

2016-2017

ANNUAL REVIEW & STRATEGIC OUTLOOK

MINORITY BUSINESS ACCELERATOR

2016 – 2017 MBA Leadership Council Members

Scott Robertson (Chair)
RCF Group

Clifford A. Bailey
TechSoft Systems

Steve Binkowski
Macy's

Calvin Buford
Dinsmore & Shohl

Andy Butler
Procter & Gamble

Angel Colon
The Kroger Co.

John Fickle
U.S. Bank

Mel Gravely
TriVersity Construction Co.

Phillip Holloman
Cintas Corporation

Steve Love
SRL Consultants

Jaqueline Neal
Ohio Minority Supplier Development
Council

Johnna Reeder
REDI Cincinnati

Kathleen Roberts
Northern Kentucky University

Carl Satterwhite
RCF Group

Michael Smith
PNC Bank

Stephanie Smith
Fifth Third Bank

David Spaulding
Turner Construction Co.

Melissa Wideman
Castellini Management Co.

Stan Williams
Messer Construction Co.

Chamber / MBA Team

Jill P. Meyer

Darrin Redus

Robert LaMothe

Thomas Fernandez

Valerie Kimble

Rich Eggers

How We Help

The Minority Business Accelerator (“Accelerator”), now in its 14th year, continues to focus on preparing larger scale African-American & Hispanic-owned and operated businesses for the next level of growth. Starting from an annual comprehensive business assessment that helps inform key growth opportunities and strategic objectives, each portfolio company in the Accelerator is then supported by a team of experts and consultants to help deliver against agreed upon tasks and milestones. Our process includes:

- Comprehensive Assessments
- Customized Growth Plans
- Capital/Customer Readiness (Capacity Building)
- Access to Business Opportunities
- Partnering with Corporate/Business Leaders

Strategic Partnership



Mergers & Acquisitions



Joint Venture



Leadership Council

In recognition of the value that diversity plays within the business community, the Cincinnati USA Regional Chamber is committed to ensuring that all segments of the local community have the opportunity to contribute to the economic well-being of the Cincinnati region. As one of its principal economic development initiatives, the Accelerator has a core mission of accelerating the development of regionally based sizable minority businesses and strengthening and expanding the minority entrepreneurial community. Since its inception, the Accelerator has sought the involvement of local corporate executive leaders as members of the MBA Leadership Council to provide context and counsel for the initiative. The Leadership Council is a select group of executives from some of our leading corporations in the Cincinnati region.



Letter from the Chair

One year ago, your Cincinnati Chamber Minority Business Accelerator announced its charge to take the successes seen in the first 13 years – and double them. For the Cincinnati region’s minority-owned firms, that equates to another billion in incremental growth and 3,500 new jobs - over the next five years. This is our clear vision and everything we act on is executed against this goal.

Through a continued focus on accelerated organic growth, coupled with strategic growth transactions such as mergers, acquisitions and joint ventures, Greater Cincinnati’s minority firms are being positioned for unprecedented exponential growth. Additionally, Accelerator portfolio firms have new and enhanced levels of access to regional leaders and industry expertise to further enlighten the path to expansion and greater success.

We’re also working with law firms, banks, accountants and other strategic partners to identify qualified minority buyers to support broader succession planning efforts of “mainstream” businesses in the region. This will allow minority business owners to “acquire in” to industries such as manufacturing and other key sectors that have long been underrepresented by minority entrepreneurs.

Our corporate and institutional partners are further coming together to collaborate with the Accelerator in new and innovative ways. These deeper collaborations give Accelerator portfolio firms access to state-of-the-art systems, expertise and best-in-class business tools, which all serve to enhance the capacity and overall market readiness for our region’s MBEs.

The Accelerator is also helping to launch an exciting new business development platform as part of a one-of-a-kind regional collaboration through the Cincinnati Minority Business Collaborative (CMBC). This unprecedented collaboration of non-profit organizations has worked behind the scenes for nearly seven years to collectively support the growth and development of promising minority firms, and now aims to take this work to the next level in the identification and preparation of 50 of Cincinnati’s most promising minority businesses that each demonstrate the ability to grow by a minimum of \$5 million and create at least 15 jobs over the next five years.

As we move forward, we understand that Cincinnati is defined by the accessibility, approachability and action-orientation of its corporate and civic leaders - it’s in our DNA. When we come together across backgrounds, cultures and industries, it’s amazing what we accomplish, so that our region’s modern renaissance can be enjoyed and celebrated by ALL.

Thank you to the supporters of Cincinnati’s Minority Business Accelerator.

If you’ve yet to connect with us, I strongly encourage your participation and support of our bold new vision as we continue to take our work to the next level.

Our vision is clear. Join us on our path forward!

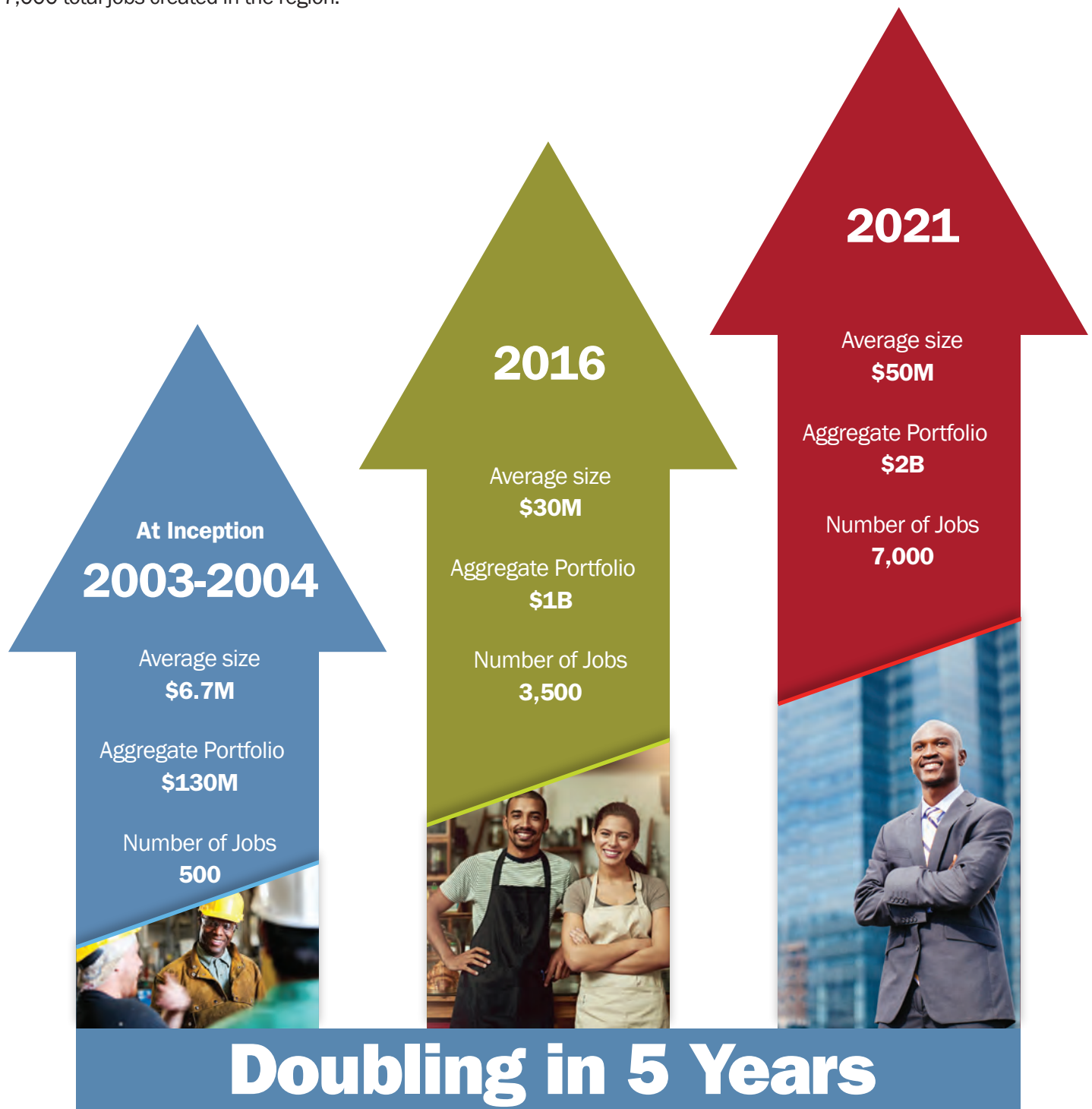


A stylized, handwritten signature in black ink, consisting of a large 'S' and 'R' followed by a long horizontal flourish.

Scott Robertson
Chair, Minority Business Accelerator Leadership Council

Timeline of Results & Path Forward

Since its inception in 2003, the Accelerator has averaged double-digit growth for its portfolio companies on an annual basis which has led to an average annual sales volume of approximately \$30 million per company, and just over \$1 billion in aggregate annual sales. This collective company performance has also delivered over 3,500 jobs to the regional business community. With a focus on strategic growth transactions such as mergers, acquisitions and joint ventures, combined with leveraging equity capital investments to accelerate organic business expansion, the Accelerator is now poised to deliver exponential growth over the next five years in projecting \$2 billion in aggregate annual business, and over 7,000 total jobs created in the region.



Current State



35

High
Performing
Minority
Businesses



\$ 1B

Regional
Minority
Spending

\$ 1B
\$



Aggregate
Annual
Sales

Jobs
Created

3,500+

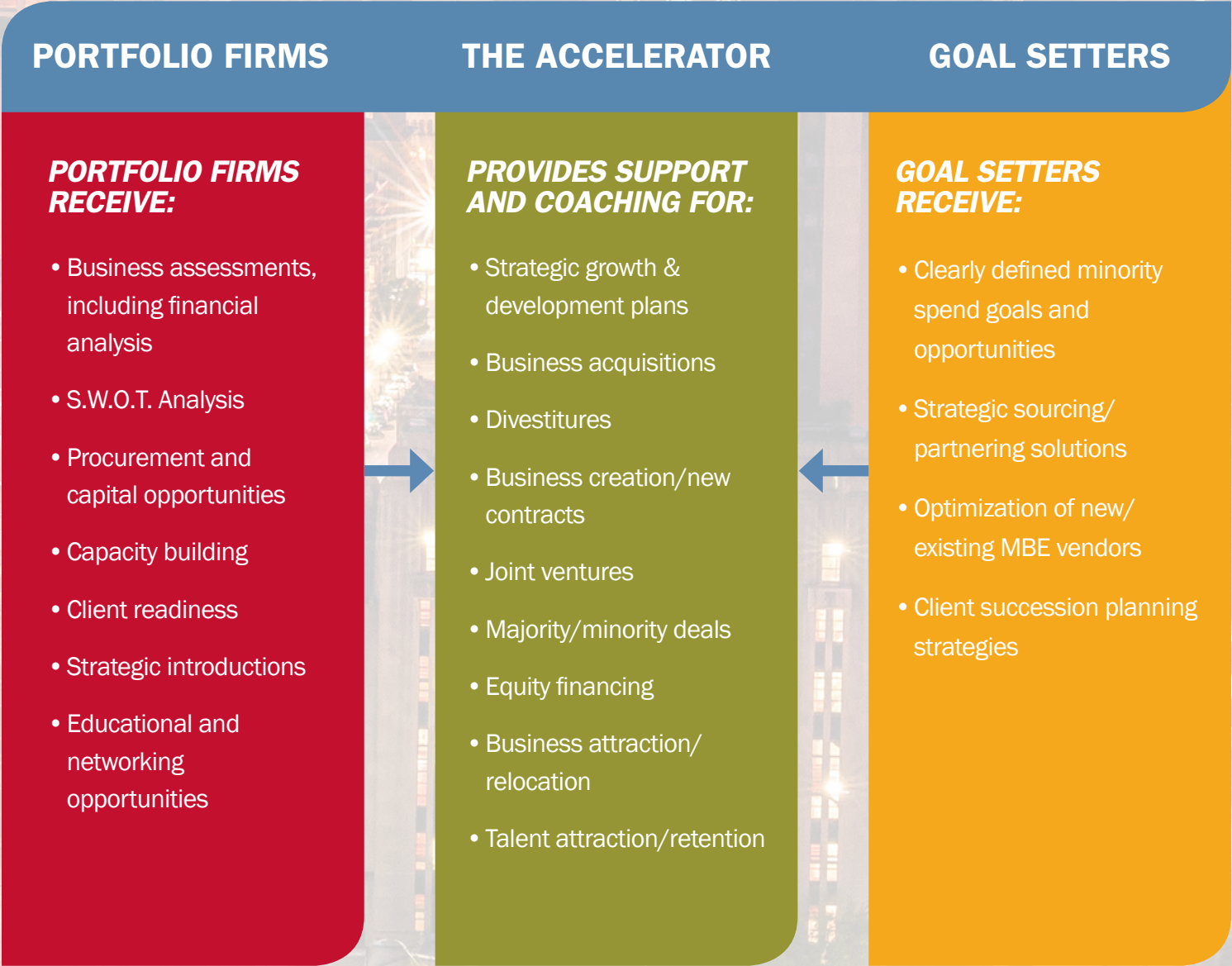

Goal Setter Partners

Larger corporations and institutions in the Greater Cincinnati region have become increasingly aware of the important role supplier diversity and inclusion play in creating more competitive and dynamic organizations. A diverse supplier-base raises the level of competition and innovation across an organization's entire supply chain, while concurrently serving to create more vibrant and inclusive communities as minority-owned firms overwhelmingly hire minority workers at significantly higher rates than non-minority firms. The Accelerator works closely with its corporate partners, referred to as Goal Setters, to help in the creation and expansion of effective supplier-diversity initiatives, as well as broadening and deepening the actual dollar commitment of spending with regional minority firms. For the fourth consecutive year, this dollar commitment has exceeded \$1 billion in spending, and is poised to double over the next 5 years.



Our Work at a Glance

The core work of the Accelerator focuses on preparing larger-scale minority-owned businesses to become viable and expanding partners in the supply-chains of larger corporations. This work involves deep and customized engagements with both the minority firms as well as the corporate partners as depicted in the diagram below. The ultimate outcomes of this dual approach are a series of business opportunities and market-driven transactions that drive economic vitality and an inclusive business environment for the region as a whole.



Accelerator Champions

>> Pace Setter Award



Evans Nwankwko,
Founder

Megen has delivered over 100% sales growth this past year, as well as significant year-over-year growth since its founding in 1993. Megen's consistent commitment to quality, integrity and innovation are its foundation exemplified in its becoming Ohio's first LEED Platinum Builder. Megen has built several iconic regional projects including the National Underground Railroad Freedom Center, Great American Ball Park, Washington Park, and Fountain Square. Megen added to its signature project portfolio this year with clients including Cincinnati Hills Christian Academy, Fairfield City Schools, and its slam-dunk work on the University of Cincinnati's Fifth Third Arena renovation. The arena work reflects what we envision as a role model in which three Goal Setters collaborated on this project that enables minority business growth. The University of Cincinnati awarded the \$70 million business to the partnership of Skanska - Megen for the renovation of Fifth Third Arena that is scheduled to reopen in November 2018.



>> Innovator of the Year Award



Tillie Hidalgo Lima,
President/CEO

For the second consecutive year, Best Upon Request has earned the distinction as our innovator of the year. Best Upon Request continues to deliver new and innovative products and services in collaboration with its corporate clientele.

The company's latest innovation was featured on more than 30 media sources including the TODAY show, the Wall Street Journal, Forbes, and Fast Company. Best Upon Request's Maternity Concierge program at Fifth Third Bank is an employee benefit that supports women who are pregnant and working mothers of infants to help them succeed. This unique collaboration was co-created with the leadership of Fifth Third Bank. As employers across the globe continue to seek new and creative ways to assist employees with work-life balance, this year's innovation through Best Upon Request may soon become the new standard for working mothers, and catapult the company to exponential levels of success.



Barb Smith,
President/CEO

Journey Steel devotes 10 percent of profit to community impact programs such as Envision for Children which provides educational enrichment to students from elementary school to college. Additionally, Journey Steel commits three percent of its profits to hire capable minority and women suppliers and subcontractors. In September 2017, Journey Steel was recognized by Ohio Secretary of State John Husted for workforce development to train men and women from disadvantaged backgrounds to become unionized ironworkers. The Accelerator is partnering with Journey Steel to reapply this program across other Portfolio Firms. President and CEO Barb Smith channels her passion for the Cincinnati Reds in games and as a board member of the Cincinnati Reds Community Fund. Ms. Smith improves the lives of children through baseball with programs that develop character.



>> Capacity to Excel Award



Chuma Ekwueme,
CEO



Before a firm can grow, it must prepare itself to grow. Sure Mechanical joined the Accelerator in 2015 and has a focused plan for accelerated growth. CEO, Chuma Ekwueme, focuses on targeted coaching sessions, empowering management style, and training. Sure Mechanical's Lean management practices empower onsite project teams to ensure that arising challenges are decisively resolved without any adverse project effect.

Recent Sure Mechanical projects include the new Cincinnati Shakespeare Company Theater in collaboration with Messer Construction, the new Mercy West MOB 2 with Skanska Construction and Oswald Construction Company, the new Duke Energy Kellogg Gas Operations Building with Turner Construction, multiple projects at Mercy Fairfield, Jewish Hospital, St. Elizabeth Hospital, Christ Hospital, West Chester Hospital and University Hospital with Danis Construction, and multiple projects at Procter & Gamble with TriVersity and Messer Construction. Future Sure Mechanical projects include a mixed use building at 15th and Vine with TriVersity and 3CDC, and the Bethany Assisted Living Projects with Messer Construction.

>> Goal Setter of the Year



Andy Butler,
Associate Director, Supplier
Citizenship & Innovation



Procter & Gamble continues to lead the nation through its systematic and metric-driven approach to inclusion. P&G elevated supplier diversity to higher prominence through the P&G Citizenship Program, enacted by its CEO, David S. Taylor. As part of its Supplier Diversity Plan, P&G drove further results by engaging more than 100 Purchasing professionals in its supplier diversity process to further optimize results. P&G has been instrumental in helping the Minority Business Accelerator define a breakthrough approach on Goal Setter Collaboration that will see Goal Setters collaborating on common supply. The aim is to increase Goal Setter spending in support of the Accelerator's plan to grow minority firms by an incremental \$1 billion in the next five years. A perennial performer and pace-setter as part of the Billion Dollar Roundtable, P&G continues to blaze new trails and is an invaluable partner in our collective efforts to take minority business development to the next level.

Accelerator in D.C.

As seen in the Cincinnati Business Courier May 3, 2017



A senior Cincinnati USA Regional Chamber executive touted the work of minority business accelerators and set a new goal for growth of locally owned minority firms in testimony before the U.S. House Small Business Committee, which is chaired by Rep. Steve Chabot, R-Cincinnati, on Wednesday.

Darrin Redus, a chamber vice president and executive director of its minority business accelerator, said such incubators and accelerators have exploded in growth over the last 10 years because they work.

In Cincinnati's case, the support and mentoring provided by such organizations shorten the learning curve for business people and help them grow faster than they otherwise would, he said.

Companies in accelerators and incubators also have grabbed the attention of venture capitalists with 330 Ohio companies garnering \$1.6 billion in equity capital since 2006.

"The early returns of accelerators over the past 10 years certainly speak to their overall importance as a significant catalyst to our nation's economy," Redus said.

But some minority groups remain disconnected, and that's where the chamber's 14-year-old minority accelerator comes in. The Pew Research Center has found that economic disparities amongst blacks and Hispanics have widened and represent the largest wealth gap in the past 25 years.

The chamber's minority accelerator consists of 35 larger-scale black and Hispanic firms that generate more than \$1 billion in revenue and have created 3,500 jobs since the program's creation. The chamber wants the minority accelerator companies to create 3,500 more jobs and increase revenue by \$1 billion over the next five years.

"A rising body of evidence as further detailed in studies by the Harvard Business Review, the Kauffman Foundation and various others, reveals a significant contribution to our nation's economy spurred on by the accelerator model," Redus said. "Much more work remains, however, to further insure that this good work is not lost on various segments of our population."



Accelerator Accolades

“The {Minority Business Accelerator} is a **model of Urban Innovation.** We define urban innovation as a break from common practice to develop long lasting transformations in their communities, neighborhoods, and cities.”

– Rutgers University

“Portfolio companies have **created more than 3,500 jobs** and grown revenue by a billion dollars, and it is clear that the model created here is a model for accelerators everywhere.”

– Cincinnati.com

“Minority business development organizations in Charlotte, Pittsburgh, St. Louis, Tampa, and other major cities have requested the **expert advice and mentorship** of Cincinnati’s Accelerator.”

– Minority Business News USA

“U.S. corporations are increasingly looking to demonstrate their **commitment to diversity** by doing business with more minority firms creating more opportunities to grow.”

– CincyMagazine

“The Cincinnati Chamber’s Accelerator has been **recognized as a U.S. model** for minority business accelerators. This invitation to testify before Congress further reinforces our work and best practices as a national template.”

– Cincinnati.com

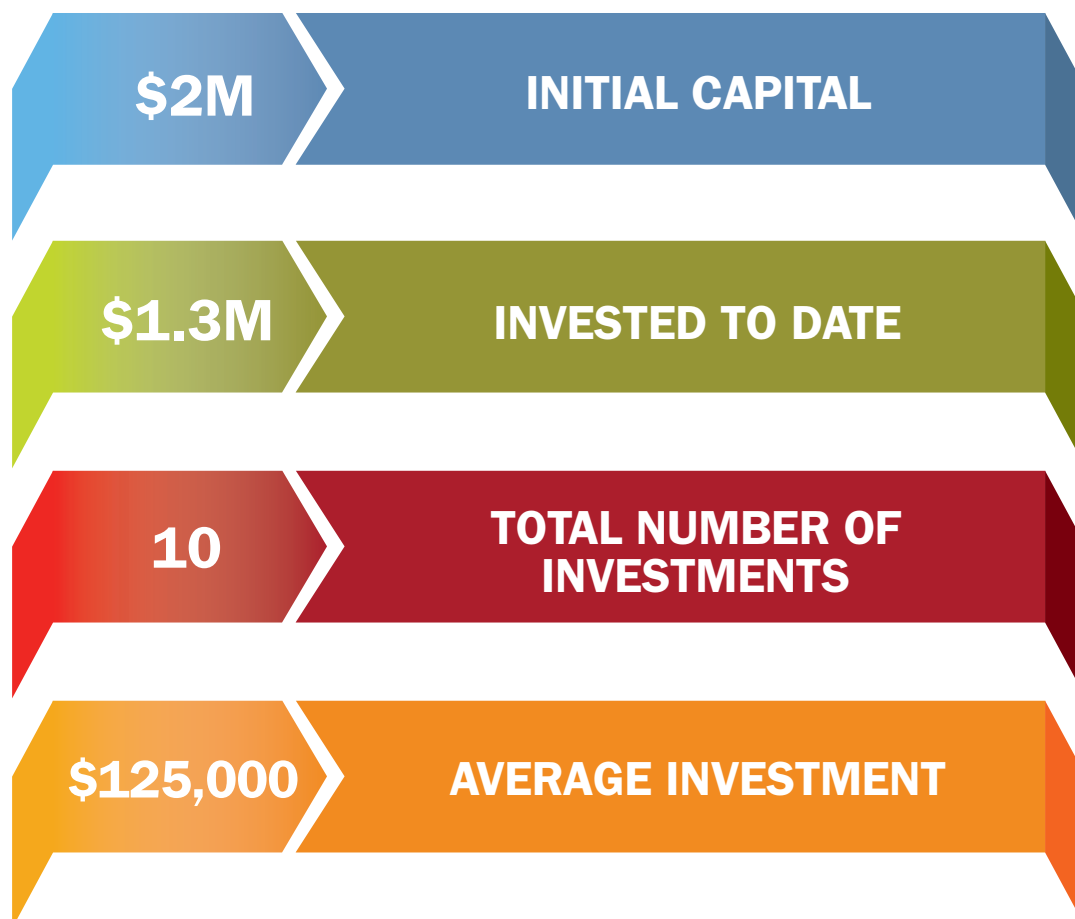
“In September 2016, Surdna approved grants to further the foundation’s mission of **fostering just and sustainable communities** in the United States – communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures. Surdna has awarded \$300,000 to support the Minority Business Accelerator’s vision of becoming a **national leader** in Minority Business Enterprise (MBE) development by optimizing the growth of its portfolio companies; building a high-growth MBE pipeline; and advancing a national replication strategy.”

– Surdna.org



Established in 2013, the L. Ross Love GrowthBridge Fund for Minority Businesses memorializes the Cincinnati business executive, entrepreneur and civic leader. The Fund seeks to connect investors and minority businesses to new growth opportunities by providing established, African-American and Hispanic-owned firms with flexible financing to develop new products, enter new markets and support a range of growth strategies.

Over the most recent year, the GrowthBridge Fund made two additional investments to bring its total number of investments to 10, with an average investment size of \$125,000. A quick snapshot of the Fund follows:



Cincinnati Minority Business Collaborative



CMBC

CINCINNATI MINORITY
BUSINESS COLLABORATIVE

In addition to optimizing the growth of its existing portfolio companies, the Accelerator is also committed to growing a robust pipeline of larger-scale MBEs in the Greater Cincinnati region. This pipeline building work will be accomplished through a highly unique and structured community collaboration known as the Cincinnati Minority Business Collaborative (CMBC). In existence since 2011, the CMBC is a collaborative effort of local business development organizations invested in minority business growth. Its mission is to maximize its members' collective capabilities to positively impact the growth, development and success of regional minority firms (with a focus on capital and customer readiness), and to produce better outcomes in business, employment, wealth creation and growth. In addition to the Accelerator, current members of the CMBC include:



African American Chamber

Greater Cincinnati | Northern Kentucky



Greater Cincinnati Urban League

Economic Empowerment Center

Helping Tomorrow's Entrepreneurs Today



MSDC

Ohio Minority Supplier
Development Council



**GREATER
CINCINNATI
MICROENTERPRISE
INITIATIVE**

SCORE

FOR THE LIFE OF YOUR BUSINESS



In 2017, the CMBC has launched an exciting new platform and business development process to identify and grow some of the region's most promising minority business enterprises. Its new format will mirror the intensive and rigorous business vetting and development processes commonly found in most nationally recognized technology-based entrepreneurial networks, but will encompass a broader array of industries with a focus on "high growth" versus "high tech". The CMBC anticipates developing **10-12** high potential minority-owned firms annually, culminating in a minimum of **50 of the most promising minority owned firms** in the region over the next 5 years.

Vision & Plan

The Cincinnati USA Regional Chamber, specifically through its nationally recognized Minority Business Accelerator, has consistently earned distinction as a national best practice for developing larger-scale, job-creating, minority business enterprises. From its founding in 2003, the Accelerator has maintained a specific and dedicated focus on preparing African-American and Hispanic owned businesses to grow the types of scalable and competitive enterprises that deliver jobs, wealth, and economic impact for communities of color and the broader region as a whole. Today, the Accelerator is taking bold steps to build upon its solid foundation by driving an ambitious plan to grow the aggregate annual revenues of its portfolio firms by an additional \$1billion and create an incremental 3,500 jobs over the next 5 years. This aggressive but achievable plan will exponentially catalyze economic growth and impact for the Greater Cincinnati region, and squarely place the work of the Accelerator as the premier minority business development initiative in the nation.

At the core of the Accelerator's efforts since inception has been a focus and commitment on capital readiness for its clients to ensure that promising MBEs have both the resources and capacity to effectively compete in the marketplace. The Accelerator now aims to take this collective work to the next level as part of the Cincinnati Minority Business Collaborative through the creation of a robust business development platform that identifies, vets and uniquely prepares both early-stage and established minority firms for the full-spectrum of capital and customer readiness. This work will fundamentally serve as a pipeline building initiative for the next generation of larger-scale MBEs in the Greater Cincinnati region, while we continue to take our existing 35 firms to their respective next-level.

As we execute against our objectives, along with the incredible number of parallel efforts underway, I am more convinced than ever that our region will realize a vibrant and inclusive economy, and Cincinnati will be recognized as the "hottest city in America!"



A stylized, handwritten signature in black ink, appearing to read 'D. Redus'.

Darrin Redus,
Vice President, Minority Business Accelerator



Portfolio Firms

Abel Building Systems

Apex Environmental Services

ATMOS360

Aunty's Homemade Food

Best Upon Request

Business Technical Services

C. J. Hughes & Sons Plumbing

Che International Group

Diversified Facility Solutions

Diversitech

DNK Architects

Environmental & Safety Solutions

Foxx & Company, CPAs

Foxx Construction (d.e. Foxx Company)

GT Industrial Supply

Hightowers Petroleum Co.

Hi-Mark Construction

HYUR Staffing

Jostin Construction

Kanu Investments

Megen Construction

Muñoz Brandz

MRO Express

OCG Telecom

Parks OV Electric

Pathfinder/MPI Management Consultants

RCF Group

SFA Architects

SMART IT Staffing

Sure Mechanical

TechSoft Systems

Trio Enterprises

TriVersity Construction Co.

Vivian Llambi & Associates

World Pac Paper

XLC Services (d.e. Foxx Company)




Cincinnati USA
Regional Chamber
Minority Business Accelerator

3 East Fourth Street
Cincinnati, OH 45202
Phone: 513-579-3111
Fax: 513-579-3101
minoritybusinessaccelerator.com