart-Frazier
FL Assn. of MBE
Officials Inc.
West Palm Beach, FL



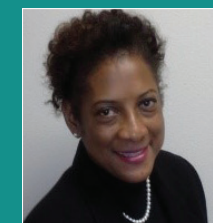
Wendy Grey
Wendy Grey Planning,
LLC
Tallahassee, FL



Rhett Frisbie
The Florida Bar
Tallahassee, FL



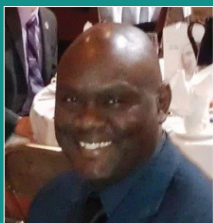
Ben Harris
City of Tallahassee
Tallahassee, FL



Christine McMillon
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Mgmt. Services, Inc.
Lake Mary, FL



Barbara Melvin
Wells Fargo Bank
Naples, FL



Samuel C. Newby
PepsiCo
Jacksonville, FL



George Owen
George Owen, LLC
Jacksonville, FL



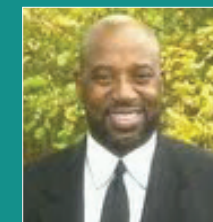
Anne-Marie Richards
Office Depot
Boca Raton, FL



Carlos Rodriguez
Maverick Constructors
Lutz, FL



Augusto Sanabria
HBIF
Orlando, FL



James Sanders
Rumlin Insurance, Inc.
Jacksonville, FL

MEMBER ACHIEVEMENTS

COUNCIL VICE CHAIRMAN JAY NARANG won the NMSDC's National Supplier of the Year Award - 2013 (Southeast Region) and GrowFL's Top 50 Companies to Watch Award - 2014.

COUNCIL MEMBER BARBARA MELVIN received the National Volunteer of the Year Award for Wells Fargo 2013-2014 and Florida Small Business Development Center Volunteer of the Year Award, both locally and regionally, 2013-2014

JULIUS DAVIS was appointed to the Enterprise Florida, Inc. Board of Directors prior to becoming its representative on the Florida Advisory Council for Small and Minority Business Development.

STAY IN TOUCH

Florida Advisory Council On Small & Minority Business Development
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www.dms.myflorida.com

Available in alternative formats upon request for persons with disabilities.



2014 ANNUAL REPORT

BROADENED PARTNERSHIPS

Today's Council acts as a strong advocate and catalyst for small and minority business development. A core mission of the Council is to focus on small business development policy that inherently includes minority businesses. Utilizing a strong committee structure, the Council established new and stronger partnerships. Collaboration efforts included Enterprise Florida, Inc. (EFI) and G6¹, Florida Department of Economic Opportunity (DEO), Florida Chamber of Commerce, universities, other groups and businesses statewide.

BOARD REPRESENTATION

The Council comprises representatives of small and minority business assistance programs, certified minority business enterprises, finance and insurance, local government, and private construction and commodities industries. During 2013-2014, the Council was able to meet its mandate for membership by the appointment of Julius Davis, VoltAir Consulting, of Tampa, FL. He is a member of the EFI board of directors.

Council members met regularly via conference calls nine times, participated in three quarterly G6 meetings, coordinated working group efforts to write a white paper on access to capital and procurement for Florida, and participated in small business activities statewide. Of note, the working group's initial day-long meeting was hosted by Office Depot/Max in Boca Raton, FL. As a take-away from the meeting, recommendations were devised, which shaped the report's framework. In addition, Council Committees, as noted below, met often as necessary to fulfill their respective duties:

STATE'S STRATEGIC & COMPREHENSIVE PLANNING: Committee Chair Wendy Grey led substantial progress by making recommendations to the Council as it relates to promoting the implementation of the economic policies relative to small and minority businesses.

RESEARCH & EMERGING TRENDS: Committee Chair Barbara Melvin led key discussions on the relevancy of the state's definitions of "small business" and "minority," and their respective impact on Florida's economic and business development outcomes.

STATE AGENCY VENDOR DIVERSITY: Committee Chair Rhett Frisbie supported and consulted the Office of Supplier Diversity and various state agencies on implementing best practices in vendor diversity initiatives. Efforts continue with DMS to increase second tier opportunities in state agency solicitations and state term contracts; increase visibility and access to state agency procurement personnel by establishing and/or increasing presence of procurement operations and staff contact information on agency websites; and working with the Department of Business and Professional Regulation (DBPR) to provide pertinent vendor registration information with printed licenses and the online registration system unless a shift occurs with the implementation of the State's One Stop Portal.

PROCEDURES & BYLAWS: Committee Chair Pamela Hart Frazier recommended language on ethical standards, which was reviewed and adopted by the Council, then forwarded to the Office of the General Counsel for legal scrutiny.

COMMUNICATIONS: Committee Chair Dale Coxwell sought and received affirmation to design a logo and acquire business cards; however, enhancement of outreach through a Blog, e-newsletter, and stronger website presence await authorization.

LEGISLATION & POLICY: Governed by the Council's Executive Committee, the recommendation to establish a Direct Support Organization was monitored, as was community/economic development and state agency proposals that could impact Council business and the DMS-OSD.

In addition, the Council's Chairwoman convened working groups on capital access and procurement, which were chaired respectively by Barbara Melvin and Augusto Sanabria, and AnneMarie Richards and Dale Coxwell. Chairwoman Gonzalez traveled around the state to attend events hosted by G6 members to spur collaboration and foster dialogue with constituents. The Council also sought the input of the affected entities such as the DEO, EFI, DMS and Department of Financial Services, and the Florida Chamber of Commerce.

¹ G6 comprises EFI Memorandum of Understanding Stakeholders representing small and minority businesses statewide; Florida Advisory Council on Small and Minority Business Development, Florida Association of Minority Business Enterprise Officials, Florida Coalition for Microenterprise Development, Florida Consortium of Black Business, Hispanic Business Initiatives Fund, and the Southern Florida Minority Business Development Council.

THE COUNCIL: IN ACTION



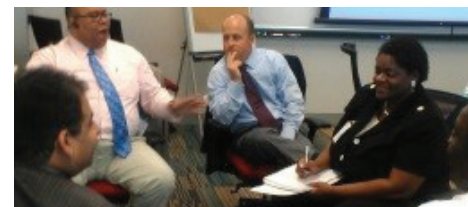
The SFMSDC event included over 1000 corporate, small and minority businesses.



Procurement Working Group discusses research findings.



Council Vice Chairman Narang, wife, Chairwoman Gonzalez, and other guests at the SFMSDC Annual Gala 2013 in Miami, Florida.



The Capital Access Working Group considers recommendations.

INDIVIDUALS WHO PROVIDED STAKEHOLDER COMMENTARY

Annually, economic and business development experts are sought to enhance the Council's knowledge and awareness of perspectives. Stakeholder commentaries are presented during meetings in line with the Council's agenda.



WILLIAMS



RODRIGUEZ

LEVI WILLIAMS, ESQ., Levi Williams Law, Ft. Lauderdale Florida, January 2014

MR. JULIO RODRIGUEZ, Manager, DBE Programs, Lee County Port Authority, May 2014

MR. TOREY ALSTON, Economic Development Chairman, Florida State Conference NAACP, April 2014

MR. JESSE PANUCCIO, Executive Director, Department of Economic Opportunity, November 2013



PANUCCIO



ALSTON

MS. ERIN ROCK, Chief of Staff, Florida Department of Management Services, July 2013 (not pictured)

THE COUNCIL: IN FOCUS

The Council's focus remained the same during 2013-2014.

It called for:

- 1 Legislation and public policies that genuinely impact participation in procurement, business development, economic development opportunities, and enhances job creation for all small business enterprises;
- 2 Continued review of existing state legislation and initiatives purported to support small business needs for equity and traditional capital, credit, relevant training and access to the marketplace through procurement; and
- 3 Recognition of the contributions of Florida's vibrant microenterprises, which represent 92% of all businesses, by including them in the state's opportunities to grow and create sustainable jobs, and as part of the small business economic development policy during the legislative session.

The Council, therefore, aims to encourage and continue to make recommendations designed to move from "thought and writing" to functionality.

MAJOR CHALLENGE: BUSINESS FINANCIAL CYCLE

How can state government officials and staff enhance efforts to support true start-ups, which are often overlooked, and the necessary expansions that create sustainable jobs creation? The National Governors Association (See Council's Annual Report 2013, page 14 for details.) reported that the following are critical:

- 1 Diversity in sources of capital
- 2 An enabling culture
- 3 Strong local networks
- 4 Supportive infrastructure and
- 5 Entrepreneur-friendly government

To acknowledge the need for capital from start-ups to expansions, one must first understand the concept of business life and financial cycles. The two are not mutually exclusive, meaning they are symbiotic, interdependent and parallel. Each stage of business life requires a different type of financial support and assistance. It is possible for Florida to support and create healthy businesses across the entire business continuum. Doing so strengthens businesses that contribute to the state's bottom-line through an increased tax base and job creation to absorb Florida's growing workforce in all sectors. This impacts all of Florida's communities. Source: <http://0181e1a.netsohost.com/BusinessBanking/BusinessLifeCycle.aspx>

BUSINESS FINANCIAL CYCLE EXPLAINED

1 SEED

Seed stage: From thought but not yet reality, a key question is whether Florida can become the new Silicon Valley in a particular industry creating a hub for new patents and ideas. This is not far-fetched considering the number of universities that encourage the same. Even without a proven market or customers, how can Florida transition these ideas to the start-up phase? Usually, self-finance or borrowing from friends and family occurs.

2 START-UP

Business start-ups are an important benchmark for economic success. Since business start-ups are counted as a "population," providing consideration for their survival will enhance their changes to thrive. Yet, for now, with no proven market or customers, often self-finance and borrowing from friends, family, suppliers, customers, grants and banks occur to propel businesses forward.

3 GROWTH

As one's business grows, so do revenues and customers. Change brings about new challenges, primarily more competition. If there is anything called a "norm" in business, this is that time. Here, an employee growth spurt may begin. Capital sources are usually, banks, profit yields, partnerships, grants and leasing options. Better accounting and management systems will have to be set-up. New employees will have to be hired to deal with the influx of business.

4 ESTABLISHED

Reaching maturity is the dream obtained. The company is entrenched and has loyal customers. Routine is the new norm. However, competition begs the need to stay competitive, which drives owners to focus on improvement and productivity. This again takes capital, usually gleaned from one's profits, banks, investors and government.

5 EXPANSION

The source of information reveals that this life cycle is characterized by a new period of growth into new markets and distribution channels. This stage is often the choice of the business owner to gain a larger market share and find new revenue and profit channels. Without question, then, capital resources rise to the point where joint ventures are required for sustainability, along with typical resources such as banks, licensing, new investors and partners.

6 MATURE

At this critical point of having achieved success, the question for owners is whether to expand or exit the company. This is usually the point challenged with dropping sales, profits, and negative cash flow. Options are either to move back to the expansion stage or "to the final life cycle stage...exit." Using suppliers, customers, owners and banks, the business either remains or simply goes away.

7 EXIT

How a business cashes out or closes after years of hard work is just as important as starting a business. There must be a realistic valuation in the current marketplace. Having decided to close denotes no additional capital required.

8 FINAL ANALYSIS

In the end, business life and financial cycles/stages run parallel. Florida can be known as the state of first choice for new businesses, growing businesses and established businesses offering a healthy assortment of capital resources that fluidly follow the needs of the full business continuum for more than "high-growth" industries. Ostensibly, the state of Florida is pro small business and minority business, including microbusiness. Yet, legislation and implementation should ensure inclusion with a "several-fold" yield of capital options for businesses from incentives and equity options to micro-finance and traditional lending sources.