



MINORITY BUSINESS ACCELERATOR 2.5+

Connecting Minority Businesses
to Regional Opportunities



The Commission on Economic Inclusion, a program of the Greater Cleveland Partnership, works to significantly improve the meaningful involvement of minority businesses and individuals in the economic engines that drive Northeast Ohio.



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OVERVIEW

\$2.5 Million+ in annual revenues was chosen as a threshold because MBEs at this level have:

- Moderate to significant growth orientation
- Adequate Bank Ability & Resources
- Moderate to significant business experience or sophistication
- Limited moderate actionable relationships.

These MBEs have greater impact on job creation and community reinvestment than their smaller counterparts that are limited in growth, ability, resources, experience, sophistication, and relationships.

Greater Cleveland Supplier Diversity Initiative Final Report 2005
institute for entrepreneurial thinking, LTD

The Minority Business Accelerator 2.5+ (The Accelerator) is an initiative of the Commission on Economic Inclusion, which is a program of the Greater Cleveland Partnership. It focuses on growing the size, scale and infrastructure of African American and Hispanic-owned companies. The Accelerator provides financial, technical and consultative services to these minority-owned business enterprises (in a 16-county area of Northeast Ohio) which have annual revenues of at least \$2.5 million.

The program works with the corporate community and the public sector to identify specific business-to-business opportunities (“the demand”), and uses that demand to identify and match qualified MBEs to pursue the opportunity. It also helps to make the connection, acting as a facilitator between the businesses – to ensure that minority and majority participants are ready to do business with each other. This program successfully drives MBEs and corporations through a development process resulting in win-win business relationships.

Businesses located in the following counties are eligible to participate: Ashland, Ashtabula, Carroll, Columbiana, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, and Wayne.

Participating MBEs are provided with business development services to ensure that they are ready to respond to business opportunities that the program identifies in the corporate and public sectors. These services include Readiness Assessment, Growth Plan Development, Infrastructure and Staffing Development, Certification, Bonding, and Access to Capital.

The growth and development of viable minority businesses will be a driving force in providing both employment and the workforce of the future, which will itself be dominated by ethnic minorities... These larger businesses will begin to generate meaningful results in economic development.”

*The New Agenda for Minority Business Development
The Boston Consulting Group, June 2005*

By providing access to business opportunities for qualified MBEs, the Accelerator benefits the entire Northeast Ohio economy through increased economic activity and business and job growth. This program assists in the development of medium and large African American and Hispanic-owned businesses. It also enhances the supplier diversity efforts of corporations and businesses which helps to grow Northeast Ohio minority-owned businesses through increased local opportunities.

VALUE PROPOSITION

Wealth and job creation are the underlying goals of this initiative. The Minority Business Accelerator 2.5+ provides value to Northeast Ohio in two ways:

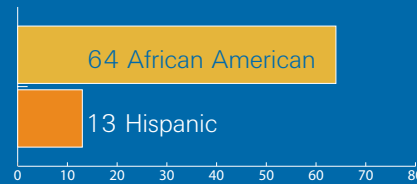
- Through minority business development, focusing on growing the number, size, scale, and infrastructure of the existing base of medium-to-large African American and Hispanic-owned businesses in Northeast Ohio. It targets MBEs with annual revenues of at least \$2.5 million that offer products or services in one of five target industries: construction, manufacturing, information technology, financial services or healthcare. Research shows that such businesses tend to hire more minority individuals which also aids the regional economy.
- Through corporate supplier diversity development, focusing on strengthening and expanding their supplier diversity programs which helps to increase the use of local minority businesses.

The Accelerator initiative benefits established medium and large minority businesses, as well as area corporations and employers needing products and services that can be supplied by local minority-owned companies. This strengthens the diverse business community, giving the MBEs reinforcement to stay in Northeast Ohio and signaling to those outside the area that this region is a good place to do business.

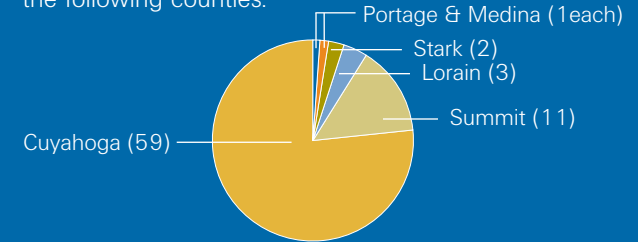
MBA ACCELERATOR 2.5+ PERFORMANCE OVER A TWO-YEAR PERIOD (2008-2009)

A total of 77 MBEs were registered to participate in the program:

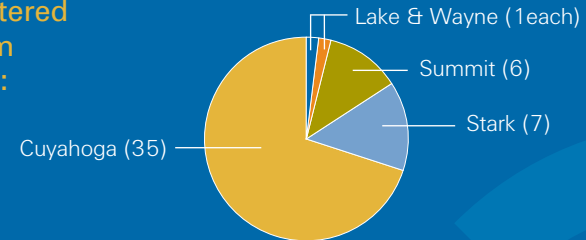
Ethnic breakdown of participating MBEs



MBEs represented the following counties:



Fifty (50) corporations registered to participate in the program from the following counties:

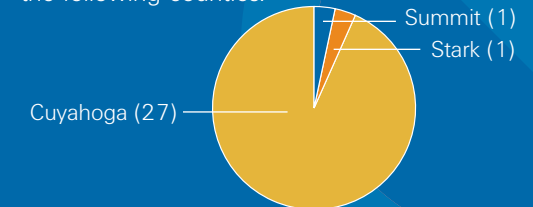


Twenty-nine (29) "deals" were completed representing \$70 million in increased MBE sales revenue for the region:

Ethnicity of MBEs completing "deals"



MBEs in these "deals" were from the following counties:



In the first two years, business deals secured through the program resulted in 418 new or retained minority jobs.

WHAT OUR CORPORATE AND COMMUNITY PARTNERS SAY...

Minority Business Accelerator 2.5+ mirrors our commitment to diversity

“As a global health care provider and one of our region’s top employers, diversity is inherent in who we are and those we serve. Working with organizations that support supplier diversity and economic empowerment is a proactive business process at Cleveland Clinic. Cleveland Clinic aims to provide equal access to business opportunities among qualified women, minority-owned and small businesses, thereby reinforcing its commitment to the community and strengthening its position as a good community citizen.

“Cleveland Clinic has two main supplier diversity objectives:

- To develop a pool of diverse suppliers for increased participation in Cleveland Clinic’s procurement opportunities; and
- To increase the number of local residents trained in skilled building trades and working on Cleveland Clinic construction sites.

“We rely on strategic partnerships with economic development organizations which develop and enhance opportunities for minority businesses. Working with the Minority Business Accelerator 2.5+ program has led to successful, long-term relationships with several regional businesses.

“Cleveland Clinic is committed to increasing market share for minority and female businesses. Innovative programming like the Minority Business Accelerator 2.5+ program helps us achieve aggressive diversity goals and have a significant impact on economic development benefiting Cleveland and Cleveland Clinic. With the help of partners like the Accelerator, we will continue to pursue this aggressive agenda.”



Dr. Anthony Stallion
Chief Community
Relations and
Diversity Officer
Cleveland Clinic

Collaboration yields positive outcomes for minority businesses

“Led by full-time professional staff and a dedicated team of volunteers, the Northeast Ohio Hispanic Chamber promotes domestic and international economic development of Hispanic commerce and serves as a liaison to the Hispanic market in Northeast Ohio. The Chamber’s vision is to be recognized as the strategic leader for Hispanic commerce in the region, providing maximum value to its membership and encouraging the private sector’s role as the driving force in the economy.

“The Chamber builds upon value-added relationships that facilitate success and wealth creation in our community’s businesses. A positive relationship with the Minority Business Accelerator 2.5+ is vital to our mission and our membership.



Stephanie Mercado
Executive Director
Northeast Ohio Hispanic Chamber of Commerce

“Working together with the Accelerator mutually benefits the Chamber and our membership by focusing on development and meaningful opportunities for the minority business community.”

WHAT MINORITY BUSINESS OWNERS SAY...

Participation strengthens one MBE's impact for the community

"Key General Contractors has been involved with the Minority Business Accelerator 2.5+ since its inception. The Accelerator has introduced Key General to decision makers at buying organizations. It has made sure that the right people and financing were present to enable our business opportunities to be fulfilled effectively. It has helped our company to grow ongoing business relationships leading to future work and it has actively spurred our growth.

"My relationship with the accelerator is a mutually beneficial one. I share my perspective drawn from serving on numerous committees with corporate and partner organizations with the accelerator to assist it in refining its services to its portfolio clients.

"The Bonding Prep class is especially valuable both because of the course content on achieving bondability and for the interaction with instructors representing larger construction management firms in the area. In addition, the class includes exposure to the latest business software and interface with bonding agents.

"The accelerator reinforces my personal commitment to extend a helping hand to individuals and companies in the Hispanic and African American construction industry as well

as to other small businesses. As an MBE general contractor, Key General aims to not only meet our contractual obligations but to make a difference in the lives of others. Everyone deserves a chance, an opportunity to be encouraged, to learn and develop skills, and to obtain a position not just for one project but for their future.

"The accelerator helps make that not just a dream but a real possibility."



Daryl Lackey, Sr.
President
Key General Contractors, Inc.

Accelerator success benefits our region

"The leadership of the Greater Cleveland Partnership, through the organized structure of the Minority Business Accelerator 2.5+, gives talented minority firms an opportunity to approach the decision makers on either negotiated or by invitation-only construction opportunities in our region. The Minority Business Accelerator is working toward garnering open dialogue with the major developers, contractors and corporations in our region and showcasing the benefits of those hidden talents within our Hispanic and African American construction and professional services firms. The success of the Minority Business Accelerator will be the development and

creation of new minority firms that will prove to be the fuel for the economic recovery for our region."



Joe Lopez
President
New Era Builders, Inc.



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MINORITY BUSINESS ACCELERATOR 2.5+

P: 216.621.3300 F: 216.621.0831

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