

Business Enterprise Resource Office (BERO)



TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

ANNUAL REPORT · FISCAL YEAR 2014



STATE OF TENNESSEE
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
STRATEGY DIVISION
312 ROSA L. PARKS AVENUE, TWENTY-SIXTH FLOOR
NASHVILLE, TENNESSEE 37243
TELEPHONE: 615.741.2626 — FAX: 615.401.6872
WWW.TN.GOV/ECD/BERO

November 24, 2014

Greetings:

Pursuant to Tennessee Annotated Code Section 4-26-105 the Department of Economic and Community Development, Business Enterprise Resource Office (BERO) shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the business and utilities committee of the house of representatives, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.

Herein, please find the BERO annual report for FY2014. If you have any questions regarding this report, please do not hesitate to contact Wisty Pender, director, at 615-741-8914 or wisty.pender@tn.gov.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wisty Pender".

Wisty Pender
Director, BERO

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FOREWORD

The report herein addresses a range of topics specifically regarding disadvantaged businesses (DBE) in Tennessee. The following comments and recommendations for consideration align with Gov. Haslam's priorities of Jobs and Economic Development, Education and Workforce Development, and Conservative Fiscal Leadership.

The following areas are highlights for consideration:

1. TOPIC HIGHLIGHT: MICROENTERPRISE

Small businesses and microenterprises are vital employers, innovators and contributors to the state's community livability and economic success. In Q1 of 2014 there were 141,630 private sector establishments in Tennessee; and of those microenterprise establishments comprised 77,108, or 54.4% of private sector establishments that employ fewer than five. (Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages)

TNECD, through its office of federal programs and the business enterprise resource office, held four meetings across the state to gather information regarding unmet needs of microenterprises from agencies and organizations that work with small, women-owned, minority-owned, veteran-owned, rural and urban core businesses, as well as youth entrepreneurs, in January and February 2014. Over 45 service providers attended the meetings, and additional information and ideas were garnered through follow-up phone calls and emails, all of which was used to determine the use of the funds. As a result of the series, LiftTN: Microenterprise, a two-year, pilot rural microenterprise program, will begin in the winter 2015. Look for details in upcoming newsletters and next year's report.

2. APPROPRIATIONS/NON-RECURRING GRANTS

Appropriations

In FY2014, two \$100,000 direct appropriations were awarded by the Tennessee General Assembly to the Nashville Minority Business Center and the Minority Enterprise Development Corporation in Memphis. These organizations have received this level funding for multiple years.

There are no direct appropriations for DBE focused organizations designated for East Tennessee, nor do the existing appropriations proportionately reflect the population distribution of minorities in Memphis and Nashville. Further, the language of the appropriations bill lacks guidance as to the specific purpose and use of the funds.

The monies are not awarded in a manner that allows for other Tennessee agencies and organizations with collaborative partnerships and alliances to apply or compete.

3. TENNESSEE STATUTE

There is not a standardization of definitions within Tennessee's statutes as it pertains to disadvantaged businesses, including, but not limited to the designations for women-owned business, minority-owned business, veteran-owned and service-disabled veteran-owned business, as well as small business. As a result of the connective and interdependent language of the code, those multiple definitions create confusion and disparate interpretations. Moreover, the definitions do not necessarily reflect federal definitions nor those of today's accepted socio-economic norms. Specific examples are available upon request

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MISSION

The Business Enterprise Resource Office (BERO) is housed within the Department of Economic and Community Development (TNECD). BERO serves as a voice for and advocate of economic inclusion for Tennessee's disadvantaged businesses (DBE); analyzes, disseminates and promotes best practices and access to capital to service providers; and reports on the status of DBEs statewide.

OVERVIEW

BERO was legislatively established in 1977 by Title 4, Chapter 26 (Business Enterprise Office).

T.C.A. 4-26-103 (C)(b)(1) The department shall continually evaluate the progress of disadvantaged businesses through monitoring and techniques of evaluation, such as surveys and feasibility studies.

This report highlights programs and activities relative to economic inclusion insofar as access to assistance and capital that are (1) managed within TNECD, (2) affiliate programs managed outside TNECD, and (3) that are of particular relevance within other agencies/organizations; in addition to other reporting elements both statutory and for the broader consideration and understanding.

Please note that for the purposes of BERO and this report, DBE refers to businesses owned by women, minorities and veterans, as well as to businesses operating in remote or rural areas of the state, and economic inclusion describes the efforts made to bring these DBEs into the business mainstream. Resources for DBEs as well as young entrepreneurs and service providers are available at tn.gov/ecd/bero.

ACCESS TO ASSISTANCE

Technical assistance provides inroads for DBEs to grow and expand their businesses whether through direct activities like workshops, networking events and competitions to collaborations that allow beneficiary access to knowledge-based networks and/or specialized equipment for testing and development.

ACCESS TO ASSISTANCE: PROGRAMS MANAGED WITHIN TNECD

Main Street: Business Promotion and Technical Assistance

The Tennessee Main Street Program is a program of TNECD and a coordinating partner of the National Trust for Historic Preservation's National Main Street Center. This program serves as a statewide resource for communities seeking to revitalize and manage their traditional downtowns. There are 27 designated Main Street Communities statewide. In calendar year 2013, 23 of the Tennessee Main Street communities reported reinvestment statistics that included 646.5 net new jobs, 182 net new businesses and a combined public (\$25,809,197)/ private (\$33,998,556) with a total investment of \$59,807,753 within their program districts. It is notable that while private investment from 2012 to 2013 decreased by close to \$23 million, the number of jobs retained increased by 70 percent and the number of net new businesses increased 7 percent.

Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help communities fully understand what it takes to embark on a comprehensive revitalization effort for their downtown. So far, 34 communities have participated.

(www.tennesseeainstreet.org)

TNTrade

TNTrade officially launched in December 2011, and is a statewide initiative intended to help achieve Gov. Haslam's goal of making Tennessee number one in the Southeast for high quality jobs by boosting exports of small and medium-sized businesses (SME). Exporting companies grow faster and hire more workers than non-exporting companies, yet less

than two percent of Tennessee businesses are exporters. According to SBA's Tennessee Small Business Profile, "a total of 7,172 companies exported goods from the state in 2012. Of these, 5,958 or 83 percent were small firms; they generated over a seventh (15 percent) of the state's total known export value." TNECD was awarded \$604,551 by the U.S. Small Business Administration (SBA) for the State Export and Trade Promotion (STEP) grant in FY2012.

The STEP award was used for the following primary purposes:

- European Office Oversight Visit (Heidelberg, Munich, London)
- Mexico Office Oversight Visit
- Trade Winds Conference (Bogota, Lima)
- Statewide International Road Show

A total of four vendors received federal funds in STEP FY2012, none of which were classified as MBEs or WBEs. Eight contractors received STEP funds, and two contractors, that received a combined total of \$81,066.63, were both W/MBEs; and five of the remaining contractors were international companies, and therefore could not be classified as an MBE or WBE.

(www.export.tnecd.com/#whyexport)

ACCESS TO ASSISTANCE: TNECD AFFILIATE PROGRAMS MANAGED OUTSIDE TNECD

Regional Entrepreneurial Accelerators

The state's LaunchTN accelerator program is designed to assist promising entrepreneurs with the resources necessary to propel their companies along the spectrum of business growth and job creation. Accelerators are located in each of the nine Jobs4TN Jobs Base Camp regions with the goal for them to become foundational components in each region's economic development strategy while creating a network of partnerships and mentors within the local business community, the statewide investor base, higher education, non-profits and government. The grant funding is a combination of state and federal dollars and contingent upon each accelerator providing local matching support. Regional accelerators hosted over 300 entrepreneurial events, engaged over 400 mentors and accelerated over 100 companies statewide.

(www.launchtn.org)

Direct Appropriations

There are several programs across Tennessee at state and local, regional, state and national levels that provide direct services to DBEs. Two organizations have received direct appropriations from the Tennessee General Assembly for multiple years at the same level.

In FY2014, two \$100,000 direct appropriations were awarded by the Tennessee General Assembly to the Nashville Minority Business Center and the Minority Enterprise Development Corporation in Memphis.

Chapter 919, Section 7, Item 21, of the 2014 Appropriations Act:

Item 15. Department of Economic and Community Development, Innovation Programs, in Section 1, Title III-8, Item 3, the amount of \$100,000 is to be paid to the Nashville Minority Business Center and the amount of \$100,000 is to be paid to the Minority Enterprise Development as direct appropriation grants.

- The Tennessee General Assembly approved the distribution of a non-recurring grant for \$50,000 for the fiscal year ending June 30, 2013 and \$75,000 for the fiscal year ending June 30, 2014 to the Black United Fund of Tennessee (BUF) for "the provision of enterprise development week youth economic summits." In FY2013 the \$50,000 grant served 35 student interns in Memphis (13), Nashville (12) and Chattanooga (10). For the FY2014 award, Knoxville was added to the list.

Nashville Minority Business Center

The Nashville Minority Business Center's mission is as follows: To create an environment in which no American is confronted with barriers that inhibit entrepreneurial development simply because of racial, ethnic or cultural biases.

(www.minoritybusinesscenter.com)

Minority Enterprise Development Corporation (MEDC)

The Minority Enterprise Development Corporation states the following: MEDC provides business consulting and technical assistance to minority, small, veteran and women-owned business. MEDC's services are directed towards new and existing businesses whose owners are committed to making an impact through job creation, their firms' growth and profitability, as well as community involvement.

(www.linkedin.com/pub/memphis-sabir/42/a74/14)

Comment

There are no direct appropriations for DBE focused organizations comparable to the aforementioned appropriations, designated in East Tennessee, nor do the existing appropriations proportionately reflect the population distribution of minorities in Memphis and Nashville. The language of the appropriations bill lacks guidance as to the specific purpose and use of the funds.

The annual \$100,000 appropriations to these agencies, which have been received for multiple years, were not awarded in a manner that allowed for other Tennessee agencies and organizations with collaborative partnerships and alliances to apply or compete.

Non-recurring Grant

The Tennessee General Assembly approved the distribution of a non-recurring grant for \$75,000 to the Black United Fund of Tennessee (BUF) for the fiscal year ending June 30, 2014 for "the provision of enterprise development week youth economic summits." Through the Youth Entrepreneurship Spring Internship Program (YESIP) four youth economic summits were to be provided, one (1) each in Memphis, Nashville, Chattanooga and Knoxville, focusing on business planning and development activities.

The following was provided in BUF's final report:

During the contract period, the Youth Entrepreneurship Spring Internship Program (YESIP) served 33 (17 female/16 male) interns who attend a public or private school in Memphis, Chattanooga and Knoxville; and while Nashville completed the program, it was outside the contract period and is not included in the final numbers.

Non-recurring Grant: FY2015

The Tennessee General Assembly did not approve the distribution of this non-recurring grant for a third year for the youth economic summits.

Comment

No funds were approved for FY2015. The \$75,000 for FY2014 was not awarded in a manner that allowed for other agencies and organizations with collaborative partnerships and strategic alliances to apply nor compete in order to provide economic inclusion services in other areas of the state, or to provide such services to a greater number of students.

ACCESS TO ASSISTANCE: OTHER AGENCIES/ORGANIZATIONS

Internal Revenue Service

IRS Small Business Forum: this event brings together resource providers from across the mid-state to share best practices, learn about new programs, etc. This event has been conducted annually.

MBDA

Minority Business Development Agency (MBDA), an agency of the U.S. Department of Commerce, reported in its FY2012 Annual Performance Report "A Catalyst for Global Business Expansion," that its Memphis business center exceeded its goals with 134 jobs created and retained, and \$17 million in contracts and capital. At the time of this report, no new data had been released.

In 2012 the MBDA announced that the Mid-South Minority Business Council, which falls under the MMBC Continuum, was awarded a grant worth \$1 million to be administered over four years to operate a MBDA business center in the Delta region. The business center is charged with assisting minority businesses access capital, contracts and markets. TNECD provided a letter of support for this grant application (www.mmbc-memphis.org)

Office of Small Business Advocate

The Office of Small Business Advocate serves as a point of contact to state government for owners of businesses with fifty (50) or fewer employees. The office provides information and answers questions for Tennesseans who are starting a small business or who already own a small business; and it assists in the resolution of issues concerning small businesses and state departments and agencies.

All liaisons to the Office of the Small Business Advocate were invited to attend a roundtable discussion. The purpose was to (1) strengthen interagency relations, (2) broaden understanding of the challenges businesses face with rules and regulations through the use of a case study, and (3) start dialogue on ways in which customer service can be or has been addressed at different departments and agencies related to processes to recognize and reduce burdens to small business.

Southern Automotive Women's Forum (SAWF) and Tennessee Automotive Manufacturers Association (TAMA).

Organized an automotive procurement opportunities event in partnership with Southern Automotive Women's Forum (SAWF) and Tennessee Automotive Manufacturers Association (TAMA) in which approximately 100 DBEs met with automotive manufacturers and their Tier 1 and Tier 2 suppliers. One participant favorably reflected the value on the event, noting that she was able to schedule a meeting that day with the person that she had tried to connect with for three years.

TN Dept. of Transportation (TDOT) and Governor's Office of Diversity Business Enterprise (Go-DBE)

In FY2013 TDOT partnered with Go-DBE as the certifying agency for their new program. TDOT added the Small Business Enterprise (SBE) component as a new element to TDOT's existing Small Business Development Program. It was designed to help maximize participation on highway transportation contracts by small businesses other than, and in addition to, disadvantaged business enterprises. The SBE program was established by TDOT to enhance business opportunities for small, women- and minority-owned businesses and to ensure a level playing field for small businesses in Tennessee. The program was developed in response to a Federal Highway Administration mandate Federal Requirement 49 CFR 26.39. While it is difficult to track which small business certifications are a direct result of this partnership, it is worth noting the number of SBEs certified by Go-DBE increased over 19 percent by the end of FY2013. FY2014 reports may offer more concrete numbers.

(www.tdot.state.tn.us/civil-rights/smallbusiness)

Department of Treasury, Small and Minority-Owned Business Assistance Program (SMOB):
Served to advise on current market demands and challenges facing DBEs as it relates to this program and the newly enacted legislation.

Note:

Public Chapter 359 of the Acts of 2013 amends statute relative to the loan funds of SMOB, permitting monies from the fund to be transferred to the board of trustees of the baccalaureate education system trust fund, which became effective July 1, 2013. This amendment redirected a pool of capital that was intended for the benefit of women- and minority-owned businesses in Tennessee.

ACCESS TO CAPITAL

Access to a robust capital ecosystem is critical to the success of Tennessee's DBEs. Finance programs that meet the needs of the state's DBEs ensure the best possible opportunities for startup, growth and expansion.

Capital disparity:

- Women- and minority-owned businesses (African American- and Hispanic-owned firms) showed some similar disparities in their capital structure relative to firms owned by men and nonminorities.
- Women- and minority-owned businesses used a different mix of equity and debt capital and were more reliant on owner equity investments.
- The average woman- or minority-owned business operated with much less financial capital, even after controlling for other factors including credit score.

Source: SBA Advocacy report, www.sba.gov/advocacy/7540/584931

ACCESS TO CAPITAL: PROGRAMS MANAGED WITHIN TNECD

Rural Small Business and Entrepreneur Loan Fund

In an effort to provide a greater level of service to rural communities, BERO started the TNECD-BERO Revolving Microloan Program (a.k.a. Rural Small Business and Entrepreneur Loan Fund). This program was established with seed funding from USDA Rural Development with the goal to expand economic opportunities in rural Tennessee through entrepreneurship and small business growth. Small loans, or microloans, of \$500 - \$20,000 are available for working capital and the purchase of equipment, inventory, and/or fixed assets. Loans are very low interest and collateral is required on loans over \$5,000. To qualify, applicants must operate their business in a rural area; have fewer than 10 employees; and agree to technical assistance from resource providers during the term of the loan.

As of June 30, 2014 the total principal loaned was \$289,744.00 with an available fund balance of \$116,314.39. The loan program has maintained a low total loan loss rate.

(www.tn.gov/ecd/bero/loan.html)

TNInvestco

This fund is a state-sponsored, "venture capital type" program that provides capital to high-growth transformational businesses in Tennessee. The goals are to develop entrepreneurial infrastructure, bring additional capital into the state and diversify the state's economy. The TNInvestcos are authorized to invest funds in qualifying Tennessee businesses. As of January 1, 2014, the 10 authorized TNInvestcos had funded 132 companies, deploying over \$108 million (an 18 percent increase from 2012) with over \$221 million (a 17.5 percent increase from 2012) in follow-on capital received by invested companies. The funded companies have employed 1,605 full-time employees of which 758, over 47 percent, were women and minorities.

(www.tn.gov/ecd/tninvestco)

ACCESS TO CAPITAL: TNECD AFFILIATE PROGRAMS MANAGED OUTSIDE OF TNECD

INCITE Co-investment Fund

Developed by TNECD and managed by LaunchTN, the Innovation, Commercialization, Investment, Technology and Entrepreneurship (INCITE) Co-Investment Fund is backed entirely by a \$29.7 million award through the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI). The fund is a key component of Gov. Haslam's \$50 million INCITE initiative to raise Tennessee's profile in innovation-based economic development and increase the number of knowledge-based jobs by assisting companies with access to early-stage capital. The INCITE Fund provides funding to supplement investments (or a co-investment) in Tennessee companies made by venture capital funds and investors from across Tennessee and around the country. In its annual report for FY2014, LaunchTN "invested \$4.2 million across 19 deals during FY2014, matching \$14 million of private investment, representing a total of over \$18 million of capital in Tennessee companies; [and] in an effort to become partially self-sustaining, the organization raised over \$1,000,000 of non-state capital during FY2014, eclipsing the goal of \$500,000 by over 200%."

(launchtn.org/capital/incite-co-investment-fund)

Tennessee Rural Opportunity Fund, Small Business Jobs Opportunity Fund and Energy Efficiency Loan Programs

In 2008, the Tennessee Rural Opportunity Fund (ROF), a rural economic development fund, was launched; and in 2010 launched the Small Business Jobs Opportunity Fund (SBJOF). The funds were created through a partnership between the state of Tennessee, the Tennessee Bankers Association and Pathway Lending, a not-for-profit community development financial institution. ROF provides loans and technical assistance to small, disadvantaged and early-stage businesses in rural Tennessee, and the SBJOF provides loans of up to \$2.5 million to small businesses statewide. The Tennessee General Assembly approved a \$1.25 million appropriation directed through TNECD for the \$10 million ROF, and \$10 million for the \$25 million SBJOF. The ROF is fully deployed, and as the capital revolves is re-deployed. The SBJOF continues to loan dollars and efforts continue to raise additional investments to support the SBJOF.

During FY2013 the Tennessee Energy Efficiency Loan Program transitioned from TNECD to the Department of Environment and Conservation (TDEC) as part of the Energy Policy Division effective January 1, 2013. The loan program continues to provide low interest loans to qualified commercial, industrial or nonprofit Tennessee-based businesses of up to \$5 million.

(pathwaylending.org)

ACCESS TO CAPITAL: OTHER AGENCIES/ORGANIZATIONS

Appalachian Community Capital (ACC)

A new intermediary fund was created through a multi-state pool from Appalachian Regional Commission seed funds of \$3.25 million, which will be used to leverage \$42 million to make loans to high performing development lenders and also purchase participations in loans made by these local lenders. ACC was established as an intermediary CDFI, and seeded it in 2013 (TN portion: \$365K), launched publicly in 2014, and is currently making loans and raising capital across the ARC region.

(WWW.APPALACHIANCOMMUNITYCAPITALCDFI.ORG)

Small and Minority-Owned Business Assistance Program (SMOB)

SMOB is suspended. Moreover, Public Chapter 359 of the Acts of 2013 amends statute relative to the loan funds of SMOB, permitting monies from the fund to be transferred to the board of trustees of the baccalaureate education system trust fund, effective July 1, 2013.

Part of the statute has been amended to the following:

SECTION 1. Tennessee Code Annotated, Section 65-5-113, is amended by adding the following as a new subsection (c): It is within the state treasurer's discretion to accept new applications to participate in the small and minority-owned business assistance program after July 1, 2013. After July 1, 2013, the program shall administer all loans

that are outstanding as of July 1, 2013, until the loans are matured or written-off. After July 1, 2013, and notwithstanding subsection (b) of this section, a portion of the small and minority-owned business program funds shall be transferred to the board of trustees of the baccalaureate education system trust fund program to be utilized in an incentive plan or plans authorized in §49-7-805(4), reserving such amounts that the state treasurer deems necessary for the administration of the small and minority-owned business program, as well as the administration and marketing of the incentive plan or plans. At least annually, the state treasurer shall evaluate the loan payments received by the small and minority-owned business assistance program and shall have the authority to transfer the funds from loan payments to the baccalaureate education system trust fund program while reserving amounts for continued administration of the small and minority-owned business assistance program.

SMOB was originally created within the Tennessee Department of Treasury by Public Chapter 830 of the Acts of 2004 (§65-5-113). The legislative intent was to support outreach to new and existing businesses in Tennessee that do not have reasonable access to capital markets and traditional commercial lending facilities.

(treasury.tn.gov/smob)

COMMENT

There continues to be a need, not only for access to capital for Tennessee's DBEs, but also for the technical assistance to sufficiently prepare DBE borrowers. TNECD has met with the Treasurer at the request of legislators. In ongoing conversation, TNECD serves to advise on current market demands and challenges facing DBEs as it relates to this program and the statute.

U.S. Small Business Administration (SBA) Loan Programs – Special Types of 7(a)

The SBA provides several loan programs targeting a range of capital needs. An SBA loan program targeting veterans, called the Patriot Express Initiative, expired January 1, 2014. The loan program was specifically for veterans and members of the military community that want to establish or expand small businesses. Now, veterans may have certain fees on SBA loans.

For snapshot of various lending programs statewide, including USDA Rural Development, Tennessee Valley Authority and microlenders, such as Accion Delta, refer to the TN Smart Start Guide at www.tn.gov/ecd/bero.

PROGRESS OF TENNESSEE'S DISADVANTAGED BUSINESS (DBE)

While there has been some stabilization in the economy, a fluctuating global economy, changing technology and government oversight continue to be important factors when running any business. Tennessee's DBEs must continually focus on their priorities to meet these challenges or risk lagging behind their competitors. The gains made by Tennessee's DBEs may in part be attributed to various key programs created to encourage and support economic inclusion in the government and private procurement arena.

PROCUREMENT-CONTRACTING

Federal

On the federal level, the SBA manages a program, 8(a) Business Development, which was created to assist small and disadvantaged businesses compete and have access to government and private procurement opportunities. A business must apply and be approved in order to participate in this program. The state's largest minority-owned business was a participant. In addition to relatively recent changes through the National Defense Authorization Act of 2013 made in order to better assist veteran-owned businesses with contracting opportunities, the SBA's Women-Owned Small Business Federal Contract Program (WOSB) also announced changes to increase access to federal contracting opportunities.

(www.sba.gov)

State

At the state level, the Governor's Office of Diversity Business Enterprise (Go-DBE) acts as a central point of contact for minority-owned, women-owned, service-disabled veteran-owned and small business enterprises interested in competing for state contracting opportunities. In their enabling legislation, Go-DBE is charged with the monitoring

of contract awards and purchases made to certified diversity businesses by state agencies and departments. In its annual report the agency highlights that purchases and contract awards to certified diversity businesses for fiscal year 2012-2013 increased to over \$259 million. The increase in dollars awarded to certified businesses represents a 7.25 percent over the previous fiscal year. At the time of this writing, Go-DBE had not released its figures for FY2014.

(www.tn.gov/diversity)

At the state level, the University of Tennessee’s Center for Industrial Services, Procurement and Technical Assistance Center (PTAC) assists qualified DBEs with training and technical assistance in contracting at the local, state and federal agencies. PTAC reports on their website that “last calendar year, 2013, our PTAC counselors assisted 579 companies in Tennessee, generating more than \$303 million in contract dollars, which led to more than 6,100 jobs created or retained.”

(<https://cis.tennessee.edu/connecting/ptac/>)

Many workshops and training opportunities for the state’s small businesses are delivered by or take place in partnership with the Tennessee Small Business Development Centers (TSBDC), which are located across the state. According to their 2013 annual report, the 14 regions served 3,807 clients of which were 35 percent minority, approximately 46 percent women and 12 percent veteran; and held 973 training events in which 15,564 people participated.

(www.tsbdc.org)

Regional, Local and Private

Regional and Local

There are several purchasing groups, regional associations and government-based, namely in urban areas like Knoxville, Nashville, Chattanooga and Memphis, that are organized very much like the state and federal contracting offices. These organizations have dedicated staff, registration and other opportunities like pre-bid meetings, winning bid reviews and informational networking events, in order to in DBE participation.

Private

In the private sector, membership-based organizations such the Tennessee Minority Supplier Development Council (TMSDC) and the Women Business Enterprise Council (WBEC) offer businesses access to private sector contracting, networking opportunities, and technical assistance. Their certifications are recognized by certain industry sectors, and they offer MBE and WBE certifications.

(www.tmsdc.net)

(www.wbecsouth.org)

DBE DISTRIBUTION BY SECTOR IN TENNESSEE

DBE businesses are important employers and contributors to Tennessee’s business environment. Business sectors correlate with wages. While retail sales equate with lower wages, the professional, scientific and technical services sector equates with higher paying jobs. Increases in the number of businesses that allow higher paying jobs may also correlate to firms with higher gross receipts. See data note (1) below.

Number of Establishments: MBEs

Data from Dun and Bradstreet’s Hoover’s database shows the current top five business sectors for Tennessee’s minority-owned businesses are the following:

1) Professional, Scientific and Technical Services	17%
2) Administration and Support and Waste Management	15%
3) Construction	11%

4) Retail Trade	9%
5) Other Services	9%

Number of Establishments: WBEs

Hoover's data show the current top five business sectors for Tennessee's woman-owned firms as the following:

1) Retail Trade	17%
2) Other Services	15%
3) Professional, Scientific and Technical Services	15%
4) Administration and Support and Waste Management	8%
5) Healthcare and Social Assistance	8%

On the national level, as reported in "The 2013 State of Women-Owned Businesses Report, A Summary of Important Trends, 1997-2013," commissioned by American Express OPEN, finds the following:

...high economic impact" firms across major industry groups finds that women-owned firms are standing toe-to-toe with their industry peers—meaning that an equal share of women-owned firms in the sector are generating in excess of half a million dollars in revenues annually—in two industries: construction, where 13% of women-owned firms and 11% of all construction firms are pulling in \$500,000+ per year; and in transportation and warehousing, where 6% of each are generating \$500,000 or more in annual revenues.

However, while women-owned businesses continue to grow, they also continue to have comparably lower actual job creation and revenues than peer firms.

Number of Establishments: Tennessee (overall)

The data provided by the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (www.bls.gov) show that Tennessee's top sectors based on the number of establishments are as follows:

1) Retail Trade	15%
2) Professional, Scientific, and Technical Services	11%
3) Health Care and Social Assistance	10%
4) Other Services	9%
5) Wholesale Trade	9%
6) Accommodation and Food Services	8%
7) Construction	8%
8) Finance and Insurance	6%
9) Administration and Support and Waste Management	6%
10) Manufacturing	5%
Total Number of Establishments:	136,211

Total Employment Tennessee (overall)

The data provided by the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (www.bls.gov) shows that Tennessee's top sectors based on total employment is as follows:

1) Health Care and Social Assistance	15%
2) Manufacturing	14%
3) Retail Trade	14%
4) Accommodation and Food Services	11%

5) Administrative and Support and Waste Management	9%
6) Transportation and Warehousing	6%
7) Wholesale Trade	5%
8) Professional, Scientific, and Technical Services	5%
9) Construction	5%
10) Finance and Insurance	5%
Total employment: 2,208,263	

COMMENT

Tennessee accelerators have the opportunity to make a marked impact by helping encourage business formation in sectors generating higher receipts. Until the data from the 2012 Economic Survey is released it is difficult to have a current, clear and accurate national picture based on a consistent data set.

Note on data(1): The variation above in number of enterprises between Bureau of Labor Statistics (BLS) data and Hoover's data stems from the fact that the BLS Quarterly Census of Employment and Wages (QCEW) only collects data on companies that are covered by Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Hoover's (Dun & Bradstreet) captures information for all firms, including self-employed, railroad employment, and other sub-entities within an existing firm which may not be captured by BLS.

DBE SNAPSHOTS

Over the course of the last fiscal year multiple independent reports with a specific focus on various aspects of DBEs were released. Moreover, large corporations, like Dell, Goldman-Sachs, MasterCard and Sam's Club, presented opportunities from education and training to competitions targeted at women and minorities in business and in leadership.

One report in particular, "The 2014 State of Women-Owned Businesses Report, A Summary of Important Trends, 1997-2014," commissioned by American Express|OPEN, highlights the growing economic influence of women of color. During the period of study from 1997 to 2013, firms owned by women of color grew from under one million to an estimated 2.7 million in 2013. The report estimates there are 1,237,900 African American women-owned firms as of 2014; 944,000 Latina-owned firms; 620,300 Asian American women-owned firms; 111,400 firms owned by Native American or Alaska Native women; and 20,000 Native American/Pacific Islander women-owned firms." The average from the 2013 to 2014 report is about 9 percent, with the largest increase by women-owned African-American firms.

According to the Global Entrepreneurship Monitor (GEM) "Global Report 2012," there are over 210 million international migrants, and "predicts that within the next decade, migrant entrepreneurship has the potential to contribute substantially to both receiving and home economies through knowledge and information transfer, global trade, job creation and other benefits." Three of the "Ten Key Recommendations" from GEM's 2013 United States Report are:

- Provide visibility and support for growth-oriented female entrepreneurs.
- Research youth and mid-career gender gaps and design initiatives to address them.
- Acknowledge and leverage the value that older entrepreneurs can bring to American society

Minority-owned Businesses (MBE)

- In 2012, nearly 15 percent of all U.S. business owners were non-white, and over 10 percent of owners were Hispanic
- 1.6 million Asian-owned businesses with average receipts of \$290,000;
- 1.9 million African-American-owned businesses with average receipts of \$50,000;

- 2.3 million Hispanic-owned businesses with average receipts of \$120,000; and
- 0.3 million Native American/Pacific Islander-owned businesses with average receipts of \$120,000.

Source: U.S. Census Bureau, SIPP, SBO (2007)

According to MBDA's U.S. Business Fact Sheet, minority-owned firms out-paced the growth of non-minority firms on the national level in terms of number of firms (45 percent) and gross receipts (55 percent minority growth). In MBDA's Performance Highlights, June 2012, it was also noted "minorities-owned firms have the most favorable export attributes of any sector of the U.S. economy and represent the future of export growth."

Minority Distribution in Tennessee

According to U.S. Census data African-Americans comprise almost 17 percent or 1.5 million of the state's total population. In a paper, "Patterns in Tennessee's Black Population, 2000-2010," H. Ronald Moser reviews the population distribution and changes of African-Americans across each of the three grand divisions: West, Middle and East. He explains that 90 percent of the state's African-American population is classified as urban and part of a growing, influential middle class. He identifies Shelby County as home to 46 percent of Tennessee's African-American population, followed by the middle Tennessee counties of Davidson, Montgomery, Maury and Rutherford for a combined total of 24 percent, and Hamilton and Knox counties as the only counties in east Tennessee with more than 5 percent of the population classified African-Americans.

Hispanic and Asian-owned firms saw gains in number of firms and gross receipts from 2002 to 2007 of 103 percent and 54 percent respectively. The gains are also reflective of the changing population of the state and increased numbers of immigrant-owned businesses primarily in the urban areas.

NOTE

These findings may help guide future government spending related to promoting and supporting minority business participation across the state and expanding the classification of minority-owned businesses.

Immigrants in Tennessee

The largest populations of immigrants in Tennessee reside in the Nashville, Memphis, Chattanooga and Knoxville areas – in that order. In a study published in May 2012 for the Small Business Administration, "Immigrant Entrepreneurs and Small Business Owners, and their Access to Financial Capital," Robert W. Fairlie offered the following key findings on immigrant-owned businesses:

- *The business ownership rate is higher for immigrants than non-immigrants – 10.5 percent of the immigrant work force owns a business compared with 9.3 percent of the non-immigrant (i.e. U.S.-born) work force;*
- *Immigrant owned-businesses are more likely to export their goods and services than are non-immigrant-owned businesses. Among immigrant firms, 7.1 percent export compared with only 4.4 percent of non-immigrant firms, and immigrant firms are more likely to have high shares of exports;*
- *The most common source of startup capital for immigrant-owned businesses is personal or family savings with roughly two-thirds of businesses reporting this source of startup capital. Other common sources of startup capital used by immigrant firms are credit cards, bank loans, personal or family assets, and home equity loans. The sources of startup capital used by immigrant firms do not differ substantially from those used by non-immigrant firms.*

NOTE

Immigrant businesses impact the economic environment of the state. Programs and policies affecting immigrants, both locally and nationally, impact Tennessee's immigrant-owned businesses.

Women-owned Businesses (WBE)

- 8.6 million businesses are owned by women and comprise 29% of all enterprises, nationally
- Growing at 1 ½ times the national average
- Employ less than half the typical privately held business

Source: The State of Women-owned Businesses, 2013 and 2014, American Express OPEN

The Global Entrepreneurship Monitor's "2012 Women's Report" comments on role of expectation of women in business and specifically on the intersection of opportunity and access to capital for women:

The United States generally does not suffer from overt discrimination in regards to opportunities or resources related to women starting and growing businesses. At the same time, covert discriminatory practices are sometimes found, particularly in obtaining higher level resources such as equity capital or corporate procurement contracts. These covert practices are subtle, and sometimes not even recognized by entrepreneurs, in that they have to do with status expectations or gendered roles. For instance, it is expected that men will be venture capitalists or fast growth high-tech entrepreneurs, but less expected that women will be in these roles.

NOTE

Women-owned businesses need access to capital as well as appropriate and applicable technical assistance to enable them to develop their abilities to compete globally.

Veteran-owned Business (VBE)

- Comprise about 12% of Tennessee firms with or without paid employees (9% nationally)
- Unemployment rate: 8.8% (8.1% nationally)
- Earn about \$10K more than the average American

Source: U.S. Census Bureau 2007 Survey of Business Owners and 2008-2012 ACS

According to the State of Tennessee Department of Veteran Affairs (TDVA) FY2013 Annual Report, there are over half a million veterans in the state. About 13 percent of those are women, and in April 2013, TDVA hosted its inaugural Women's Veterans Summit.

(www.tn.gov/veteran)

On a national level, according to U.S. Census Data, about 9 percent of firms are veteran-owned and according to SBA's Office of Veteran Business Development, the nation's 2.45 million veteran-owned businesses employ nearly six million individuals. The SBA, in cooperation with the U.S. Departments of Defense and Veterans Affairs, launched the *Operation Boots to Business* pilot initiative in spring 2012 as part of their Transition Assistance Program (TAP), enabling veterans to opt-in for training from a national network of service providers.

(www.sba.gov)

NOTE

Veterans bring a unique set of skills from their training and experience to bear on building and growing their businesses. Assisting veterans in making the transition from the military to owning and running their own businesses is not only a small repayment for their military contributions, but a job creator for the state.

Note on data(2): The U.S. Census Survey of Business Owners (SBO) provides the only comprehensive, regularly collected source of information on selected economic and demographic characteristics for businesses and business owners; and it is collected every five years, for years ending in “2” and “7” as part of the economic census. This information takes a significant amount of time to collect and analyze. For example some 2007 survey information was not released until 2011. The releases from the 2012 survey are expected in starting July 2015. This will be the first in-depth information available since the significant economic changes beginning in 2008.

TOPIC HIGHLIGHT: MICROENTERPRISE

Small businesses and microenterprises are vital employers, innovators and contributors to the state’s community livability and economic success. When SBA defines a small business, it is important that it is not a simple definition. It factors industry classification, three years sales average, and number of employees, but in general targets the 100 to 500 employee firms.

A microenterprise is typically a business with five or fewer employees, including the owners, and represents the vast majority of firms in the state. In the Nashville-Davidson–Murfreesboro–Franklin MSA of the 29,000 employer firms, 53 percent of those firms have 0-4 employees; the firms with fewer than 20 employees comprise 80 percent of all firms; and firms with fewer than 100 employees make up 94 percent of all firms in the MSA. Not factored into these numbers are the non-employer firms (or self-employed) in the MSA, which number over 137K. Comparably in rural Union County, of the 192 employer firms, 157 have fewer than 20 employees; 87 percent have fewer than 100; and the county has a reported 1,231 non-employer firms. The national average is that three-quarters of small business are non-employer. (Source: US Census 2011 County Business Patterns). Additional business data can be found in the attachments.

In its report, *Bigger than You Think: The Economic Impact of Microbusiness in the United States*, the Association for Enterprise Opportunity (AEO) reports that 92 percent of all U.S. businesses are microenterprise and account for 31 percent of all private sector employment, or over 41 million jobs, nationwide. Microenterprise provides lower barriers to entry than other types of businesses as well as many opportunities and potential for DBEs. In a white paper, commissioned by AEO, *Microbusiness in the United States: Characteristics and Sector Participation*, the authors detail race, gender and ethnicity, including veterans, and correlate that information to successes and challenges among various sectors. The paper raises questions that could guide public policy and/or service providers to help microenterprises better position themselves in higher performing sectors, attaining higher payroll, sales and receipts, and providing better wages.

These key observations are as follows. First, microbusinesses are well represented in business sectors that have a below-par performance. Second, microbusinesses are not well represented in business sectors that have a high performance. Third, whenever micro businesses perform well and are well represented within a business sector they do not perform at par relative to their non-microbusiness counterparts.

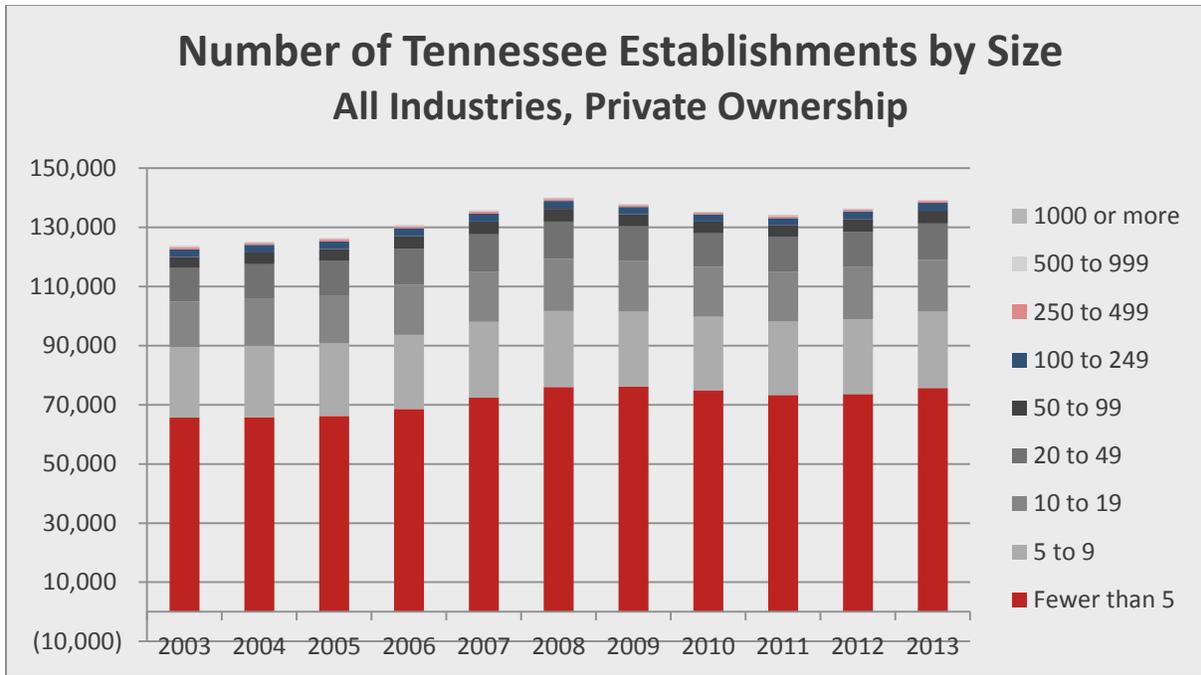
For reference related to size and grow of Tennessee businesses:

Over the last 10 years, private sector establishments have grown over 12 percent (15,580 net new establishments) and establishments with fewer than 5 employees have grown over 15 percent (10,020 net new establishments) with those with fewer than 10 employees have grown over 13 percent (11,955 net new establishments).

In Q1 of 2014 there were 141,630 private sector establishments in Tennessee. Of Tennessee’s private sector establishments:

- 77,108, or 54.4% of private sector establishments employ fewer than 5
- 120,913, or 85.4% of private sector establishments employ fewer than 20
- 133,456, or 94.2% of private sector establishments employ fewer than 50

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages



Source: QCEW, Q1 2013

A study, *Economic Development in Diverse Communities: Inclusive Procurement in Cities and Counties*, completed by the Insight Center for Community Economic Development and released in January 2014, “examines best practices identified around economic study examines 40 cities and counties across the United States, selected for their large population and geographic diversity, to determine trends and best practices in the administration of MWBE and SBE programs.” One best practice identified in the report regards scaling contracts to allow emerging businesses (microenterprise) to compete and adjusting set asides with particular attention to professional services and construction contracts. In another best practice identified, a metropolitan area established a local small business enterprise (SBE) program in which the county designated 10 low income communities and provided SBEs from those communities an additional 10 percent preference.

While the aforementioned Insight study focused on large metropolitan and regional areas, there are recommendations that could be adopted at state, regional, county and/or city levels in Tennessee within the public and private sectors building and/or expanding upon existing programs; some of which may require legislative action at some level. In recommendations and findings from The Brookings Institution’s report, *Drive! Moving Tennessee’s Automotive Sector Up the Value Chain*, released late in October 2013, addressed that a focus on small to medium sized companies and supply chain is critical in the further successful development of the automotive industry. The report stresses that of all the automotive and automotive-related jobs, “more than half of these jobs reside in the state’s approximately 600 small and medium-sized establishments (SMEs), which together employ 49,500 workers.”

TNECD, through its office of federal programs and the business enterprise resource office, held four meetings across the state to gather information regarding unmet needs of microenterprises from agencies and organizations that work with small, women-owned, minority-owned, veteran-owned, rural and urban core businesses, as well as youth entrepreneurs, in January and February 2014. Over 45 service providers attended the meetings, and additional information and ideas were garnered through follow-up phone calls and emails, all of which was used to determine the use of the funds. As a result of the series, LiftTN: Microenterprise, a two-year, pilot rural microenterprise program, will begin in the winter 2015. Look for details in upcoming newsletters and next year’s report.

PROGRAM DATA

The department shall maintain complete and consistent program data. (TCA §4-26-104(C)(b)(2))

Data continues to be organized in a similar fashion as is presented here. The department reorganized as it moved into FY2012, and which marked a new direction for BERO's policy and advocacy for women- and minority-owned businesses. BERO is housed within the strategy division of the Department.

REPORTS

The enabling statute for the Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO) requires several written reports. The reports fall under the following:

- TCA §4-3-728. Community development block grants to disadvantaged businesses.
- TCA §4-26-105. Reports.
- TCA §4-26-106. Disadvantaged business loan guarantee program.
- TCA §4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives.

TCA §4-3-728. COMMUNITY DEVELOPMENT BLOCK GRANTS TO DISADVANTAGED BUSINESSES.

BERO shall annually report on advisements regarding disadvantaged businesses and the number of or amount of community block grants received by disadvantaged businesses.

Community Development Block Grants (CDBG)

TNECD awards CDBGs to rural municipalities and counties communities for infrastructure, health and safety projects, and downtown improvement. The communities in turn contract with a company for its performance.

The information gathered regarding the award recipients is pulled from the annual, federally required Title VI reporting. Per federal guidelines under Section 570.491 of the State Community Development Block Grant (CDBG) Rule requires states to submit to HUD data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in or beneficiaries of CDBG programs. The following shows what the participation report reflected for the applicants, and does not include entitlement communities. Entitlement areas are Shelby County and Memphis, Jackson, Clarksville, Davidson County, Murfreesboro, Oak Ridge, Knox County and Knoxville, Chattanooga, Cleveland, Morristown, Kingsport, Bristol, Franklin, Hendersonville, and Johnson City.

Contract Awards for Federal FY2014

In the U.S. Department of Housing and Urban Development (HUD) report Contract and Subcontractor Activity on CDBG awards, of the 63 awards to 17 companies totaling \$3,794,131.27; 16 women-owned companies were awarded \$3,792,514.27; one minority-owned company was awarded \$5,795.00; 16 women-owned companies awarded \$3,788,336.27 reported company ownership as "White Americans" and one company awarded a contract of \$5,795.00 reported ownership as "Hasidic Jew," and the average contract award amount for was \$60,224.31.

For the purposes of this CDBG report to HUD, the following racial and ethnic designations used were: White Americans, Black Americans, Native Americans, Hispanic Americans, Asian/Pacific Americans and Hasidic Jews. (tn.gov/ecd/CDBG)

ACTION

BERO has partnered with the Governor's Office of Diversity Business Enterprise (Go-DBE) to make CDBG opportunities available to a larger number of DBEs by posting contracting opportunities in the Construction Industry Opportunities section of Go-DBE's webpage at www.tn.gov/businessopp/procure_opp.html. The official launch in July 2013 occurs during FY2014.

TCA §4-26-105 REPORTS.

(a) The department shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the business and utilities committee of the house of representatives, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.

(b) The report shall advise the officials and committees mentioned in subsection (a) on the administration and operation of this chapter.

The Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO), was created in the Department of Economic and Community Development (TNECD) by Chapter 135 of the Public Acts of 1977, codified as Section §4-26-101 et seq.

UPDATE

Given the era of BERO's establishment and the changes that have taken place in the 36 years since its original legislation, suggested revisions for consideration were submitted to the department by BERO prior to the issuance of this report. (Attachment A: BERO Enabling Legislation)

STAFFING

The office is composed of a dedicated director charged with managing the statutory duties of the office.

TCA §4-26-106. DISADVANTAGED BUSINESS LOAN GUARANTEE PROGRAM.

(d) The commissioner shall annually submit to the governor and the speakers of the senate and house of representatives, within ninety (90) days after the end of the fiscal year, a complete and detailed report setting forth the operations, transactions and accomplishments of the disadvantaged business loan guarantee fund. HISTORY: Acts 1990, ch.1071, § 1.

COMMENT

This loan program remains unfunded within TNECD.

TCA §4-26-107. GUIDELINES AND REPORTS TO THE GOVERNMENT OPERATIONS COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES.

The office of business enterprise shall provide guidelines to address any impediments by other state agencies to the conduct of the office of business enterprise to the members of the government operations committees of the senate and the house of representatives. The office of business enterprise shall also provide periodic reports to the government operations committees of the senate and house of representatives relative to the audit findings of the office of the comptroller. [Acts 2006, ch. 935, § 3.]

COMMENT

There is nothing to report relative to this section.

COMMUNICATION AND OUTREACH

WEBSITE

BERO maintains a webpage that includes its publications, along with targeted links and resources at tn.gov/eecd/bero. The website was relaunched during FY2014; and allows for easy access for BERO's target audience with policy and procurement information for minorities, women, veterans and rural businesses; topics for youth entrepreneurship; as information on grants; and general resources for service providers. A snapshot for the webpage is attached for reference.

TENNESSEE SMART START GUIDE

The TN Smart Start Guide, a startup and small business guide, is published and distributed along with a complementary postcard in both digital and hard copy formats. The guide gives an overview on a broad base of relevant topics from legal structure to financing to procurement.

The guide is distributed through TNECD's nine regional offices to resource partners including, but not limited to, elected officials, chambers of commerce, development districts, state agencies (such as the Office of the Small Business Advocate, Revenue, Secretary of State, Human Services and Labor and Workforce Development), UT-CIS, TN Small Business Development Centers, the US Small Business Administration, USDA Rural Development, SCORE, AEO, the Federal Reserve Bank of Atlanta and St. Louis, business incubators and accelerators, among many others. At the close of FY2014, the TN Smart Start Guide averaged 1700 pageviews per week, which was more than TNECD's main page during the same period, and continues to be featured on the state's main page at tn.gov. Additionally, the guide has been recognized nationally as a best practice resource.

The guide is typically printed once per year and updated online periodically and/or when major changes occur. A complementary rack card/postcard is also printed and distributed along with the guide and for use at events featuring the link to the BERO's website and the guide (PDF). The guide may be found in its PDF version at tn.gov/ecd/bero/pdf/TNSmartStartGuide.pdf.

QUARTERLY ENEWSLETTER AND SURVEYS

eNewsletter

BERO communicates with its stakeholders through quarterly email newsletters (enewsletter). BERO launched these in fall 2012. They serve as a platform to bring attention to what is happening across the state and beyond related to economic inclusion; to highlight what's working well for service providers and their clients; to seek feedback; and to bring attention to challenges. Based on their feedback, service providers find it a useful resource. The two most recent newsletters are posted on BERO's website; and the articles from the most recent quarter are scroll on the webpage for easy access.

See attachments for Spring and Winter 2014 and Fall and Summer 2013 abridged versions. They do not contain the complete article listing as there are multiple pages in the hard copy version, but online version has the complete document.

Surveys

Over the course of FY2014 BERO met with various stakeholders statewide to gauge strengths and challenges, and conducted a roundtable series: "Community Development Block Grants (CDBG) for Microenterprise Economic Development." Mentioned in the section, "Topic Highlight: Microenterprise" above. See attachment for flyer. BERO has also assisted resource partners to disseminate surveys on relevant related topics.

GENERAL INQUIRES

BERO addresses direct information requests received for business information and assistance made through telephone, email, postal service and referrals from communities, elected officials, resource partners, other businesses, etc. Individuals and companies can submit requests for business information through TNECD's website at www.tn.gov/ecd/BD_request_info.html. BERO also serves as a go-to resource on DBE topics to TNECD's business development staff across the nine regional offices. The most requested topics are related to elements involved in steps to startup or move a business, access to capital and procurement.

PRESENTATIONS AND EVENTS

Below is a sample list of the events in which BERO was represented through participation, presentation and/or booth during FY2014. This list is not comprehensive.

· MMBC Continuum Economic Development
Forum, Memphis

· E.D.G.E. Conference, Dyersburg

- USDA Rural Development Conference, Murfreesboro
- East Tennessee Women’s Leadership Summit, Alcoa
- TVBA Annual Business and Education Expo (Veterans), Knoxville
- Economic Summit on Women, Nashville
- MED Week, Memphis and Nashville
- Global Entrepreneurship Week (GEW)
- Women Business Enterprise Council (WBEC), Nashville
- TN Basic Economic Development Course, Nashville
- Southern Automotive Women’s Forum Annual Conference, Nashville
- SBA Federal procurement Conference, Nashville
- TN Department of Veterans Affairs Outreach events: Linden, Selmer, Union City, Erin, Crossville
- MEMMobile Roll-out event, Memphis
- MTSU Economic Outlook, Murfreesboro
- Diversify 2013, Chattanooga
- Procurement Equal Opportunity Workshop, Nashville
- Southland, Nashville
- TDOT Annual DBE Meeting, Nashville
- CDBG Microenterprise Regional Roundtables: Jackson, Spring Hill, Kingsport, Athens

CONTACT INFORMATION

Wisty Pender, Director
 State of Tennessee, TNECD-BERO
 312 Rosa L. Parks, 26th floor
 Nashville, TN 37243

Toll-free: 800.872.7201
 Local: 615.741.2626
 Fax: 615.401.6872

wisty.pender@tn.gov
 ecd.bero@tn.gov

tn.gov/ecd/bero
 tn.gov/ecd/smallbusinessguide

DATA NOTES

BLS-QCEW

Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) collects data on companies that are covered by Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program, which it publishes and is available at the county, MSA, state and national levels by industry.
 (www.bls.gov/cew)

DUN AND BRADSTREET’S HOOVER’S DATABASE

Hoover’s business information database includes more than 65 million companies, 85 million contacts, and 900 industry segments. Hoover’s updates its information annually, with all private data provided by the company. The database only contains information about companies that have been assigned DUNS numbers.
 (www.hoovers.com)

U.S. CENSUS SURVEY OF BUSINESS OWNERS (SBO)

The SBO provides the only comprehensive, regularly collected source of information on selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and veteran status. Title 13 of the United States Code authorizes this survey and provides for mandatory responses. Data have been collected every 5 years since 1972, for years ending in “2” and “7” as part of the economic census. The information

takes a significant amount of time to collect and analyze. Some 2007 survey information used in this report was not released until 2011. Releases from the 2012 survey are scheduled between June 2015 and December 2015. (www.census.gov/econ/sbo)

SUGGESTED READING AND WORKS REFERENCES

The reports referenced herein can be found in this section alphabetically by author or title. There are multiple reports and papers worth reading that were not specifically noted.

ATTACHMENTS

- A. BERO Enabling Legislation
- B. BERO Quarterly eNewsletter (FY2014)
 - Spring 2014
 - Winter 2014
 - Fall 2013
 - Summer 2013

NOTE: In the hard copy version of this report the eNewsletters are reduced to body only and do not include the complete list of articles addressing DBEs over the prior quarter. The two most recent eNewsletters can be found on BERO's website, and the most quarter's recent list of articles scroll on BERO's website. The full report online has the complete newsletter listed (large file).

- C. Tennessee Smart Start Guide and postcard
Note: Actual copy included in hard copy version only. A PDF is available for download at www.tn.gov/ecd/bero.
- D. Community Development Block Grants (CDBG) for Microenterprise Economic Development: Regional Meetings
- E. Tennessee: Non-employer and Business Data by Size and County
- F. BERO Webpage Snapshot

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ATTACHMENT A: ENABLING LEGISLATION



Title 4 State Government
Chapter 26 Business Enterprise Office (2014)

4-26-101. Establishment.

There is established within the department of economic and community development an office of business enterprise.

HISTORY: Acts 1977, ch. 135, § 1; T.C.A., § 4-2601.

4-26-102. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

(1) "Bid bond" means a bond conditioned upon the entering into a contract by a bidder, if the bidder receives the award thereof, and furnishing the prescribed payment bond and performance bond;

(2) "Commissioner" means the commissioner of economic and community development;

(3) "Department" means the department of economic and community development;

(4) "Director" means the director of the office of business enterprise;

(5) "Disability" means a physical impairment that, in the written opinion of a person's licensed physician, substantially limits one (1) or more of the major life activities of such person and is expected to continue to exist for more than five (5) years. As used in this subdivision (5), "major life activities" means caring for oneself and performing manual tasks, which includes writing, walking, seeing, hearing, speaking, and breathing;

(6) "Disadvantaged business" means a business that is solely owned, or at least fifty-one percent (51%) of the outstanding stock of which is owned, by a person who is either:

(A) By reason of social background unable to obtain technical, business or financial assistance of a quality or quantity similar to that available to the average business;

(B) Impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, religion, ethnic background, sex or service in the armed forces during the Vietnam war; provided, that it is not the policy of this state to encourage employment outside the home of mothers of minor children;

(C) Unable to compete effectively because of tendencies of regular financing and commercial organizations to restrict their services to established businesses;

(D) In a state of chronically low income because of long residence in an urban area with high unemployment and low income; or

(E) Impeded from normal entry into the economic mainstream because of a disability;

(7) "Obligee" means:

(A) In the case of a bid bond, the person requesting bids for the performance of a contract; or

(B) In the case of a payment bond or performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment bond or performance bond;

(8) "Payment bond" means a bond conditioned upon the payment by the principal of money to persons under contract with the principal;

(9) "Performance bond" means a bond conditioned upon the completion by the principal of a contract in accordance with its terms;

(10) "Prime contractor" means the person with whom the obligee has contracted to perform the contract;

(11) (A) "Principal" means:

(i) In the case of a bid bond, a person bidding for the award of a contract; or

(ii) The person primarily liable to complete a contract for the obligee, or to make payments to other persons in respect of such contract, and for whose performance of such person's obligation the surety is bound under the terms of a payment or performance bond.

(B) A principal may be a prime contractor or a subcontractor;

(12) "Subcontractor" means a person who has contracted with a prime contractor or with another subcontractor to perform a contract; and

(13) "Surety" means the person who:

(A) Under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond;

(B) Under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract; or

(C) Under the terms of a payment bond, undertakes to make payment to all persons supplying labor and material in the prosecution of the work provided for in the contract if the principal fails to make prompt payment.

HISTORY: Acts 1977, ch. 135, § 2; T.C.A., § 4-2602; Acts 1987, ch. 369, § 2; 1993, ch. 488, § 1; 1994, ch. 767, §§ 1, 2.

4-26-103. Powers and duties.

The department is authorized to:

(1) Provide assistance to disadvantaged businesses by advising and counseling on all phases of procurement policies, by obtaining information concerning prime contractors in letting subcontracts and by encouraging the letting of subcontracts by prime contractors to disadvantaged businesses;

(2) Receive funding from sources other than the state;

(3) Make studies and conduct workshops, conferences and seminars, with owners and employees of disadvantaged businesses to enhance their understandings of business management, bidding, licensing procedures, procurement procedures and any other activities incident to their positions in business;

(4) Develop training and educational programs in cooperation with institutions, associations, and other state, local and federal agencies, and coordinate the training efforts of the various organizations presently providing technical assistance to disadvantaged businesses;

(5) Encourage and provide the direction and coordination necessary to secure franchises and dealerships from private firms for disadvantaged businesses;

(6) Review and evaluate legislation and determine its effect upon disadvantaged businesses and make appropriate recommendations to the governor and the general assembly;

- (7) Employ such personnel as may be required to implement and administer this chapter; and
 - (8) (A) Develop sources of capital for minority entrepreneurs;
 - (B) Assist in setting up new minority banks, small business investment companies, as defined in 15 U.S.C. § 681(a), and minority enterprise small business investment companies, being the companies authorized in 15 U.S.C. § 681(d) [repealed]; and
 - (C) Develop loan packages to assist minority business persons in the start-up or expansion of businesses, or any other financial counseling necessary to enable minority business operations to operate on a sound financial basis.
- (b) (1) The department shall continually evaluate the progress of disadvantaged businesses through monitoring and techniques of evaluation, such as surveys and feasibility studies.
 - (2) The department shall maintain complete and consistent program data.

4-26-104. Purpose and construction.

This chapter shall be liberally construed to carry out the following purposes and objectives that:

- (1) Disadvantaged businesses share in the American economic system of private enterprise through free and vigorous competition;
- (2) Such competition be fostered through the encouragement and development of disadvantaged businesses; and
- (3) The state aid, counsel and assist in every practical manner disadvantaged businesses in order to preserve free competition on equal terms with those businesses constituting the major part of the business community.

HISTORY: Acts 1977, ch. 135, § 4; T.C.A., § 4-2604.

4-26-105. Reports.

(a) The department shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the business and utilities committee of the house of representatives, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.

(b) The report shall advise the officials and committees mentioned in subsection (a) on the administration and operation of this chapter.

HISTORY: Acts 1977, ch. 135, § 5; T.C.A., § 4-2605; Acts 2013, ch. 236, § 14.

4-26-106. Disadvantaged business loan guarantee program.

(a) (1) The general assembly finds that conventional funding sources for emerging and expanding disadvantaged businesses are limited or nonexistent.

(2) The general assembly further finds that promoting and encouraging economic opportunity and development within the state's minority community is a worthy public purpose.

(3) Such economic opportunity and development serve the health, safety and welfare of all citizens through creation of long-term employment opportunities, reduction of unemployment, diminished demand for costly social services and increased revenue collections.

(b) (1) There is created within the state treasury a restricted account not to exceed fifty thousand dollars (\$50,000) to be known as the "disadvantaged business loan guarantee account."

- (2) Amounts in the account at the end of any fiscal year shall not revert to the general fund but shall remain available to the department for the purposes set forth in this section.
- (3) Amounts in the account shall be invested for the benefit of the account by the state treasurer pursuant to § 9-4-603. The account shall be administered by the commissioner.
- (c) (1) There is created within the department the disadvantaged business loan guarantee program.
- (2) The purpose of the loan guarantee program is to ensure the availability of conventional financial resources to emerging and expanding disadvantaged businesses by guaranteeing loans for disadvantaged businesses.
- (3) To qualify for a loan guarantee, a disadvantaged business must demonstrate to the satisfaction of the commissioner that the loan will be fully repaid and will produce economic benefit for the community and state.
- (4) The department is authorized to determine the total dollar amount of loans to be guaranteed, subject to a maximum of five (5) times the balance of appropriated funds within the loan guarantee account, plus income, less expenses associated with the program.
- (5) The department is authorized to charge a premium to the borrower to help defray the cost of administering the program.
- (6) The department may establish other terms and conditions for guarantees of loans.
- (7) The total aggregate amount of the loan guarantee may not exceed eighty percent (80%) of any loan.
- (8) All documentation evidencing a loan guarantee shall clearly state that such guarantee is an obligation of the disadvantaged business loan guarantee account and not of the general fund or the state of Tennessee, and that any amounts required to be paid pursuant to the loan guarantee are subject to the availability of sufficient funds within the guarantee account.
- (d) The commissioner shall annually submit to the governor and the speakers of the senate and house of representatives, within ninety (90) days after the end of the fiscal year, a complete and detailed report setting forth the operations, transactions and accomplishments of the disadvantaged business loan guarantee fund.

HISTORY: Acts 1990, ch. 1071, § 1.

4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives.

The office of business enterprise shall provide guidelines to address any impediments by other state agencies to the conduct of the office of business enterprise to the members of the government operations committees of the senate and the house of representatives. The office of business enterprise shall also provide periodic reports to the government operations committees of the senate and house of representatives relative to the audit findings of the office of the comptroller.

HISTORY: Acts 2006, ch. 935, § 3.

Additional TCA relative to BERO:

Title 4 State Government

Chapter 3 Creation, Organization and Powers of Administrative Departments and Divisions

Part 7 Department of Economic and Community Development

4-3-728. Community development block grants to disadvantaged businesses.

(a) Notwithstanding any provision of the law to the contrary, in the allocation and use of community development block grants it is the policy of this state that a substantial portion of such grants shall be utilized whenever reasonably possible for the development of contracts with disadvantaged businesses as defined in § 4-26-102.

(b) The office of business enterprise in the department of economic and community development shall advise the commissioner, or any other official with authority to allocate or disperse community block grants, of disadvantaged businesses that should be considered as recipients of such block grants.

(c) The office of business enterprise shall annually report not later than December 1, to the general assembly, of all such advisements regarding disadvantaged businesses and the number of or amount of community block grants received by disadvantaged businesses.

HISTORY: Acts 1984, ch. 873, § 1.

4-3-732. Enhanced policymaking role for minority business.

Notwithstanding the provisions of any law to the contrary, the director of the office of business enterprise, created by § 4-26-101, may, in the discretion of the commissioner, serve as a full, voting member of each committee, board, task force, group or other entity that is formally or informally attached to or established within the department for the purpose of formulating, adopting or recommending state policies to enhance economic and community development. The general assembly urges the department of economic and community development to develop an enhanced policymaking role for minority business.

HISTORY: Acts 1996, ch. 976, § 1.

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ATTACHMENT B: ENEWLSTTERS

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ATTACHMENT B: SPRING 2014 ENEWSLSTTER

Business Enterprise Resource Office (BERO)

SPRING 2014



TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Director's Message

Greetings all!

I know many of you thought spring might not make it after all those grey days and storms, but it has – finally!

Thank you to everyone who participated in the CDBG Microenterprise Economic Development Regional Meetings and took time to call and/or email your recommendations and suggestions! Your input has been very helpful.

In this edition, the *From the Field* section highlights women investing in women with “angel capital,” and a business bootcamp in its third year, designed specifically for veterans. The Jump Fund, a Chattanooga-based angel fund that invests women’s capital in high-growth potential, female-led companies throughout the southeast, talks about why more women in the investing space is important as well as how it got started, and where it’s going. The Veterans Entrepreneurship Program (VEP) offers free experiential training in entrepreneurship and small business management to our nation’s disabled and “service distinguished” veterans. Also, take a moment to see the video from the Kauffman Foundation on the “State of Entrepreneurship.”

Spring and early summer are packed with events and conferences statewide, from Southland, a national conference held in Nashville bookended between the CMAs and Bonnaroo; to the Dept. of Veteran’s Affairs outreach series in Linden, Union City and Crossville in this quarter; to the East TN Women’s Summit in Alcoa. For service providers in particular, there’s the USDA Rural Development Conference and the TN Basic Economic Development Course at the end of this month.

I look forward to hearing from you so look towards the bottom, [Call for Entries](#), for details.

I look forward to seeing you soon!

Warm regards,

 A handwritten signature in black ink, appearing to read 'Wisty'.

Wisty Pender
Director, BERO

What's in the Spring 2014 quarterly?

❖ [DBE/Veteran Practices and Highlights:](#)

Topics: The JumpFund: Women Investing in Women, a Veteran’s Entrepreneurship Program, and the Kauffman Foundation released the “State of Entrepreneurship” report (video)

❖ [Access to Capital](#)

Topics: Tennessee banks see jump in small-business lending, Reservists Eligible to Apply for SBA Working Capital Loans, and an Indiegogo raise 100 Girls Code

❖ [Upcoming Events and Items of Note:](#) There are so many great opportunities!

❖ [Call for Entries:](#) Haven’t heard from you in bit...

❖ [Articles of Interest from the Last Quarter:](#) There are quite a few, so read on below or peruse them the next time you’re waiting in a line (but not at a stop light) at www.tn.gov/ecd/bero.

❖ [Contact Information](#)

❖ DBE/Veteran Best Practices and Highlights ❖

➤ From the Field...



The JumpFund: Women Investing in Women

The JumpFund is a Chattanooga-based “angel fund” investing women’s capital in high-growth potential, female-led companies throughout the southeast. With a capital raise of \$2mm, we expect to make 10-12 investments of \$50,000 to \$250,000 over the next 3 years. Our vision is *to make the southeast the best place for a woman to invest in or start a business.*

How old is the JumpFund? How did it start?

The JumpFund is about a year old, and will be ready to make its first investments this summer. The JumpFund was born when the founders - all businesswomen - observed that all the players in Chattanooga’s burgeoning startup scene were men. Nationwide, women represent only 15% of early stage investors, and received only 11% of early-stage funding in the first half of 2013. How, we asked ourselves, could this be? The answer was not a lack of education - women hold over 50% of advanced degrees in the US, and almost half of MBAs. Not, we learned, was it insufficient wealth. Women control about half the wealth in the U.S., and drive about 80% of consumer spending. We concluded finally that there *is* no good reason for this disparity. In fact, we believe this gap creates a tremendous opportunity for female investors and entrepreneurs alike to make money!

What is an angel fund?

An angel fund is a group of “angel investors” pooling money to fund early stage companies. An “angel” is a wealthy individual making personal investments in young companies. Angels usually work closely with companies after investment to help the business grow, and monetize their investment in an “exit” – an IPO, sale of the company, or sale of the angel’s stake at a higher price. Angel investing is a highly risky asset class, so all investors must be “accredited” per SEC guidelines.

Who runs the JumpFund?

The JumpFund comprises 6 “General Partners” who screen companies, perform due diligence, make investment decisions, and monitor portfolio companies for exit.

- Kristina Montague, MPA, Philanthropist & former Asst. Dean of UTC College of Business
- Cory Allison, MBA, Entrepreneur & Management Consultant
- Betsy Brown, MBA, Investment Banker & Corporate Trust Officer, Cumberland Trust
- Shelley Prevost, Ed.D, Partner & Director of Happiness, Lamp Post Group
- Tiffanie Robinson, Serial Entrepreneur, Founder & CEO of WayPaver
- Leonora Williamson, MBA, Consumer Products Executive & Management Consultant

We also have a group of advisors who are fund investors and experienced business people, and mentors, experienced businesspeople willing to support our portfolio companies.

Where does the JumpFund invest?

Our criteria for investment include:

- We believe in the management team, perhaps even more than in the idea
- Management includes at least one woman at the “C” level (CEO, COO, CFO, CTO), and this woman has a major ownership stake in the company
- The company has growth potential. Management is planning for at least \$20mm in revenue
- We will not invest in each company that meets all these criteria – this is a baseline list.

Is my company a candidate for JumpFund investment?

We want to talk to you if:

- You meet the female-led and high-growth potential criteria above
- You are seeking an investment between \$50,000 and \$250,000
- You welcome opportunities to be mentored by experienced businesspeople
- You are passionate and believe your idea can succeed because YOU are behind it

Please contact us via our website at <http://thejumpfund.com/contact-us/>



Need more information on investing in women?

According to [The A Factor](#), “In the United States only, women represent 15% of angel investors and 11% of investing partners at VC firms according to [this infographic](#). (Infographic...images convey a lot!)”

For the third consecutive year, the University of Tennessee at Chattanooga's Veterans Entrepreneurship Program (VEP) will offer free experiential training in entrepreneurship and small business management to our nation's disabled and "service distinguished" veterans.

Based on a very successful model at Oklahoma State University, The UTC VEP is hosted by the College of Business and was created in direct response to the unique challenges of service disabled veterans with physical or psychological disability. "The VEP builds on the skills that veterans learn from their military careers and helps them focus those skills toward the creation of new ventures through intense entrepreneurial training and mentoring," said Dr. Robert Dooley, Dean of the UTC College of Business. "Our goal is to help veterans create businesses as a means to their own financial wellbeing, and we are honored to provide the VEP to those that have already done so much for this country."

Participants in the VEP first complete a five-week, online self-study to help them develop their business concepts and prepare for a weeklong Bootcamp that takes place on the UTC campus July 19-26, 2014.

Like a military bootcamp, this eight-day residency is intense, rigorous and demanding. It is an opportunity for hands-on learning and interaction with faculty, guest entrepreneurs, business experts and peer delegates. The Bootcamp exposes VEP participants to the "nuts and bolts" of business ownership through workshops and lessons from faculty as well as guest appearances by top-ranked officers and successful veteran business owners.

Following Bootcamp, delegates are provided 10 months of ongoing mentorship from entrepreneurship experts at the UTC College of Business and online peer networking. This allows the participants to get specific feedback regarding their ventures and provides access to professionals who can answer specific questions and offer extended hands-on support.

Fyke Fisher, who served in the U.S. Air Force, said he wishes he had participated in the VEP before he launched his Chattanooga business, Ridgeline Logistics LLC, in 2012.



"As a result of the VEP experience, I am restructuring my entire business plan. I am finding many areas I can improve upon. The VEP helps find the holes in your business so that you can take it to the next level," Fisher explained.

The VEP is free to eligible veterans who are selected for the program. Travel expenses, lodging and meals for the Bootcamp are provided at no cost to the delegate. The costs of the VEP are underwritten by sponsors and private donors, with operations and program development provided by the UTC College of Business.

More information on the program can be found at www.utc.edu/vep or by contacting Sandra Cordell, program coordinator, at Sandra-Cordell@utc.edu.



State of Entrepreneurship – Fostering a Faster-Growing Entrepreneurial Economy

Released in February 2014 (video)

Watch it [here](#).

❖ Access to Capital ❖

We have already talked about the Jump Fund above, but this is definitely worth noting:

Memphis Business Journal: Tennessee banks see jump in small-business lending

www.bizjournals.com/memphis/news/2014/01/08/tennessee-small-business-lending-.html

Banks in Tennessee are reporting an increase in lending rates after joining the U.S. Treasury Department's Small Business Lending Fund. The fund was part of the Obama administration's Small Business Jobs Act, signed into law in 2010. The fund provides capital to community banks with less than \$10 billion in assets at interest rates of 1 to 5 percent. The fund was intended to make it easier for banks to make loans to small businesses after lending slowed during the recession

Reservists Eligible to Apply for SBA Working Capital Loans

www.sba.gov/content/reservists-eligible-apply-sba-working-capital-loans-0

...Small businesses can apply for a Military Reservist Economic Injury Disaster Loan (MREIDL) any time from the date of notice of expected call-up and ending one year after the date of discharge or release. The program was created to enable eligible small businesses to pay operating expenses it could have covered if the owner or key employee hadn't been called to active duty.

100 Girls of Code (An Indiegogo raise)

www.indiegogo.com/projects/100-girls-of-code

Address gender parity in STEM fields: Female programmers will conduct a fun and interactive learning experience that includes an introduction to computer programming, web application, gaming, and so much more. One day workshops will be hosted in numerous locations across Tennessee. By the end of the workshop, girls, ages 12 to 18, will have a better understanding of programming, the future of Computer Science, and hopefully a desire to enter into a similar career field.

❖ **Events and Items of Note** ❖

➤ **April:**

- April 13- 16: Social Enterprise Alliance National Summit, Nashville. For more information visit <http://summit14.org>.
- April 25: TN Department of Veteran's Affairs Outreach event in Linden. For details, visit www.tn.gov/veteran/tdvaevents.shtml.
- April 28-May 1: TN Basic Economic Development Course in Nashville. For details, visit <https://cis.tennessee.edu/tbedc>.
- April 28-29: 19th Annual USDA Rural Development Conference, Murfreesboro. Registration coming - www.rurdev.usda.gov/TN-Home.html.

➤ **May:** Asian Pacific Heritage, Jewish American Heritage

- May 9: TN Department of Veteran's Affairs Outreach event in Union City. For details, visit www.tn.gov/veteran/tdvaevents.shtml.
- May 12-16: National Small Business Week. The U.S. Small Business Administration honors small business owners and entrepreneurs for their outstanding achievements through various awards, www.sba.gov.
- May 14-17: Black Enterprise Entrepreneurs Conference in Columbus, OH. For more information visit www.blackenterprise.com/ec
- May 20-22: GROWCO, the "Grow Your Company Conference" from INC. Magazine, Nashville. For more information visit <http://growco.inc.com>.

➤ **June:**

- June 9-11: Southland in Nashville. For more information visit <http://southlandse.com>.
- June 10: TN Department of Veteran's Affairs Outreach event in Crossville. For details, visit www.tn.gov/veteran/tdvaevents.shtml.
- June 13: East TN Women's Conference in Alcoa. For more information visit <http://easttnwomens.com>.

➤ **And beyond...**

- July 18: TN Department of Veteran's Affairs Outreach event in Erin. For details, visit www.tn.gov/veteran/tdvaevents.shtml.
- August 15: TN Department of Veteran's Affairs Outreach event in Johnson City. For details, visit www.tn.gov/veteran/tdvaevents.shtml.
- August 26-28: MMBC Economic Development Forum "The New Dynamic for Growth: Collaboration, Ecosystems and Discovery" in Memphis. Visit www.mmbc-memphis.org for details.

❖ **Call for Entries** ❖

Case Studies: We would like to spotlight how your organization worked with a client. How you plugged the company into resources, and what things that company or individual sought to accomplish. This serves two purposes, to highlight (1) your range of services and (2) the company itself statewide.

Best Practices: Which ones have worked for your organization? Send a short paragraph with any links explaining how and why, and the challenges. Your best practices can be anything from how you process a client to programs developed to fill gaps that are producing good results (i.e. business matchmaking, mentor-protégée programs, loan programs, etc.).

Events: What impactful events are you planning, co-planning or promoting for DBEs? Include the basics of who, what, when, where and how, with a link for more information. Also include the expected number of participants.

How to submit: There is a lot of great work being done across the state for DBEs. If you have questions that you would like to see how other groups are solving and/or addressing, send them along. Provide enough contextual information so your question can be answered in a relevant manner.

Send events that take will place in the next 6 months.

SEND YOUR BEST PRACTICES, QUESTIONS, WELL WISHES, ETC. TO ecd.bero@tn.gov.
WE LOOK FORWARD TO HEARING FROM YOU! ALSO, PLEASE FEEL FREE TO FORWARD THIS ON TO OTHERS.

❖ **Articles of Interest from the Last Quarter** ❖

These articles are also posted in “DBE Topics in the News” section of BERO’s website at www.tn.gov/ecd/bero.

January ◻ January

Fox Business: 5 Simple Ways Women Entrepreneurs Can Grow Their Business

<http://smallbusiness.foxbusiness.com/entrepreneurs/2014/01/06/5-simple-ways-women-entrepreneurs-can-grow-their-business/>
When everything is going especially well for a business, it’s easy for women entrepreneurs to go with the flow and ride out the wave of current success — sticking to a daily routine of meetings, travel for conferences, and a to-do list that never seems to end. However, this routine can make it difficult to stop and examine your business because more often than not, stopping is considered falling off the track. But when entrepreneurs make the active choice to take a moment right now and give their business their undivided attention; it can really help grow the company. And a great time to do so is in the beginning of a New Year. Here are five tips to consider as you begin again in 2014.

Teknovation.Biz: The Biz Foundry emphasizing code training for all ages

www.teknovation.biz/2014/01/07/biz-foundry-emphasizing-code-training-ages

The team at The Biz Foundry in Cookeville is establishing itself as the place to go for code training of about any type for any age group. “This is not your typical workforce initiative,” Jeff Brown, the organization’s President, told teknovation.biz during a recent interview. “It’s not about workforce per se, but the talent pool for start-ups.” His explanation makes perfect sense, considering the role that The Biz Foundry plays as one of Launch Tennessee’s nine regional accelerators designed to help high growth, technology-focused new companies. “Our goal is to build the talent to be great entrepreneurs,” Brown said, with Lowdermilk adding, “We are the only accelerator (in the state) doing this.”

Managing the Family Business: It Takes a Village

<http://hbswk.hbs.edu/item/7413.html>

A consistent finding about family business systems—the business, its owners, and the family in control—is that strong, long-term business performance also requires strong performance by the family and by the ownership group. You can’t keep a family business performing well over many years just focusing on the business. Family unity, united ownership and ownership support of the business are just too important to ignore or take for granted.

Radically reshaping manufacturing: A conversation with Katy George (video)

www.mckinsey.com/Insights/Manufacturing/Radically_reshaping_manufacturing_A_conversation_with_Katy_George?cid=manufacturing-emi-alt-mip-mck-oth-1401

In this interview, the McKinsey director explains next-shoring and why dramatic changes in demand and technology, as well as in energy and labor costs, are forcing manufacturers to rethink production and distribution strategies.

Tennessee Is BF’s 2013 State Of The Year

<http://businessfacilities.com/tennessee-bfs-2013-state-year>

Tennessee has been named Business Facilities’ 2013 State of the Year...“Tennessee continues to impress us with its aggressive execution of a diversified growth strategy,” said BF Editor in Chief Jack Rogers. “The state has put in place a solid foundation for robust job creation for years to come.”

New Plan to Spur Entrepreneurship Growth

www.memphisdailynews.com/news/2014/jan/15/new-plan-to-spur-entrepreneurship-growth

On one of the first pages of a more than 80-page plan to kick start entrepreneurial growth in the Memphis area, a reader is greeted with a stark assessment.

Agricultural Innovation Startup Companies to Pitch New Business Concepts to Investors and Strategic Partners

www.teknovation.biz/wp-content/uploads/2014/02/NextFarmDemoDayPressRelease.pdf

NextFarm Agricultural Innovation Accelerator will host Demo Day on February 6 in Union City, Tennessee to highlight statewide innovative companies that are addressing global hunger, food safety, and opportunities for new farm income and rural jobs. The highlight of this event will be showcasing companies that have participated in the startup accelerator program within NextFarm.

The One Thing Female Leaders Should Be Doing More Of

www.forbes.com/sites/janbruce/2014/01/21/the-one-thing-female-leaders-should-be-doing-more-of

...While any businessperson worth her salt knows that a good mentor can make a world of difference for an emerging entrepreneur, the quid pro quo is often underappreciated or downplayed—the mentor gets just as much out of the relationship as the mentee.

New Report: The ROI Of Crowdfunding

www.forbes.com/sites/cherylsnappconner/2014/01/21/new-report-the-roi-of-crowdfunding

[A] new research report released by Capital Crowdfund Advisors (CCA) last week sheds encouraging light on how entrepreneurs who crowdfunded have actually fared... traditional investors will continue to cast a careful eye on crowdfunded ventures, for a growing number of traditional VCs, their willingness to invest in crowdfunded businesses is increasingly good.

FY 2013 annual report for the SBA Office of Advocacy's Office of Economic Research (OER)

www.sba.gov/sites/default/files/files/13_OER_Ann_Rpt.pdf

... In fiscal year 2013, small business was a focus of national debates about economic growth, job creation, and the regulatory environment. The Office of Economic Research responded to the pressing need for new and timely information on small firms by making more information readily available.

February ▫ February

Where Does Crowdfunding Go From Here? Experts Explain

www.forbes.com/sites/devinthorpe/2014/02/01/where-does-crowdfunding-go-from-here-experts-explain

Crowdfunding is a genuine phenomenon... Beyond scale, the impact on the economy, the venture capital industry and on entrepreneurs—especially women and minorities—is intriguing.

Student Businesses Awarded Boyd Venture Grants

<http://tntoday.utk.edu/2014/02/04/student-businesses-awarded-boyd-venture-grants/>

Three entrepreneurial ventures owned by UT students were granted a total of \$17,000 by the Boyd Venture Fund... The winners are: Catalyst Wheels LLC, Style with Benefits and iCHOP Hair Designs Inc.

5 Pieces of Career Advice for Women Tech Entrepreneurs

<http://mashable.com/2014/02/09/5-pieces-of-career-advice-for-women-tech-entrepreneurs>

Let's consider this: Women comprise only about a quarter of all employees at tech behemoths Apple, Google, Facebook, Oracle and Microsoft. When it comes to launching tech ventures, the situation only gets worse: Just 10% of high-growth tech company founders are women.

UF Veterans Entrepreneurship Program to help veterans launch, grow businesses

www.alligator.org/news/campus/article_a786e520-991b-11e3-9d98-0019bb2963f4.html

The Center for Entrepreneurship and Innovation is hosting the Veterans Entrepreneurship Program to help veterans with disabilities start businesses for free. UF is partnering with Oklahoma State University and the University of Tennessee at Chattanooga to bring the national program to Gainesville.

Six Partners Plan to Start Chattanooga's First Female-Centered Angel Fund

<http://wutc.org/post/six-partners-plan-start-chattanoogas-first-female-centered-angel-fund>

The JumpFund is Chattanooga's first female-centered angel fund, with \$2 million in projected assets. By the middle of this year, the six partners administering the fund plan to begin investing in 12 female-led companies centered in Chattanooga.

This young CEO from Tennessee would make most entrepreneurs seem like slackers

<http://upstart.bizjournals.com/entrepreneurs/hot-shots/2014/02/19/rob-bellenfant-technologyadvice.html?page=all>

And while 18 may seem like a young age to start running your own business, Thrive Marketing wasn't Bellenfant's first major venture—it was his sixth... TechnologyAdvice currently employs about 35 people, and is slated to grow to about 60 employees by the end of the year.

Leveraging Diversity: 9 Insights From the Startup World

www.huffingtonpost.com/claire-topalian/leveraging-diversity-nine_b_4817600.html

As more people recognize the benefits -- not just the social impact -- of encouraging diversity within communities, markets and companies, we could be seeing a mainstream shift in which more industry leaders begin turning to underrepresented entrepreneurs and markets in the name of opportunity.

The "Older" Entrepreneur's Secret Weapon

<http://blogs.hbr.org/2014/02/the-older-entrepreneurs-secret-weapon>

I guess he assumed that, as a 47-year-old woman with three sons at home, I would turn into a pumpkin at 5pm every day — with the call of dinner preparation demanding my presence. I ignored the blatant bias and answered, "What do you mean could I work like that? I already do."

Cultivating An Entrepreneurship Mind: Teach Kids To Problem-Solve

www.forbes.com/sites/groupthink/2014/02/13/cultivating-an-entrepreneurship-mind-teach-kids-to-problem-solve

It all starts with a question: What do you want to be when you grow up? For many parents of young children, occupations such as policemen, firefighter, doctor, painter, and ballerina are among the top responses. But one answer is rarely included—Entrepreneur.

Where Are the Female Entrepreneurs?

www.huffingtonpost.com/kari-warberg-block/where-are-the-female-entr_b_4826570.html

Modeling the behaviors and ideals you want to see is one of the oldest and most common teaching methods. The value of teaching and training future business leaders is so obvious; there are schools, conferences, publications and organizations dedicated to the cause. So, why are the students decades ahead of the teachers when it comes to gender equality?

How Women Angels Investors Are Taking Flight

www.huffingtonpost.com/melissa-jun-rowley/how-women-angels-investor_b_4849258.html

"Until we have solved all the world's problems, we simply need to be sure that the talent pool feeding into new ventures is as wide as possible," he shared. "The data overwhelmingly show a great gender disparity in the number of ventures founded by women, which means we are selling ourselves short and not drawing on the widest possible talent pool. It's reasonable to conclude that one of the barriers to entry for women seeking to launch new ventures is a lack of women investors."

Do Tech Startups Need More Diversity? (audio)

www.npr.org/2014/02/26/282927327/do-tech-startups-need-more-soul

"We've spent a lot of time lately talking about the technology business and why more women and minorities aren't more present in those fields and how to get more diversity into those fields. But let's say you're already there. Let's say you're one of the people who already has the interest and the background and not only that, you're ready to do your own thing. Where do you go from there?"

WIPP launches Federal Certificate Program for Women Entrepreneurs

http://c.yimcdn.com/sites/www.wipp.org/resource/resmgr/Press_Releases/02182014_Federal_Contracting.pdf

...Federal law mandates the U.S. Government to purchase at least five percent of its goods and services from women-owned small businesses (WOSBs), however, Barbara Kasoff, president of WIPP, says more than \$4 billion is still up for grabs.

Franchise Players: A Female Entrepreneur Steers an Auto Care Franchise

www.entrepreneur.com/article/231728

...Across the automotive care industry, 66 percent of customers are female. At Honest-1, 70 to 90 percent of customers are women. Here's what Sutherland has learned about being a female entrepreneur in the auto care franchising business.

March ◻ March ◻

New SmartBiz Online SBA Loan Program Gives Small Businesses Fast Access to Affordable Working Capital

www.itbusinessnet.com/article/New-SmartBiz-Online-SBA-Loan-Program-Gives-Small-Businesses-Fast-Access-to-Affordable-Working-Capital-3141896

Small businesses that need quick access to low-cost capital now have an easy way to apply for an SBA loan online, and receive \$5,000 to \$150,000 in 5 to 7 business days after the application is completed with SmartBiz loans. (<https://www.smartbizloans.com>)

Want \$100,000? Make your best pitch at 2014 Southland conference

<http://archive.tennessean.com/article/20140304/BUSINESS/303040053/Want-100-000-Make-your-best-pitch-2014-Southland-conference>

"The pitch competition and Southland Village are great opportunities for early-stage companies looking for capital and exposure," Charlie Brock, CEO of Launch Tennessee, said in a statement. "By bringing in top-notch speakers and judges, as well as incorporating our unique Southern culture, we are confident we will attract some of the best startups from across the country."

Google gives Entrepreneur Center funding to boost female entrepreneurship

www.bizjournals.com/nashville/blog/2014/03/google-gives-ec-1-million-to-boost.html

Nashville's Entrepreneur Center is one of 40 organizations worldwide splitting \$1 million from Google for Entrepreneurs as part of Google's #40Forward program, a campaign designed to increase the number of women in entrepreneurship programs by 25 percent in 2014.

The South's Red-Hot Town

<http://time.com/13819/the-souths-red-hot-town/>

Nashville and its economy are on fire, sparked by a booming cultural scene, world-class health care, rising universities--and a really good spot on the map.

Why This Executive Invests Her Own Money to Help Women Open Their Businesses

www.blackenterprise.com/small-business/executive-funds-women-businesses-venture-capital

Given that less than 1% percent of all private equity in America is invested in black-owned companies each year, a number of African American high net worth individuals are doing their part to reduce this access to capital gap. They are angel investors like Lorine Pendleton who are actively funding women-owned and minority led businesses.

These Are The 15 Best Accelerators In The U.S.

<http://techcrunch.com/2014/03/10/these-are-the-15-best-accelerators-in-the-u-s/>

Business accelerators like Y Combinator and TechStars have come to occupy a critical geography in the tech landscape, and today two professors are announcing the results of their survey to determine which ones have come out on top at South By Southwest.

Your Startup Is More Likely To Get Funding If You're A Man

www.fastcodesign.com/3027458/your-startup-is-more-likely-to-get-funding-if-youre-a-man

Why aren't there more women entrepreneurs? Perhaps because when we think of a successful entrepreneur, we automatically think of a man. That's the conclusion of a new study led by Harvard Business School's Alison Wood Brooks, an assistant professor of business administration who studies emotions and behavior.

Food & Ag Investment Sources Explode in 2013

www.foodtechconnect.com/2014/01/02/food-ag-investment-sources-explode-2013/

From new investment funds to accelerator programs to crowdfunding platforms, 26 new private food and agriculture funding sources launched over the past year. We've compiled these funding sources into an easy-to-reference list below, which we will continue to update throughout the year.

Memphis ranks No. 5 on list of best U.S. cities in which to start a business

www.commercialappeal.com/news/2014/mar/11/memphis-ranks-no-5-on-list-of-best-us-cities-to

Creatives involved in the local entrepreneurial ecosystem have long touted the benefits of launching a startup in Memphis and judging by a new report, that word is spreading. Social media network WalletHub.com places Memphis at No. 5 on its 2014 “Best Cities To Start A Business” list.

Forbes names Memphis as country's second most affordable city

www.commercialappeal.com/news/2014/mar/11/forbes-names-memphis-as-countrys-second-most/?partner=RSS

Now here’s a Forbes mention that Memphians can heartily embrace. A new list at Forbes.com ranks Memphis just below Buffalo, N.Y., as the most affordable city in the nation. Ohio claimed the next two spots, with Cincinnati coming in at No. 3...

Angel Investors Seek Women-Owned Startups

www.blackenterprise.com/small-business/angel-investors-seek-women-owned-startups

Black women are the fastest-growing entrepreneurs in the United States, starting businesses at six times the national average. The number of African-American women-owned businesses in 2013 was estimated at 1.1 million, comprising 42% of businesses owned by women of color and 49% of all African-American-owned businesses. African-American women-owned businesses employed 272,000 workers and generated \$44.9 billion in revenue in 2013, according to a report released by the Center for American Progress.

Survey: Women Entrepreneurs More Optimistic in 2014

<http://smallbusiness.foxbusiness.com/entrepreneurs/2014/03/12/survey-women-entrepreneurs-more-optimistic-in-2014/>

“Women small business owners are not just more optimistic about their own businesses, they’re also more bullish about the prospects for female entrepreneurs who are just starting out. Our report shows that 92% of WBOs predict that more women will start their own business this year – an 8% jump over 2013,” said Billie Dragoo, national board chair of NAWBO.

Women Leading in Memphis Startup Scene

www.memphisdailynews.com/news/2014/mar/13/women-leading-in-memphis-startup-scene

Memphis has made all the difference for me as a female startup founder. Memphis isn’t often sought after as an entrepreneurial hub, but I found it to be just what I was looking for: supportive and empowering for woman founders like myself. Memphis startup events aren’t only balanced on gender, but also in race. A mind-set for inclusion here is really setting our community apart from others.

5 Reasons Why States Should Seize The Initiative On Crowdfunding

www.forbes.com/sites/alanmcglade/2014/03/13/5-reasons-why-states-should-seize-the-initiative-on-crowdfunding

The SEC is in the process of formalizing rules to allow “general solicitation”, or the ability to advertise the sale of private securities, to both accredited and non-accredited investors. The implementation of these rules is meant to fully enable the crowdfunding provision of the federal JOBS Act that was signed into law in 2012...In the meantime, several states have enacted their own legislation which allows an exemption for “intrastate” crowdfunding where the business and investor reside within their state.

Managing the Family Business: Firing the CEO

<http://hbswk.hbs.edu/item/7394.html>

...You should fire your CEO under two of these three conditions: (1) there is a weak and unfixable fit between the CEO's skills and the needs of the company, (2) the CEO disrespects the core values of the company, and (3) you have good options to replace the CEO, with manageable consequences that are generally positive.

Why 90 Percent Of Women Entrepreneurs Are Optimistic About The Future

www.huffingtonpost.com/2014/03/17/female-entrepreneurs_n_4979932.html?utm_hp_ref=girls-in-stem

...Among female business owners' chief concerns are growing their customer base, dealing with new health insurance and tax regulations and gaining much needed capital, a survey revealed. The survey was conducted by the National Association of Women Business Owners and Web.com Group Inc.

100 Girls of Code (An Indiegogo raise)

www.indiegogo.com/projects/100-girls-of-code

Female developers will intro CS to girls ages 12 to 18 across the South throughout the summer of 2014.

Women In Entrepreneurship: Amplifying Voices

www.forbes.com/sites/lorikozlowski/2014/03/17/women-in-entrepreneurship-amplifying-voices

The narrative is one that has gained more attention, as economics have become a central part of the story. Where are the women in entrepreneurship? In startups? In technology? And in CEO and leadership roles, worldwide? If women make up half the planet, an imbalance is still evident, even in the 21st century.

COMMERCISM [was] a one-day conference... (video stream sessions)

www.livestream.com/500startups/folder?dirId=39c8dd8c-aea4-4c34-988b-cbd5b3a39e0d

...revealing new strategies & tactics for building, growing, and dominating online commerce. Topics included eCommerce metrics, business models, branding, quantitative marketing, customer acquisition and retention, content development, mobile design, inventory management, pricing & purchasing, order fulfillment, customer service and more.

California Experiments with Crowdsourced Legislation

www.govtech.com/internet/California-Experiments-with-Crowdsourced-Legislation.html

From fundraising efforts to searching for the missing Malaysia Airlines flight 370, crowdsourcing has quickly become a popular trend over the last few years. But a California legislator may have broken new ground with the concept, using it to potentially alter state law.

Memphis Daily News: 100 Girls of Code workshop coming to Memphis in June

<http://blog.memphisdailynews.com/?p=33263>

100 Girls of Code is a program of the Tennessee Code Academy, and it's conducting workshops across Tennessee to raise awareness among girls ages 12 to 18 about careers in computer science. (100 Girls of Code also is trying to raise additional funding on Indiegogo through April 30. Their funding page is here: <http://www.indiegogo.com/projects/100-girls-of-code>)

Tennessee Becomes 1 of 3 "All Star Vet States"

www.chattanooga.com/2014/3/21/272375/Tennessee-Becomes-1-Of-3-All-Star-Vet.aspx

The pilot partnership with the U.S. Chamber of Commerce Foundation Hiring Our Heroes initiative includes a web-portal which helps veterans and service members all over the country quickly access Volunteer State resources at <http://www.allvetstates.com/state/tennessee>.

Young Millionaire: Inside the Mind of Yahoo's Teen Sensation Nick D'Aloisio

www.entrepreneur.com/article/232336

...D'Aloisio is one of the youngest self-made millionaires ever. He is also the world's youngest venture capital-backed entrepreneur, first raising \$300,000 in seed funding in 2011 from Hong Kong billionaire Sir Li Ka-shing's Horizon Ventures for Summyly.

American Schools Should Teach Entrepreneurship

<http://time.com/29703/american-schools-should-teach-entrepreneurship/>

...The practical framework and self-designed curriculum not only keeps kids from being bored, but prepares them for a society that needs both hard skills and soft skills — not least working within and leading teams. The model should be standardized for the rest of the world.

Banks Wake Up to the Value of Diversity

www.hispanicbusiness.com/2014/3/25/banks_wake_up_to_the_value.htm

...Minority-owned small businesses are less likely to borrow money from traditional lenders and less likely to have their loans approved. Access to financing is crucial for new businesses, and in Berks, there are more options available for entrepreneurs to borrow money, including a new program for Reading business owners from National Penn Bank.

Tennessee Ag Innovation Startups to Present at Upcoming National Venture Capital Events

www.ncbiotech.org/AgBiotechShowcase

Two startup companies that participated in the NextFarm Agricultural Innovation Accelerator have been selected to present at two nationally recognized venture forums to seek investment into their companies...[Climate Adaptive Genetics](#) and [Stony Creek Colors](#).

SBA Honors Nation's Top Small Businesses

www.sba.gov/content/sba-honors-nation%E2%80%99s-top-small-businesses-3

From architecture to bakeries, to consulting firms and woodworking - these are just a few of the businesses that will be recognized by the U.S. Small Business Administration this year in Washington, D.C., May 15-16.

How Mentors and Teachers Will Save Entrepreneurship in America

www.fastcompany.com/3028385/leadership-now/how-teachers-and-mentors-will-save-entrepreneurship-in-america

...We have enough entrepreneurial energy among America's youth to build an economy that will boom louder than any of our best runs in the past. Among U.S. students surveyed in 2012 in grades five to 12, 43% say they plan to start their own business.

The Steady Rise of Women Entrepreneurs

http://entrepreneurship.org/Blogs/Policy-Forum-Blog/2014/March/The-Steady-Rise-of-Women-Entrepreneurs.aspx?utm_source=Newsletter&utm_medium=Email&utm_campaign=Policy_03_31_2014

While the war of words continues about women cracking the boys' club of Silicon Valley, female entrepreneurs are starting 1,288 new businesses each day -- double the rate from only three years ago. The 2014 State of Women-Owned Businesses Report commissioned by American Express OPEN, estimates more than 9.1 million women-owned businesses in the U.S. (compared to 8.6 million in 2013) that generate more than \$1.4 trillion in revenues and employ 7.9 million people.

A Candid Conversation With 5 Women Leaders of Advertising and Media: The triumphs and trials of smashing the ceiling

www.adweek.com/news/advertising-branding/candid-conversation-5-women-leaders-advertising-and-media-156576?utm_hp_ref=women&ir=Women

Two years ago, Anne-Marie Slaughter wrote a provocative essay in The Atlantic called "Why Women Still Can't Have It All." The piece, which sparked a national debate about the impossibilities of work-life balance, stressed that unless a profound change in mind-set occurred at the highest levels of business and government, professional women are basically screwed. The stats bear it out. Women account for just 5 percent of Fortune 500 CEOs, while 3 percent of executive creative directors at ad agencies are female. It's a pretty sad state of affairs.

3 Pieces of Advice for Young Entrepreneurs

www.huffingtonpost.com/daffnee-cohen/3-pieces-of-advice-for-entrepreneurship_b_5060143.html?utm_hp_ref=career--money

...Every single day is a learning experience for me, and every project and deal I work through makes me a stronger and happier person. I believe it would be selfish of me to not share my insight with others.

Tennessee Census-Based Report Shows Growth Trends In Women-Owned Businesses

www.chattanooga.com/2014/3/27/272884/Tennessee-Census-Based-Report-Shows.aspx

Nationally, the number of women-owned businesses has increased 68% since 1997. Tennessee is ranked 14th (66.3 %) in growth of number of firms over the past 17 years and 26th (73.0%) in growth of firm revenue between 1997 and 2014.

Student Startup: Why College Is the Perfect Time to Launch a Business

www.entrepreneur.com/article/232649

...When I started my business Headbands of Hope in college, there were always reasons why I shouldn't launch a company at that moment: I need to focus on school or I don't have enough experience. But I soon realized ever there will always be reason in life to say, "It's not the right time." In fact, I'd argue that your college years are as close to "the right time" as you're going to get.

Special thanks to Courtney Corlew at LaunchTennessee for her assistance with articles!

❖ **Contact Information** ❖

Wisty Pender
Director, Business Enterprise Resource Office (BERO)
Economic and Community Development | State of Tennessee

312 Rosa L Parks Ave, 26th Floor
Nashville, TN 37243

wisty.pender@tn.gov
www.tn.gov/ecd/bero

p. 615/741.8914 - 800/872.7201
f. 615/401.6872

About BERO: The Business Enterprise Resource Office (BERO) is housed within the Department of Economic and Community Development. BERO serves as a voice for and advocate of disadvantaged businesses (DBE); analyzes, disseminates and promotes best practices and access to capital to service providers; and reports on status of DBEs statewide.

About ECD: The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.



BERO ANNUAL REPORT FY2014

ATTACHMENT: WINTER 2014 ENEWSLETTER



Director's Message

Greetings all!

Fall was very busy across Tennessee from report releases to Minority Enterprise Development Weeks, Global Entrepreneurship Week to Diversify 2013, and the Economic Summit on Women, to name just a few. The slate of spring and early summer events, educational opportunities and conferences is building quickly too.

In follow-up to the email in December, we will be holding four meetings across the state to hear from DBE service providers. The goal of these meetings is to get your ideas and feedback so we can determine how we may best utilize some CDBG funds. The funds available will potentially be used to support DBEs as it relates to economic development. There are restrictions on the funds, but we will talk about that at the meeting. We want as many DBE service providers to attend these sessions as possible so the regions of the state are evenly reflected, from rural to urban core. For quick reference: Jackson is January 23, Spring Hill is January 24, Kingsport is February 18, and Athens is February 19. See below for further details.

Keep in mind that the goal of this quarterly newsletter is to serve as a platform to bring attention to what is happening across our state and nation for DBEs; to highlight what's working well for you and your clients; to seek your feedback; and to bring attention to challenges. Look towards the bottom, [Call for Entries](#), for details. Your participation is valuable and important!

I look forward to seeing you soon!

Warm regards,

Wisty Pender
Director, BERO

What's in the Winter 2014?

❖ **DBE/Veteran Practices and Highlights**

- Topics: New Report: The Economic Impact of Violence Against Women, CDBGs for Economic Development

❖ **Access to Capital**

- Topics: Phase 0 SBIR/STTR Funding, Angel Investors, Crowdfunding and Equity

❖ **Upcoming Events and Items of Note**

❖ **Call for Entries**

- It's time to hear from you!

❖ **Articles of Interest from the Last Quarter**

❖ **Contact Information**

❖ DBE/Veteran Best Practices and Highlights ❖

➤ From the Field...



Community Development Block Grants (CDBG) for Economic Development: Regional Meetings

Purpose:

Agencies and organizations that work with small, women-owned, minority-owned, veteran-owned, rural and urban core businesses as well as youth entrepreneurs are encouraged to participate in these discussions. The information and ideas garnered will help determine the use of the funds. While CDBG money is federal, and therefore has its particular set of eligible uses and requirements, there are many possibilities for Tennessee's growing business community to benefit.

Consider:

What programs could use additional funds to reach DBE populations better? What collaborations are in place? What partnerships could be forged? How would those programs become sustainable? Where are the gaps? What successful programs could be furthered? Etc.

Meeting schedule:

- | | |
|--|---|
| <p>1. Jackson: Jan 23
Southwest Development District
102 E. College Street
Jackson, TN 38301</p> <p>Meeting:
Boardroom
1:30-2:45pm (CST)</p> | <p>2. Athens: Feb 19
Location: TBA</p> <p>Meeting:
10-11:15am (EST)</p> |
| <p>3. Spring Hill: Jan 24
Workforce Development and Conference Center at Northfield
5000 Northfield Lane
Spring Hill, TN 37174</p> <p>Meeting:
Large Conference Room
10:30-11:45am (CST)</p> | <p>4. Kingsport: Feb 18
Kingsport Chamber of Commerce
400 Clinchfield Street
Kingsport, TN 37660</p> <p>Meeting:
Eastman Board Room
1:30-2:45pm (EST)</p> |

**If weather is an issue (aka a weather event), meetings will be rescheduled.*

Who should attend?

Agencies and organizations are encouraged to invite other DBE service providers to attend these sessions regardless of their region. Agencies and organizations may be national, state, regional and local in their activities, but activities must benefit Tennessee.

For more information, contact Wisty Pender by email at Wisty.Pender@tn.gov (preferred) or 615.741.8914.



New Report: The Economic Impact of Violence Against Women

The Tennessee Economic Council on Women (TECW) recently released its updated report, "The Economic Impact of Violence Against Women" in October, which highlights direct economic impact to Tennessee businesses.

The TECW found that, in 2012, Tennesseans spent or lost at least \$886 million as a result of domestic violence, human sex trafficking and sexual assault. The majority of this expense was manifest in tax dollars and health care payments, but charity, lost wages, workplace expenses and inefficiency played significant roles as well. Of that \$886 million it is estimated that the annual impact on Tennessee's private enterprise that exceeds \$203 million in direct costs and lost productivity. This is a direct impact to Tennessee businesses of all sizes and can affect Tennessee's small businesses the most. It is also important to note that violence against women equally crosses all socio-economic strata.

FROM THE REPORT

Testimony offered during the TECW's Hearing Series indicates that women who are targeted by Violence Against Women (VAW) crimes tend to exhibit high levels of absenteeism and presenteeism in the work place as a direct result of their victimization. Using two available formulas for estimating the cost of absenteeism in the state provides a range of missed wages and/or work valued between \$57 million and \$203 million. While both could be considered conservative, there is no information available at present with which to measure actual missed work, loss of productivity, or totals spent responding to security needs in private industry. Please note that though presented as a range, available information suggests that the true impact of VAW crimes on the private sector is greater than shown here.

Total Cost of Violence Against Women: More than \$203 million

\$203 million is an underestimate of the true costs, particularly when considering variables like presenteeism that are difficult to measure. Below are some of the most significant forms of loss or expense, with a note on their degree of inclusion in the figure above.

- Lost productivity and wages caused by the absenteeism of victims and offenders due to injury, court appearances, legal or medical appointments, etc. (*partially included*)
- Lost productivity due to presenteeism: injury, anxiety and depression caused by violence at home are expressed in the workplace as distraction and dysfunction. (*partially included*)
- Direct costs like security personnel and systems, metal detectors, surveillance, safety training, and other accommodations that protect employees (*not included*)
- Increased liability in the case of violence, due to the threat of negligence (*not included*)
- Missed opportunities in business and professional development in Tennessee due to violence that is, at least, comparable to surrounding region, and revealed to be worse in cases such as DV-related murder. (*not included*)
- While presenteeism is included in this figure as approximately matching absenteeism in cost, the TECW's research found studies that suggested its impact on business could be anywhere from two to seven times that of absenteeism, if not greater.
- Studies reveal average judgments of \$1.2 to \$2.2 million against employers found negligent in cases of workplace violence.
- The expense of replacing an employee who is forced to quit or is let go due to factors like presenteeism or absenteeism ranges from an estimated 1.5 to 3 times the annual salary of that employee.
- Absenteeism is estimated to account for \$101.5 million of the cost stated. This is equivalent to the loss of more than 3,200 full-time positions at the median female salary of \$31,585.

Full report can be found at http://www.tn.gov/sos/ecw/20131023_domestic_violence.pdf.

❖ Access to Capital ❖

Chattanooga: Launch Tennessee Relaunches Phase 0/00 Program

http://www.chattanooga.com/2013/11/25/264248/Launch-Tennessee-Relaunches-Phase-000.aspx?utm_campaign=LTN%20Clips%2011/25&utm_medium=email&utm_source=newsletter&utm_content=Chattanooga%3A%20Launch%20Tennessee%20Relaunches%20Phase%200/00%20Program

Launch Tennessee on Monday announced the re-launch of a program to help Tennessee's entrepreneurs obtain grant funding to facilitate bringing new technology to market. The Phase 0/00 Program is a competitive process to help small businesses apply for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant or contract funding. The program is funded in part by a FAST (Federal and State Technology) grant obtained by the Small Business Administration... "Our Phase 0/00 Program has already helped two companies win SBIR/STTR grants, and we're working with several promising applicants now," said Jim Stefansic, director of commercialization. "Our goal is to help Tennessee companies win these awards at a rate twice as high as the national average and to make sure Phase I winners become Phase II winners."

Wall Street Journal: New Rules Break Down the Walls for New Angel Investors

http://online.wsj.com/news/articles/SB10001424052702304441404579123810278384116?mod=pls_whats_news_us_business_f

When entrepreneur Jakub Krzych raised seed funding for his first technology startup in 2009, it took him around six months to scrounge together \$20,000. A few weeks ago, Mr. Krzych rounded up \$250,000 in just three days for his second startup, called Estimote. What changed? An easing on some of the U.S. government's long-standing restrictions on fundraising has given life to a new type of venture-financing vehicle called an online syndicate, that allows so-called "angel" or early-stage investors to quickly assemble a group of investors over the Internet. Startups can still take money only from wealthy, verified investors, but the new rules eliminate a ban on "general solicitation," meaning companies can now publicly market their fundraising efforts on their blog, on Twitter, or on syndicate services such as AngelList, which has tens of thousands of potential backers.

Forbes: More States Are Leading The Way In The Push For Crowdfunding

www.forbes.com/sites/alanmclglade/2013/10/16/more-states-are-leading-the-way-in-the-push-for-crowdfunding/

Several weeks ago I wrote that crowdfunding will flourish regardless of what the SEC does. One reason for this is that an increasing number of individual states want to tap crowdfunding to expand investment in local businesses and create jobs. Rather than waiting for federal rulemaking, these states are enacting intrastate crowdfunding exemptions. This is a regulatory framework for crowdfunding transactions where both the investors and the businesses reside within the state... Innovation by individual states to increase business investment is likely to accelerate from here. This is a positive trend for the nascent crowdfunding industry and will no doubt encourage continued progress at the national level.

Entrepreneur: Investing Trend for 2014: Equity Crowdfunding

www.entrepreneur.com/article/229847

It has been a good year for crowdfunding. The Securities and Exchange Commission lifted the ban on general solicitation, meaning U.S. entrepreneurs can advertise publicly that they're looking for investors. Research firm Massolution estimates that individuals have raised \$5.1 billion on crowdfunding sites this year, nearly twice as much as in 2012. Platforms that take a cut of the capital, such as Kickstarter, are no longer the only way to go, as Crowdhoster and Selfstarter have made it possible to run a DIY crowdfunding campaign. But the latest platforms, such as Upstart and Pave, don't even require a solid idea or business plan. With these services, 'treps can sell equity in themselves to accredited investors in exchange for a small cut of their future income.

❖ Events and Items of Note ❖

- **January:** National Mentoring Month, National Slavery and Human Trafficking Prevention
 - January 28: TVBA Annual Business and Education Expo (Veterans), Knoxville. For more information visit www.jointvba.org.
- **February:** Black History Month, Irish-American Heritage Month
 - **February 6:** Demo Day (six new agricultural startup companies), Union City. For more information visit www.ntecconnect.com/home.html.
- **March:** Women's History Month
- **And beyond...**
 - April 13- 16: Social Enterprise Alliance National Summit, Nashville. For more information visit <http://summit14.org>.
 - April 28-29: 19th Annual USDA Rural Development Conference, Murfreesboro. Registration coming - www.rurdev.usda.gov/TN-Home.html.
 - May 12-16: National Small Business Week. The U.S. Small Business Administration honors small business owners and entrepreneurs for their outstanding achievements through various awards. www.sba.gov.
 - May 20-22: GROWCO, the "Grow Your Company Conference" from INC. Magazine, Nashville. For more information visit <http://growco.inc.com>.

❖ Call for Entries ❖

Case Studies: We would like to spotlight how your organization worked with a client. How you plugged the company into resources, and what things that company or individual sought to accomplish. This serves two purposes, to highlight (1) your range of services and (2) the company itself statewide.

Best Practices: Which ones have worked for your organization? Send a short paragraph with any links explaining how and why, and the challenges. Your best practices can be anything from how you process a client to programs developed to fill gaps that are producing good results (i.e. business matchmaking, mentor-protégée programs, loan programs, etc.).

Events: What impactful events are you planning, co-planning or promoting for DBEs? Include the basics of who, what, when, where and how, with a link for more information. Also include the expected number of participants.

How to submit: There is a lot of great work being done across the state for DBEs. If you have questions that you would like to see how other groups are solving and/or addressing, send them along. Provide enough contextual information so your question can be answered in a relevant manner.

Send events that take will place in the next 6 months.

Send your best practices, questions, well wishes to ECD.BERO@TN.GOV. We look forward to hearing from you! Also, please feel free to forward this on to others.

❖ Articles of Interest from the Last Quarter ❖

These articles are also posted in "DBE Topics in the News" section of BERO's website at www.tn.gov/e.cd/bero.

OCTOBER ▫ OCTOBER

Southern Alpha: Briefly: Nashville Tapped to Host Social Enterprise National Summit

<http://southernalpha.com/briefly-nashville-tapped-host-social-enterprise-national-summit/>

Nashville Social Enterprise Alliance (SEA) announced today it will host the Social Enterprise Alliance National Summit in Nashville April 13- 16, 2014. The Social Enterprise Alliance National Summit has been the signature event for the social enterprise field to come together. SEA has a 15-year history of field leadership, a national network of nearly 1,000 members and a local footprint

through a network of 15 chapters in 13 states. The summit will draw top practitioners, leading thinkers, investors, public policy leaders and a wide range of service providers to Nashville.

Forbes: Women Entrepreneurs: Faster Than A Speeding Bullet? You Go Girl!

www.forbes.com/sites/tykiisel/2013/10/09/women-entrepreneurs-faster-than-a-speeding-bullet-you-go-girl/

Women-owned businesses are growing fast, you might even say faster than a speeding bullet. October is National Women's Small Business Month and there's reason to celebrate. Earlier this year (March) American Express estimated there were over 8.6 million woman-owned businesses in the United States generating over \$1.3 trillion in revenues and employing roughly 7.8 million people. That's nothing to shake a stick at.

Wall Street Journal: David Cohen: We All Need to Make Female Startup Heroes Visible

<http://blogs.wsj.com/accelerators/2013/10/10/david-cohen-we-all-need-to-make-female-startup-heroes-visible/>

There's a massive gender imbalance in the tech startup community. That imbalance perpetuates the biases we all carry, whether intentional or not. We need to talk openly about this disparity and work together to get more women onto our teams, into leadership roles, acting on their ideas and starting new companies. This is not just a problem for women – it's a big problem for all of us, because we're missing out on immeasurable untapped talent, creativity and different points of view.

Inc.: New Report: Entrepreneurship May Be Contagious

www.inc.com/lewis-schiff/kauffman-report-entrepreneurship-contagious.html

A recent report from the Ewing Marion Kauffman Foundation explores whether or not instances of entrepreneurship would increase if more people had contact with more entrepreneurs...The paper ponders if entrepreneurship is contagious--if exposure to entrepreneurs increases the likelihood an individual becomes an entrepreneur. If it were true, a prescription to increase new business creation would be relatively simple. But the paper does not establish a direct correlation between the two; it just shows "that a large number of U.S. residents know entrepreneurs, and that knowing an entrepreneur is possibly a significant factor in whether a person is also an entrepreneur."

Tennessean: TextLiving helps businesses build loyalty

www.tennessean.com/article/20131020/BUSINESS01/310200032/2047/business

Joe Brannon has spent nearly half his life as an entrepreneur, beginning his career at age 12 and starting his first company at 16. His experience running businesses and marketing products has taught him how to help other companies grow and how to support his own staff. His company, TextLiving, allows him to combine those abilities...TextLiving aims to have both and helps other companies quantify their success. Every day, TextLiving can count the customers who have been drawn in by the rewards system, and it tracks use of the product regularly. Brannon said many small-business owners struggle to track their success.

Teknovation.Biz: Three former UTK students decide to pursue their entrepreneurial passion

www.teknovation.biz/2013/10/20/utk-students-pursuing-entrepreneurial-passion-chattanooga/

His profile on LinkedIn shows four companies where he is either the founder or co-founder, all started in the past three years. It's part of an "all in" decision that Travis Truett and two college classmates made in 2010. The Knoxville native's passion for entrepreneurship began about the time he enrolled as a freshman at the University of Tennessee, Knoxville...Fast forward to today, and they are living their dreams as entrepreneurs in the vibrant entrepreneurial ecosystem of Chattanooga.

The Next Web: Here are the 6 startups graduating from the NewMe Accelerator fall 2013 class

<http://thenextweb.com/insider/2013/10/19/6-startups-graduating-newme-accelerator-fall-2013-class/>

Six startups recently graduated from the NewMe Accelerator and the next step is to present their idea and product in front of investors, industry leaders, and members of the press. Companies in the biotech, human resource, personal style, design, mentorship, and finance space took part in the Fall 2013 class of companies and here's a look at who they are and what they've done...Diagnosing bacterial infections quickly is the goal of BioNanovations. The company has closed \$150,000 in seed funding a year ago and it has already 2 utility and 1 provisional patent filed. Interested users include hospitals like the Regional Medical Center at Memphis, Methodist Healthcare, Vanderbilt University, and others...There are 3 million kids in the United States that are matched with a mentor, something that has had a profound impact on their lives. However, there are 15 million kids that are in search of mentors, but are unreachable — it's not scalable. MentorMe focuses on matching using its intelligent algorithm to pair kids with mentors. The company has its own app to help the process.

Times Free Press: Small Biz: Chattanooga startup close to winning spot on Wal-Mart's virtual shelves

www.timesfreepress.com/news/2013/oct/22/chattanooga-startup-closes-in-on-wal-mart-deal/

A Chattanooga startup is on the verge of winning a spot on Wal-Mart's virtual shelves, if online voters give it the thumbs up today in a contest against a cross-state rival...The Node, an invention of Chattanooga businessman George Yu, will compete against the Eraset, a bracelet that also serves as a pencil eraser, which is produced in Goodlettsville, Tenn. The two will go head to head in an online reality show, which is produced by the crew that created ABC's "Shark Tank." "I think where we stood out is as a complex electronics product that's made in the USA, assembled in the USA and designed in the USA, right here in Chattanooga, Tennessee," said Alex Lavidge, business development manager at Variable, Inc., the 15-person company that makes the device. "It has the potential to be an even larger consumer product as long as we get more apps developed."

Commercial Appeal: Startup Memphis: Demo Day showcases female entrepreneurs

www.commercialappeal.com/news/2013/oct/21/startup-memphis-demo-day-showcases-female/

After three months of intense training, business development and market research, four local tech startups fronted by female entrepreneurs are ready to go public. Not with an IPO, but with updates on their progress and presentations outlining where the companies are headed in the weeks and months ahead. The inaugural Upstart Memphis Demo Day will feature pitches by the four entrepreneurs from 2 to 5 p.m. on Wednesday at Malco Studio on the Square, 2105 Court. Upstart Memphis, which is designed to boost female entrepreneurship in our community, is a division of Start Co. (formerly LaunchYourCity). The ambitious programming in Upstart's first year has included the boot camp-style accelerator experience that has been modeled after the Seed Hatchery program that started in 2011.

Memphis Business Journal: Agribusiness accelerator selects first cohort

www.bizjournals.com/memphis/news/2013/10/23/agribusiness-accelerator-selects-first.html

The Memphis Bioworks Foundation and the Northwest Tennessee Entrepreneur Center have selected nine companies to participate in the first cohort of the NextFarm Agriculture Innovation Accelerator. The NextFarm Accelerator was announced in June, and will focus on developing new agricultural businesses in the area. Five companies were selected through an application process and will spend six months receiving instruction on forming a business. Four more companies were selected for a fast-track growth program, based on early success in their respective businesses.

Commercial Appeal: Women-led startups gaining support from local entrepreneurial ecosystem

www.commercialappeal.com/news/2013/oct/24/women-led-startups-gaining-support-from-local/

During the past half-decade, the Memphis entrepreneurial ecosystem has demonstrated significant growth, supporters say, by sprouting business accelerators, educational programs and networking opportunities for a growing population of creatives eager to launch startups...But with the arrival this summer of Upstart Memphis — a program sponsored by Start Co. that mentors and trains technology-based enterprises fronted by women — the ecosystem is attracting new energy. To highlight their accomplishments, five representatives of female-led startups pitched their companies before supporters and investors on Wednesday at Upstart's inaugural Demo Day held at Studio on the Square in Midtown. And while no immediate funding deals occurred at the conclusion of the three-hour program, organizers praised the progress of those involved in the program.

Startup Memphis: Southland Conference partners with Memphis native Sarah Lacy

<http://startupmemphis.com/2013/10/24/southland-conference-partners-with-memphis-native-sarah-lacy/>

Talk about brilliant partnerships. In a marketing bonanza, the folks at Launch Tennessee have secured a partnership with Memphis's own Sarah Lacy — media entrepreneur and founder of PandoDaily — to produce next year's Southland Conference in Nashville. Now that Charlie Brock and his Launch TN folks are working with Sarah to promote and organize the 2014 version, there's no doubt that this will become THE startup conference, a must-attend event for anyone with entrepreneurial leanings.

Ventureburn: 7 inspiring TED talks every entrepreneur should watch

<http://ventureburn.com/2013/10/7-inspiring-ted-talks-every-entrepreneur-should-watch/>

I think most entrepreneurs should dedicate some time out of their week just to watch TED Talks. It might seem silly or a waste of time — after all, you are trying to build an empire here. That is why you should do it. Being an entrepreneur is not easy and sometimes you need a little bit of inspiration to keep you going. These seven talks explore some of the reasons why entrepreneurs are needed in society and why entrepreneurial thinking is necessary. From pasta sauce to robots, these ideas are worth spreading.

Wall Street Journal: Is Success Harder for Older Entrepreneurs?

<http://online.wsj.com/news/articles/SB10001424052702304527504579167882123779344>

The image of an up-and-coming entrepreneur is often that of a college dropout with an affinity for technology—typically, a male in his 20s. Yet about half of last year's new entrepreneurs were 45 or older, according to the Ewing Marion Kauffman Foundation, a nonprofit group focusing on entrepreneurship and education. Some entrepreneurs in their 40s, 50s and up say they often have to deal with "age bias" on the part of investors, clients and colleagues. But is it really harder for older entrepreneurs to succeed at building startups? This week mentors on The Accelerators, a Wall Street Journal blog on the challenges of starting a business, weighed in with their views on age bias.

Memphis Daily News: State Lags for Women in Corporate Positions

<http://www.memphisdailynews.com/news/2013/oct/26/state-lags-for-women-in-corporate-positions/>

Tennessee's corporate boards are showing slow growth in gender diversity levels, although rankings are still among the lowest in the nation, according to the latest findings of an annual study.

Entrepreneur: Women in Franchising: An Enthusiastic Minority

www.entrepreneur.com/article/229675

"Women are amazing executors and we're also amazing collaborators. If done correctly, franchising is an amazing community of collaboration," says 20-year franchise industry veteran Nancy Bigley,...

NOVEMBER ◊ NOVEMBER ◊

Southern Alpha: Badass Entrepreneurial Women in Chattanooga

<http://southernalpha.com/women-entrepreneurs-chattanooga/>

The following are reader nominations for badass entrepreneurial women in Chattanooga. This list is not intended to be comprehensive, and we will be featuring more women from the south in the future as we get more nominations. This article is a response to an original article we did last Thursday about women in the Nashville scene. These nominations are for a series we are doing on powerful women entrepreneurs in the south

The TENN Meets Top Startups, Corporate Executives

<http://southernalpha.com/tenn-meets-top-startups-corporate-executives>

Yesterday was the first day of a pilgrimage to Silicon Valley by 10 of Tennessee's most promising startups, i.e., The TENN from Launch Tennessee. It was a great introduction to the center of the technology universe for our startup founders, and today we stepped it up with a tour and meeting at Google — which, once upon a time, was also a startup.

Chattanooga: Code Camp Success Leads To Tennessee Code Academy Expansion

www.chattanooga.com/2013/11/8/263103/Code-Camp-Success-Leads-To-Tennessee.aspx

Tennessee Code Academy hosted its first two code camps this month in Cookeville and Chattanooga. The camp focused on teaching 12 to 18 year olds the basics of computer programming, specifically HTML and PHP. Each student was tasked with developing a website, complete with forms and databases on the back-end.

More Young Veterans Taking the Entrepreneurial Path

<http://blogs.wsj.com/corporate-intelligence/2013/11/08/more-young-veterans-taking-the-entrepreneurial-path/?KEYWORDS=women+business+owners>

While companies like Starbucks and Wal-Mart have recently pledged to hire more veterans, new research suggests that a growing number of young veterans would rather work for themselves. Last year, 7.1% of veteran business owners were under the age of 35, up from 4.6% in 2008, according to a brief released Friday by the U.S. Small Business Administration's Office of Advocacy.

Teknovation.Biz: Bem Culiati is a model for the researcher turned entrepreneur

www.teknovation.biz/2013/11/10/bem-culiati-model-researcher-turned-entrepreneur

If you were looking for a regional model for a researcher turned entrepreneur, one name sure to be at the top of the list would be Cymbeline Culiati, more widely known as Bem. The always smiling, effervescent Philippines native was a Senior Scientist in Molecular Genetics at Oak Ridge National Laboratory (ORNL) for about a decade. During those years, she discovered the role of the NELL1 signaling protein in pathways controlling the growth and maturation of the musculoskeletal and cardiovascular systems...The company executed an interim pivot in 2013 from its original path "after a lot of thinking" by Culiati and Warren. Prevailing after its first critical test in the past year, Culiati laughingly told us, "I walked through my first start-up 'Valley of Death' and survived."

Chattanooga: LAUNCH's High School Entrepreneurship Competition Back For The 3rd Year

www.chattanooga.com/2013/11/14/263486/LAUNCH-s-High-School-Entrepreneurship.aspx

LAUNCH will hold its third annual High School Entrepreneurship Competition on Dec. 8, at 6 p.m., at the University of Tennessee at Chattanooga. Students from The Howard School, Tyner Academy and Brainerd High School will pitch their business ideas to a panel of venture capitalists, where the stakes are high with \$10,000 worth of startup services and funds up for grabs.

Memphis Business Journal: Delta Regional Authority looks to lift minority businesses

www.bizjournals.com/memphis/news/2013/11/11/delta-regional-authority-looks-to-lift.html

The Delta Regional Authority is starting a partnership with the Mid-South Minority Business Council Continuum to help develop and grow minority businesses in each entity's coverage area.

Forbes: Startups And Innovators Jumping To The Cause

www.forbes.com/sites/gaygaddis/2013/11/13/start-ups-and-innovators-jumping-to-the-cause

In 1989, I decided to build and develop my business around the ideas of innovation and entrepreneurship. Since I began mentoring others on those topics, it has become second nature for me to support startups and fellow entrepreneurs because I am excited about their potential. Compared to 25 years ago, today a small startup can quickly make a global impact with the right idea. This past weekend, I came across several small ventures, as well as large innovators, that are collaborating to create amazing solutions for a global need.

Nooga: Female business leaders announce angel fund to support women entrepreneurs

www.nooga.com/164248/female-business-leaders-announce-angel-fund-to-support-women-entrepreneurs

At Wednesday's Spirit of Innovation Awards, a group of female leaders announced a new project called The JumpFund, which is a women's angel fund. Seven local female leaders with The JumpFund announced they are working to raise \$2 million in capital by spring 2014. "Our investments will create an opportunity for women in our community and region to bring their strengths to the table," partner Tiffanie Robinson said in a prepared statement. "The JumpFund will change the economic landscape, the number of successful entrepreneurs, and increase the number of gender-diverse teams in our backyard."

Mashable: Starting Young: Can You Really Teach Entrepreneurship?

<http://mashable.com/2013/11/12/bizworld>

There's a great debate over whether entrepreneurship can be taught. While not everyone is going to end up as successful as a Zuckerberg, a Gates or a Karp, we can at least teach our kids some elementary business skills. The BizWorld Foundation is a non-profit organization that teaches children in grades 3-8 business basics, such as entrepreneurship skills and finance. The program inspires students to develop critical thinking and leadership skills that will help them become future innovators.

Forbes: The Millennial Startup Revolution

www.forbes.com/sites/85broads/2013/11/18/the-millennial-startup-revolution

Never has starting a business been so hip. Wary of our stressed-out, corporate-ladder climbing parents, over half of millennials would like to start a business. Many of those aged 18-34 are eager to take the leap with one poll showing that one in five of millennials plan to quit their day job to start their own business.

Entrepreneur: What This Female CEO Learned About Gender Bias After Pitching 200 VCs

www.entrepreneur.com/article/230031

There's no denying that female CEOs are still a rarity. We account for only about seven percent of CEOs in the start-up world. Female VCs are equally scarce, which means a female CEO is usually pitching to a male investor who is used to hearing pitches from other men.

PR Newswire: Tennessee Teen Wins Igor Sikorsky Youth Innovator Award for Year 2050 Helicopter Concept

www.prnewswire.com/news-releases/tennessee-teen-wins-igor-sikorsky-youth-innovator-award-for-year-2050-helicopter-concept-233347761.html

Sikorsky Aircraft, a subsidiary of United Technologies Corp., has given a 15-year-old Tennessee teenager its 2013 Igor Sikorsky Youth Innovator Award and a \$1,000 scholarship check for imagining an electrically driven helicopter designed specifically to serve humankind by mid-century. Vance Hudson, 15, from Collierville, Tenn., near Memphis, designed his S-2050 helicopter with a detachable main section that he envisions would allow operators to configure the aircraft rapidly for multiple missions, or deliver modular loads with life-saving resources for those in need.

Inc.: What's the Best Age to Start a Business?

www.inc.com/stephanie-meyers/whats-ideal-age-start-business.html

When should you start a company? It's an ongoing debate with two pretty clear sides: the wisdom of age versus the prime of our lives. In a recent thread on Quora, the question attracted a lot of attention, thanks to some big names who jumped to respond. It all started late in August when an anonymous user asked: What do people in Silicon Valley plan to do once they hit 35 and are officially over the hill? Since then, the thread has only grown, mainly with comments from programmers over 35 who found success. Among them were Wikipedia's Jimmy Wales, TechCrunch's Michael Arrington, Netflix's Reed Hastings, Craigslist's Craig Newmark, and Zipcar's Robin Chase. Those entrepreneurs were 35, 35, 37, 42, and 42, respectively, when they founded those companies. Perhaps that's why a suggestion from Wales, now 47, seemed so on point. "A better question might be," he wrote on Quora, "How can we in the tech community make sure that unusual success at a very early age is not mistakenly thought to be the norm?"

Huffington Post: 3 Things Men Can Learn From Women That Will Make Their Business More Successful

www.huffingtonpost.com/david%20brown/3-things-men-can-learn-fr_b_4419899.html

Men could learn a lot from women about building strong customer relationships. Here are three things we learned from women business owners that could help all entrepreneurs increase their success...

The Daily News: APS' Goal: Giving Region's Businesses What They Need

www.memphisdailynews.com/news/2013/dec/14/giving-regions-businesses-what-they-need-aps-goal

Facility maintenance and janitorial providers must be certified in any state they work in, and APS has a wide range of certifications from the state-mandated to that of a minority-owned company with the Tennessee Minority Supplier Development Council, the Mid-South Minority Business Council Continuum and the Governor's Office of Diversity Business Enterprise. In addition, they are an 8A certified company authorized to bid on federal projects.

Fast Company: 5 Ways To Reframe Your Thinking To Be More Like Elon Musk

www.fastcompany.com/3022444/leadership-now/5-ways-to-reframe-your-thinking-to-be-more-like-elon-musk?utm_campaign=LTN%20Clips%2012/9&utm_medium=email&utm_source=newsletter&utm_content=Fast%20Company%3A%205%20Ways%20To%20Reframe%20Your%20Thinking%20To%20Be%20More%20Like%20Elon%20Musk

Drawing parallels between Elon Musk and Steve Jobs is irresistible, but how do big thinkers like them come up with their innovative ideas and how can we reframe our thinking to do the same? In "The Shared Genius of Elon Musk and Steve Jobs" by the TED Talk curator Chris Anderson we get a bit closer to a dissection what their unique attributes actually are. But I think we can dig one layer deeper.

Entrepreneur: Leadership Lessons from Young Female Entrepreneurs

www.entrepreneur.com/article/230409

Millennial female entrepreneurs are disrupting industries, creating innovative products and ultimately, changing the world. The thing that I admire most about my fellow female entrepreneurs is that they are really doing it by their own rules. In the past, women have felt like they have to embody masculine characteristics to be successful. This isn't the case anymore.

Nashville Business Journal: The Boss: Saurabh Sinha, eMids Technologies

www.bizjournals.com/nashville/print-edition/2013/12/27/the-boss-saurabh-sinha-emids.html

After launching health care technology company eMids in 1999, Saurabh Sinha made his way to Nashville in 2005. Since then, eMids has averaged 40 percent annual growth rate, making numerous appearances on NBJ's "fastest-growing" and winning a Nashville Next award. Sinha also has racked up recognitions, including nominations for Ernst & Young's "Entrepreneur of the Year."..What are some of the lessons you've learned as an entrepreneur as you've grown the business? When I look back, there are a few things that have worked for me and a few things that haven't. One thing that's really worked for me is knowing that I as a person am a work in progress. And that no matter whether it's a failure or success to acknowledge genuinely that as a human being and a professional I am a work in progress. That opens up the mind to change.

women 2.0: Feel Good News for the Holidays: 3 Female-Led Companies Get Funding

<http://women2.com/feel-good-news-holidays-3-female-led-companies-get-funding>

It's disheartening when research shows male founders are more likely to be funded than companies founded by women. ...But enough with the bad news.

The good news is that more female entrepreneurs are starting new businesses, and more of them are securing funding to help their big ideas grow in the market.

Tennessean: Forbes names Nashville a 'Region to Watch' for 2014

www.tennessean.com/article/20131227/BUSINESS/312270078/Forbes-names-Nashville-Region-Watch-2014

Nashville's economy is among the nation's best among large metro areas and that momentum is expected to continue in 2014, according to a new Forbes report. Music City was ranked No. 5 on the "U.S. Regions To Watch In 2014" list published on Forbes.com. The city trails only a trio of Texas cities (Austin, San Antonio and Houston) and Salt Lake City...One of Nashville's strengths is its growing population of younger, educated workers. "Places like Nashville, Denver and Salt Lake are all getting smarter faster, increasing their numbers of educated people faster than "brain" regions such as Seattle, San Francisco, Boston, New York, Chicago and Los Angeles," Plotkin writes.

Knoxville Daily Sun: Tennessee Veterans Business Association hosting 2014 expo in Knoxville

www.knoxvilledailysun.com/business/2013/tvba-knoxville-expo.html

"This is a high energy event that is a celebration of the diversity in the East Tennessee business community," said Jonathan Williams, founder and 2014 TVBA Chairman. "We combine a B2B trade show environment with a career opportunity fair for veterans. We invite all Businesses (non-veteran businesses are welcome) and education institutions for networking and learning opportunities, and you may also find a great veteran employee candidate or student," said Williams. The event will also invite the veteran population to come and learn about career and education opportunities and business startup assistance.

Entrepreneur: Serial 'Trep Gurbaksh Chahal on Being Driven to Succeed (video)

www.entrepreneur.com/video/223297

In this 'Trep Talk Extra, the young multimillionaire entrepreneur shares the three elements that led to his success with multiple startups. More 'Trep Talk: <http://entm.ag/treptalk>

Special thanks to Courtney Corlew at LaunchTennessee for her assistance with articles!

Contact Information:

Wisty Pender
Director, Business Enterprise Resource Office (BERO)
Economic and Community Development | State of Tennessee

312 Rosa L Parks Ave, 26th Floor
Nashville, TN 37243

wisty.pender@tn.gov
www.tn.gov/ecd/bero

p 615/741.8914 - 800/872.7201
f 615/401.6872

About BERO: The Business Enterprise Resource Office (BERO) is housed within the Department of Economic and Community Development. BERO serves as a voice for and advocate of disadvantaged businesses (DBE); analyzes, disseminates and promotes best practices and access to capital to service providers; and reports on status of DBEs statewide.

About ECD: The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.



BERO ANNUAL REPORT FY2014

ATTACHMENT: FALL 2013 ENEWSLETTER



Director's Message

Greetings all!

Fall is upon us as are a wide range of conferences, training opportunities and events!

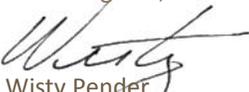
So what is happening? We are in the middle of Hispanic Heritage month (September 15 – October 15), and there are multiple business and community events in various parts of the state. Minority Enterprise Development Week, or MED Week, is in full swing in the Nashville area. Global Entrepreneurship Week (GEW) 2013, November 18 -24, preparations are in process. Did you know that last year Tennessee held 95 events, the most events in the nation for the second year in a row? No small feat! Consider that last year over 7.5 million people in 125 countries participated!

I am pretty excited to tell you that BERO's website has been updated with resources and reorganized to make it easier to find what you need. Please take a minute to check it out at www.tn.gov/e cd/bero.

Earlier this month the Brookings Institution released their report on Tennessee's automotive sector at the Governor's Conference in Nashville. According to the report, which you will want look over, in the state's automotive supply chain there are "approximately 600 small and medium-sized (SMEs) establishments," and key recommendations to take under consideration.

Keep in mind that the goal of this quarterly newsletter is to serve as a platform to bring attention to what is happening across our state and nation for DBEs; to highlight what's working well for you and your clients; to seek your feedback; and to bring attention to challenges. Look towards the bottom, Call for Entries, for details. Your participation is valuable and important!

Warm regards,



Wisty Pender
Director, BERO

What's in the Fall 2013?

- ❖ DBE/Veteran Practices and Highlights –
 - Topics:
 - MemShops in Memphis
 - The Fed releases a small business report
 - The Brookings Institute release and SMEs
- ❖ Access to Capital
 - JOBS Act and Crowdfunding
- ❖ Upcoming Events and Items of Note
- ❖ Call for Entries
 - It's time to hear from you!
- ❖ Articles of Interest from the Last Quarter
- ❖ Contact Information

❖ DBE/Veteran Best Practices and Highlights ❖

➤ From the Field...



Cynthia Norwood, JD, MBA
The MEMShop
alt.Consulting

Pop-up shops represent a growing trend both nationally and internationally taking vacant commercial space and activating it, typically with retail, as a means of reducing blight and increasing economic vitality in the community.

MEMShop is the branded name of the Memphis Tennessee pop-up shops launched by the city Mayor’s Innovation Delivery Team in 2012. The initiative started with opening 9 pop-up shops in the Crosstown area at Cleveland and Watkins streets for a 1 day event. In December 2012 there was the launch of 4 pop-up shops for a 3-week holiday launch.

In February 2013 alt.Consulting began working with the Mayor’s Innovation Delivery Team to launch and pilot a 6 month MEMShop incubator program on Broad Avenue. The 6 month MEMShop is designed to allow the popups to truly incubate their concept or allow an existing business to test new products or a new business location. During the 6 month pop-up period the MEMShops receive reduced rent for the spaces that they occupy along with various types of business support services, including one-on-one, on-site, business development services from alt.Consulting.

A total of 3 MEMShops launched in April and another in June. As we wind down the 6 month pilot program for the first 3 pop-up businesses, all 3 have signed longer term leases. There will be two additional pop-up businesses launching in an October second phase of the program for a total of 6 businesses launched on Broad Avenue.

As we have worked with the Mayor’s Innovation Team to fully implement MEMShops, we have found this to be a compelling economic development strategy that can benefit many communities.

The impact so far includes: new businesses, reduced commercial property vacancy rates, creation of new jobs, increased sales taxes, new foot traffic to the neighborhood, blight reduction of commercial spaces (façade and interior improvements) – all of which benefits the neighborhood residents, existing businesses, and other stakeholders.

Here are some photos of one of the façade and interior improvements to one of the 6-month MEMShop businesses on Broad Avenue.

Façade before MEMShop launch



Façade after MEMShop launch



Interior before MEMShop launch



Interior after MEMShop launch



Check out MEMShops on Broad Avenue and you will see a great example of how pop-up shops can turn empty spaces into destinations. Visit our website at: www.memshop.org.

In his discussion paper, Dr. Rupasingha confirms that local matters on multiple levels when it comes to entrepreneurship and small business and the importance of both to larger businesses.

Abstract:

The concept of "economic gardening"—supporting locally owned businesses over non-locally owned businesses and small businesses over large ones—has gained traction as a means of economic development since the 1980s. However, there is no definitive evidence for or against this pro-local business view. Therefore, I am using a rich U.S. county-level data set to obtain a statistical characterization of the relationship between local-based entrepreneurship and county economic performance for the period 2000–2009. I investigate the importance of the size of locally based businesses relative to all businesses in a county measured by the share of employment by local businesses in total employment. I also disaggregate employment by local businesses based on the establishment size. My results provide evidence that local entrepreneurship matters for local economic performance and smaller local businesses are more important than larger local businesses for local economic performance.

PDF of complete paper is at <http://www.frbatlanta.org/documents/pubs/discussionpapers/dp1301.pdf>.

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

Tennessee Can Become Premier Global Destination for Auto Production
New Brookings Report Offers Recommendations to Strengthen Tennessee's

Automotive Industry (Muro, et al., 2013)

At this year's 60th Annual [Governor's Conference on Economic and Community Development](#) the Brookings Institution (Brookings) released their report on Tennessee's automotive industry. While this may not seem like something that would fall in the "Best Practices" section of this newsletter, there are several findings that (will) impact Tennessee's DBEs.

The official press release begins like this:

Newly released research from the Brookings Institution finds that the Tennessee automotive industry must develop a first-rate workforce and an innovation-nurturing environment to become a premier global destination for automotive production now that peer states and low-cost countries can compete on costs. A new report from the Metropolitan Policy Program at the Brookings Institution, "[Drive! Moving Tennessee's Automotive Sector Up the Value Chain](#)," provides insight into Tennessee's competitive position and offers recommendations for the public and private sector designed to advance the Tennessee automotive industry, as well as other advanced industries in the state.

In the Brookings' release "three major findings" are identified:

- Following a tumultuous decade, Tennessee's auto sector retains significant momentum
- However, disruptive forces in the global auto industry pose competitive challenges for the Tennessee sector
- In the context of this new competitive environment, Tennessee industry and government should collaborate to expand and enhance the auto sector

Download the full report [here](#).

To each finding identified, consider that Manufacturer's Industrial Group (MIG) led by Andre Gist, is both a beneficiary of and contributor to Tennessee's robust automotive industry over its last 15 years. MIG is a Tier 2 automotive supplier with over 1400 employees in six locations according to [MBDA in Memphis](#). The company is also the largest minority-owned firm in the state of Tennessee. Mr. Gist candidly discussed his business and the decision he made to stay, diversify and grow in Tennessee at [Diversify 2013](#) in Chattanooga just two days before the release of the Brookings report. On a side note, Diversify 2013 was a great inaugural event with the keynote presented by Memphis Mayor A.C. Wharton.

More discussions will follow on this report.

❖ **Access to Capital** ❖

- **Crowdfunding Update:** The crowdfunding arena is heating up with another part of the JOBS Act going into effect. Here are a few items on that topic:
 - **Forbes: Crowdfunding Will Flourish Regardless Of What The SEC Does**
<http://www.forbes.com/sites/alanmcglade/2013/09/18/crowdfunding-will-flourish-regardless-of-what-the-sec-does>

A year and a half ago congress passed the JOBS Act (Jumpstart Our BusinessStart-ups) by an overwhelming margin. It was meant to supplant laws that are nearly eight decades old that limit the ability to invest in start-ups and small businesses to banks and wealthy individuals. At the signing ceremony President Obama said, "For the first time, ordinary Americans will be able to go online and invest in the entrepreneurs that they believe in."

- **VentureBeat: Crowdfunding: With JOBS Act Title II, the web will ‘eat financing and investing’**
<http://venturebeat.com/2013/09/23/crowdfunding-with-jobs-act-title-ii-the-web-will-eat-financing-and-investing/>

Today, a massive change in investment financing goes live. Title II of the JOBS Act, designed to open up more investment capabilities and stimulate the new startup economy, is now in effect. It kills an 80-year ban on telling people that you are raising money.

And an even bigger change allowing ordinary people — read, those who aren’t millionaires — to invest is coming soon.

- **NY Times: S.E.C. Advances New JOBS Act Rule, but Not Crowdfunding**
http://boss.blogs.nytimes.com/2013/09/24/s-e-c-advances-new-jobs-act-rule-but-not-crowdfunding/?_r=0
Those would-be crowdfunding platforms may have a long wait yet, said Richard Levin, a securities lawyer with the firm Baker & Hostetler. “Looking at Title II and how long it took for those rules to be approved, we could be looking at a year from the date the rules are proposed for crowdfund investing to become approved. It could be longer.”

To learn more about the Jobs Act:

<http://www.whitehouse.gov/sites/default/files/omb/legislative/reports/american-jobs-act.pdf>

- **Tennessean: Nashville's LiveSchool a finalist for national Startup of the Year**
www.tennessean.com/article/20130925/BUSINESS04/309260015/Nashville-s-LiveSchool-finalist-national-Startup-Year
Three years ago, Matt Rubinstein was building an app to help him better track students’ behavior in his classroom at KIPP Academy Nashville. Today, his Nashville-based company, LiveSchool, is one of 10 finalists in The Wall Street Journal’s Startup of the Year contest, and he is talking to entrepreneurs and investors from throughout the country about how to best build a successful business.

❖ Events and Items of Note ❖

- **October:** Hispanic Heritage Month (September 14 – October 15)
 - September 30-October 2, 36th Annual Hispanic Heritage Month Celebration "Our Time: A Strong America," Washington, D.C. More information at www.chci.org.
 - MEDWeek, October 1 – November 18 (yes, “Week” is a misnomer), Nashville, TN
 - October 3-4, Governor’s Conference on Economic and Community Development, Music City Center, Nashville, TN
 - October 27-28, Economic Summit for Women, Nashville Airport Marriott, Nashville, TN. More information at <http://www.womenseconomicfoundation.org>.
- **November:** National American Indian & Alaska Native Heritage Month, Filipino American History Month
 - November 18-24, Global Entrepreneurship Week. More information at <http://www.gewusa.org>.
- **December:** Political Correctness Awareness Month
- **And beyond...**
 - January 27: TVBA Annual Business and Education Expo (Veterans), Knoxville, TN. More information at <http://www.jointvba.org>.

❖ Call for Entries ❖

Case Studies: We would like to spotlight how your organization worked with a client. How you plugged the company into resources, and what things that company or individual sought to accomplish. This serves two purposes, to highlight (1) your range of services and (2) the company itself statewide.

Best Practices: Which ones have worked for your organization? Send a short paragraph with any links explaining how and why, and the challenges. Your best practices can be anything from how you process a client to programs developed to fill gaps that are producing good results (i.e. business matchmaking, mentor-protégée programs, loan programs, etc.).

Events: What impactful events are you planning, co-planning or promoting for DBEs? Include the basics of who, what, when, where and how, with a link for more information. Also include the expected number of participants.

How to submit: There is a lot of great work being done across the state for DBEs. If you have questions that you would like to see how other groups are solving and/or addressing, send them along. Provide enough contextual information so your question can be answered in a relevant manner.

Send events that take will place in the next 6 months.

Send your best practices, questions, well wishes to ECD.BERO@TN.GOV. We look forward to hearing from you! Also, please feel free to forward this on to others.

Launch Tennessee has announced a new program called TENN, which is aimed at finding the state's hottest new companies. The program wants to identify and assist the top 10 startup companies graduating from the state's regional accelerators, including companies in Nashville. The program will kick off with a statewide demo day on Aug. 27 at the Bridge Building in Nashville.

Teknovation.Biz: "Empowered Teen Entrepreneurial Camp" underway

www.teknovention.biz/2013/07/14/empowered-teen-entrepreneurial-camp-underway/

The latest version of the "Empowered Teen Entrepreneurial Camp" launched yesterday at the University of Tennessee, Knoxville (UTK). More than a dozen high school students were scheduled to arrive at Humes Hall, according to Tom Graves, Director of Operations for UTK's Anderson Center for Entrepreneurship and Innovation (ACEI). The second annual Camp is a joint venture for ACEI, Entrepreneurs of Knoxville (EOK), and Junior Achievement of East Tennessee (JA). This is the first time that JA has been involved. Both ACEI and EOK helped launch the inaugural Camp.

The Chattanooga: UTC Veteran's Entrepreneurship Program Begins "Bootcamp"

www.chattanooga.com/2013/7/17/255287/UTC-Veterans-Entrepreneurship-Program.aspx

Senator Bob Corker will provide the keynote address for delegates in the second annual Veterans Entrepreneurship Program as they begin Bootcamp, one week in an extensive program offered by The University of Tennessee College of Business. VEP offers free experiential training in entrepreneurship and small business management to the nation's disabled and "service distinguished" veterans with the Veterans Entrepreneurship Program.

Young Entrepreneur: Learn Before You Earn: How to Figure a Startup's Pre-Money Valuation

www.youngentrepreneur.com/startup/startup-finance/learn-before-you-earn-how-to-figure-a-startups-pre-money-valuation/

I find settling on a valuation to be one of the top challenges young entrepreneurs face today. Before I tackle the question, let's examine what valuation is and how it works. A company's pre-money valuation, or PMV, is its estimated value immediately prior to accepting funding...In determining the PMV, I often see entrepreneurs spend a lot of time developing financial projections to which they apply the discounted cash-flow method. This approach is meaningless for early-stage companies because the projections are usually inaccurate and unreliable. Instead, an entrepreneur should turn to the angel community, as they have developed methods that are respected and commonly used.

Forbes: Is Startup Success Gender-Neutral?

www.forbes.com/sites/petercohan/2013/07/25/is-start-up-success-gender-neutral/

And since venture capital has woefully under-performed as an asset class — according to Cambridge Associates, the internal rate of return on the average VC fund in the decade ending 2012 was a meager 6.9% below the NASDAQ's 8.5% — it desperately needs more successful entrepreneurs who can boost VC's returns. Adding more women and men — possessed with the traits that lead to successful exits — to the pool of start-up CEOs could help. And to do that, both capital providers and entrepreneurs should make some changes.

Entrepreneur: Two Women Entrepreneurs Share the Hardest Part of Growing Fast

<http://www.entrepreneur.com/article/227573>

Bottle & Bottega business partners Stephanie King-Myers and Nancy Bigley say that the hardest part about turning a small business into a franchise is finding the right people.

Memphis Daily News: Upstart Memphis Begins Hatching Women-Led Startups

www.memphisdailynews.com/news/2013/jul/29/upstart-memphis-begins-hatching-women-led-startups/

The fourth floor of Playhouse on the Square's facility at 66 S. Cooper St. is a bustling hub of entrepreneurial activity. Part of that is the result of it being the new home of Start Co., which in recent days also launched the inaugural season of Upstart Memphis, a 90-day mentor-driven accelerator for women-led tech startups. Four teams are there now, working on things like the details of the business plans they've put together for startups that run the gamut from fashion to art to a smartphone application.

Southern Alpha: Memphis Seed Hatchery Alum Selected for San Francisco Accelerator

<http://southernalpha.com/general/memphis-seed-hatchery-alum-selected-for-san-francisco-accelerator/>

MentorMe, a Memphis-based startup helmed by CEO Brit Fitzpatrick, has been tapped to participate in the San Francisco-based NewMe accelerator. The accelerator is, as the announcement describes, "an invite-only 12-week accelerator for technology startups led by underrepresented minorities." As an African-American woman and a tech startup founder, I am always happy to align myself with efforts to change the ratio so that we can create a startup community that is more reflective of the diversity we see in the community-at-large," said Fitzpatrick.

Tri-Cities.com: Entrepreneurship information on tap during veterans event

www.tricity.com/workittricity/learn/article_ae75ef64-f63e-11e2-93bd-0019bb30f31a.html

Veterans in Northeast Tennessee will have access to a number of services during a special event scheduled for Aug. 15 at the Kingsport Higher Education Center. The "Services for Those Who Have Served" event will provide information and assistance on a number of issues of concern to veterans, regarding everything from housing to small business development...Additionally, the Tennessee Small Business Development Center and the U.S. Small Business Administration will discuss what it takes to start a small business and loans available specifically to veterans.

▫ AUGUST ▫

Memphis Business Journal: Two Memphis startups get spot in NewMe accelerator

www.bizjournals.com/memphis/news/2013/07/31/two-memphis-startups-get-spot-in-newme.html

Two Memphis startups have won spots in the San Francisco-based NewMe Accelerator, which launches a 12-week program Aug. 5-Oct. 21. The companies, BioNanovations and MentorMe, participated in NewMe's Memphis PopUp Accelerator June 28-30 at the FedEx Institute of Technology, and are alumni of local accelerators Zero to 510 and Seed Hatchery, respectively.

BostInno: 126 Million Female Entrepreneurs are Active Worldwide, But There's Still One Problem

<http://bostinno.streetwise.co/2013/07/31/global-entrepreneurship-monitor-2012-womens-report/>

"Men still run the world," according to Facebook COO Sheryl Sandberg. A new report from the Global Entrepreneurship Monitor reveals those numbers are slowly starting to shift, however, with more than 126 million female entrepreneurs now active worldwide. But, there is a catch. What's not surprising is that women still aren't being properly supported, only proving Sandberg's point. Babson Professor Donna Kelley, lead author of the report, pointed to the unsurprisingly sad statistics, saying: "In most economies around the world, there are fewer women than men starting and running new businesses, but there are even fewer running mature ones. This raises a red flag about the ability of women to easily transition from starting to sustaining their businesses."

Scaling Up Female Entrepreneurship *Source: Policy Forum, Kauffman Foundation*

<http://www.entrepreneurship.org/en/Blogs/Policy-Forum-Blog/2013/August/Scaling-Up-Female-Entrepreneurship.aspx>

Today, I take a look at other data and ask what we can do to enable more women in America to achieve their full potential as entrepreneurs.

Memphis Daily News: Agriculture Grants to Aid Mid-South Farming, Veterans

www.memphisdailynews.com/news/2013/aug/1/ag-grants-to-aid-mid-south-farming-veterans/

The U.S. Department of Agriculture granted the Memphis Bioworks Foundation and its public and private partners two Rural Business Enterprise Grants totaling \$65,000. "The things I care about most are rural America, the military and entrepreneurs, so I think I'm in the right place," said USDA Rural Business Programs Administrator Lillian Salerno during the grant announcement at Memphis Bioworks. A \$45,000 grant is going to Memphis Bioworks and the Crockett Policy Institute to expand an effort to help veterans find work in rural America.

Forbes: The 11-Year-Old Fashion Entrepreneur Behind 'Mo's Bows'

www.forbes.com/sites/karstenstrauss/2013/08/06/the-11-year-old-fashion-entrepreneur-behind-mos-bows/

When you look at the short but potential-packed career of Mozia Bridges, one gets the impression that this is a young man in a hurry. The Memphis, Tennessee-based youth is carving himself a place in the fashion world one bow tie at a time. Young Master Bridges – Mo, for short – has been designing and sewing his own ties since his grandmother taught him how when he was nine years old. Like all innovators (yeah, I said "innovators," let's give it to him) his product ideas arose out of a lack he saw on the market.

Tennessean: Students must stay to better workforce

www.tennessean.com/article/20130807/OPINION03/308070090/2071

Nashville is becoming known as much for its entrepreneurial and innovation endeavors as for its music. Catch the creative vibe from a quick tour of the downtown space that's home to the Nashville Entrepreneur Center or the news that Mayor Karl Dean now has two chief innovation officers.

Times Free Press: Filling the Gig Tank: Investors ready to capitalize on new Chattanooga ventures

<http://timesfreepress.com/news/2013/aug/07/filling-gig-tank-investors-ready-capitalize-new-ch/>

One by one, teams from the second year of Co.Lab's business accelerator took the stage Tuesday at the Chattanooga Theatre Centre and tried to convince Lettich — and the almost 100 other investors like him — to pony up the money...

Southern Alpha: Evolve Women "Leans In" to Answer Big Nashville Question

<http://southernalpha.com/evolve-women-leans-in-to-answer-big-nashville-question/>

In Nashville startups and entrepreneurship, where are the women? Thursday night, Evolve Women, answered that question.

Forbes: Revisiting The Gender GAP In Women's Entrepreneurship: What Holds Women Back?

www.forbes.com/sites/babson/2013/08/08/revisiting-the-gender-gap-in-womens-entrepreneurship-what-holds-women-back/

Last week we released the Global Entrepreneurship Monitor (GEM) Women's Report which describes the activity and contributions of women entrepreneurs across 67 economies around the world. We find that an estimated 126 million women are running new businesses and an additional 98 million are running established businesses.

Nooga: Entrepreneurs, community members invest in young talent

www.nooga.com/162908/entrepreneurs-community-members-invest-in-young-talent

In a recent and expanding movement, Chattanooga leaders are investing in the city's future by cultivating young talent, focusing on the under-20 demographic. "There's definitely a push to really focus on younger talent,"...

USA Today: More women finding jobs in tech sector

www.usatoday.com/story/money/business/2013/08/13/more-women-finding-jobs-in-tech-sector/2651165/

NASHVILLE, Tenn. -- In the early 1980s, Tammy Hawes was one of only two women in her college graduating class to receive a computer science degree. But recently the Virsys12 president and managing partner, who started the cloud computing/software-as-a-service technologies company in 2011, has had a lot of company in the tech industry.

Memphis Fox News: Women in Business (video)

www.myfoxmemphis.com/video?autoStart=true&topVideoCatNo=default&clipId=9185747#UgpVAwhkY2s.gmail

Upstart Helps Women Startup

Forbes: How Entrepreneurship Is Creating New Opportunities For Women

www.forbes.com/sites/northwesternmutual/2013/08/13/how-entrepreneurship-is-creating-new-opportunities-for-women/

A surge in business ownership is creating a new wave of opportunities for female entrepreneurs. Yet while the number of women-owned firms has increased, the smaller-than-average size of these businesses shows there's still plenty of room for growth... "Around the country we see this uptick of women starting their own businesses," said Ana Recio Harvey, director of the Small Business Administration's (SBAs) Office of Women's Business Ownership and a former small-business owner. What's driving that growth? Harvey says. "It's a combination of the drive that women have always had in guiding their own destinies and the economic situation that actually encouraged them to start their own businesses," she said.

State Gazette: Rea named state Women in Business Champion

<http://www.stategazette.com/story/1994378.html>

Two decades ago, employees at Tupperware's West Tennessee plant received devastating news. ... Instead of waiting for opportunity to find them, Rea and 14 other Tupperware employees rallied together and created their own outlet for the knowledge and expertise they had acquired in the plastics manufacturing business.

Times News: Veterans get a helping hand: Outreach event provides advice on jobs and entrepreneurship

<http://www.timesnews.net/article/9066290/veterans-get-a-helping-hand-outreach-event-provides-advice-on-jobs-and-entrepreneurship>

There appeared to be enough state and federal resource people inside the Kingsport Center for Higher Education Thursday to address any kind of major crisis situation. But they were all there for one reason — to help American veterans.

Nooga: Female leaders give advice to other women entrepreneurs at symposium

www.nooga.com/163070/female-leaders-give-advice-to-other-women-entrepreneurs-at-symposium/

Female businesswomen gathered atop Cameron Hill at BlueCross BlueShield of Tennessee for the Women at the Top Symposium Tuesday morning, and a panel of speakers shared advice for excelling in leadership and entrepreneurship. Leaders designed the event to encourage women to start businesses in Chattanooga. And five female leaders with an array of experience spoke to more than 100 other women who attended the event.

Forbes: The 10 Best Websites For Woman Entrepreneurs, 2013

www.forbes.com/sites/meghancassery/2013/08/21/the-10-best-websites-for-woman-entrepreneurs-2013/

Despite the fact that the U.S. boasts over 8.6 million women-led businesses with a cumulative \$1.3 trillion in revenues (not to mention that the number of women-owned businesses is growing at one and a half times the national average), one of the most oft-repeated challenges of women entrepreneurs is a perceived lack of support for their business ambitions...This week, I published our fourth annual 100 Best Websites For Women list, and when pulling together and vetting the nearly 3,000 suggestions from our online community, I was delighted as always at how many of them were geared towards small business owners and women in the high-stakes startup space.

SFGate: Tennessee Woman's Newly Recognized Fair Trade Concept, Amani ya Juu, Changes Lives In Post-conflict African Nations

<http://www.sfgate.com/business/press-releases/article/Tennessee-Woman-s-Newly-Recognized-Fair-Trade-4743979.php>

Becky Chinchon could have lived an idyllic life enjoying long summer days on the Tennessee River and mild winters in her hometown of Chattanooga. Instead, she found herself fleeing from a Liberian civil war with her husband and daughters in 1996. A refugee herself, she landed in Nairobi and never forgot the feeling of loss and helplessness. But, the very emotions that once dehumanized her became the source of inspiration for a social economic company she fostered to support victims of genocide throughout Africa. It is called Amani ya Juu, Swahili for "peace from above."

The Daily News: Conference Promotes Women Business Ownership

<http://www.memphisdailynews.com/news/2013/aug/30/conference-promotes-women-biz-ownership>

Marketing firm owner Amy Howell could write a book on her experience as a female business owner. As a matter of fact, she has.

▫ SEPTEMBER ▫

Forbes: 4 Lessons Women Can Teach Each Other About Entrepreneurship

www.forbes.com/sites/geristengel/2013/09/04/4-lessons-women-can-teach-each-other-about-entrepreneurship/

Women who succeed know the importance of persevering in the face of obstacles. Many entrepreneurs call it persistence and determination...It's so much easier to have a door opened for you rather than pushing your way through it. Even better when it is opened by someone with sway. In the corporate world, sponsors are people several levels above you in the organization who have the political clout and influence to help you get promotions, choice assignments, and visibility. They differ from mentors who merely give advice and guidance. In the entrepreneurial world, a sponsor could be an investor, client, a colleague in a trade association, etc.

Wall Street Journal: Weekend Read: Practice Makes An Entrepreneur

<http://blogs.wsj.com/accelerators/2013/09/14/weekend-read-practice-makes-an-entrepreneur/>

We really need more women to start, and fast. Fewer women pursue entrepreneurial paths than men, and fewer women take their ventures as far as men do. Although 46% of the workforce and more than 50% of college students are female, only 35% startup business owners are women. The percentages get smaller as the companies get bigger; only 10% of Inc. 500 companies are women-led. Some research suggests women simply choose not to pursue entrepreneurial paths; for instance, many women emphasize work-life balance in a way that leads them to steer clear of the demands of launching a startup.

Wall Street Journal: Live Chat: Power Women Week (video)

<http://live.wsj.com/video/live-chat-power-women-week/7E388D7B-BEB5-47BA-9CEC-1CCCAC2E898A.html?KEYWORDS=women+business+2013#!7E388D7B-BEB5-47BA-9CEC-1CCCAC2E898A>

Top businesswomen Nancy Lublin, Kate Mitchell and Sharon Wienbar discuss a wide range of topics as part of WSJ Startup of the Year's Power Women Week.

HispanicBusiness.com: Hispanic Teen Entrepreneur Has a Thing for Bling

http://www.hispanicbusiness.com/2013/9/17/hispanic_teen_entrepreneur_has_a_thing.htm

At 18, Torres has parlayed a successful online business called Love for Bling into brick-and-mortar store in at 19348 Van Buren Boulevard, in the Woodcrest area near Riverside. Since Torres opened two weeks ago, business already is blooming, if not booming, she said.

Businessweek: Sharing Tech Talent With Startups for Equity Stakes

www.businessweek.com/articles/2013-09-17/sharing-tech-talent-with-startups-for-equity-stakes

Most entrepreneurs know how venture capital works, but tech startups with low overhead often need people more than cash early on. Laurie Zorn, Equitive’s managing director, says her “human capital” venture firm sought to address that gap when it launched in May... Her company and a larger fund that pioneered the model, Silicon Valley-based Originate, have in-house technical teams they loan out to the companies in their portfolios. Entrepreneurs “need to prove their concept to the next level of investors, but they can’t hire people to prove those concepts without more money. It’s a Catch-22,” Zorn says.

Forbes: Who Are the Most Powerful Women Entrepreneurs?

www.forbes.com/sites/carisommer/2013/09/19/who-are-the-most-powerful-women-entrepreneurs/

Fortune recently announced a list of the 10 Most Powerful Women Entrepreneurs of 2013. This prestigious honor was awarded to ten female CEO and founders who are the “builders of innovative, ground-breaking and game-changing startups.” They were selected from over 100 applicants, all with company revenues in the range of \$1 million to \$25 million.

Huffington Post: Tips for Gen-Y On How To Be A Great Entrepreneur

www.huffingtonpost.com/marty-zwilling/tips-for-gen-y-on-how-to_b_3958917.html

By definition, Gen-Y is the generation born between 1977 and 1995 (synonymous with Millennials). There are about 80 million of them, and nearly two-thirds of them are already in the work place as entrepreneurs or with jobs...According to a recent Gallup® poll, fewer Americans aged 18 to 29 worked full time for an employer in June 2013 (43.6%) than did so in June 2012 (47.0%). More than half of Gen-Y (54%) have started their own business or have the desire to start one as found in a recent report by the Kauffman Foundation.

The Tennessean: Nashville's immigrant entrepreneurs, boosted by Ming Wang, unite for common good

http://www.tennessean.com/article/20130926/BUSINESS01/309260065?nclick_check=1

That growth — both in the number of immigrants and immigrant-owned businesses — has led to the formation of the Tennessee Immigrant and Minority Business Group, whose inaugural meeting is set for this evening in Nashville.

eCorner: Pros and Cons of Being a Young Entrepreneur (video)

http://ecorner.stanford.edu/material_iphone.html?material=2393

Latino Magazine: Changing the Conversation

<http://latinomagazine.com/Fall2013/latino-interview.html>

The United States Hispanic Chamber of Commerce (USHCC) is living up to its name by advancing the interests of small business owners who happen to be Hispanic.

Special thanks to Courtney Corlew at LaunchTennessee for her assistance with articles!

Contact Information:

Wisty Pender

Director, Business Enterprise Resource Office (BERO)

Economic and Community Development | State of Tennessee

312 Rosa L Parks Ave, 26th Floor
Nashville, TN 37243

wisty.pender@tn.gov
www.tn.gov/ecd/bero

p 615/741.8914 - 800/872.7201
f 615/401.6872

About BERO: The Business Enterprise Resource Office (BERO) is housed within the Department of Economic and Community Development. BERO serves as a voice for and advocate of disadvantaged businesses (DBE); analyzes, disseminates and promotes best practices and access to capital to service providers; and reports on status of DBEs statewide.

About ECD: The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.



BERO ANNUAL REPORT FY2014

ATTACHMENT: SUMMER 2013 ENEWSLETTER



Director's Message

Greetings all!

Summer has arrived and with it an incredible slate of activities and events.

This edition's "DBE/Veteran Best Practices and Highlights" section discusses the value proposition of a mentor-protégé program (that has garnered interest well beyond its Knoxville beginnings), upcoming courses you may want to consider from the Tennessee Certified Economic Developer program, and the launch of TDOT's Small Business Enterprise Program.

Similar to last quarter there were a fair number of articles in the DBE arena and in particular related to women business owners. Many articles stemmed from the release of the "2013 State of Women-Owned Businesses Report" in April as well as news on an accelerator launching for women-led tech companies, a Memphis popup accelerator event, and Whiskey Women, among others. Did you know these articles can be found on BERO's website too? When you have a few minutes you can find them at www.tn.gov/ecd/bero.

Thank you to all who took the quick survey from last quarter's newsletter! What survey? The survey was to gauge your interest in a state level DBE/small business award for Tennessee businesses. Here's what you said: 25% would like to see one established; 63% said maybe; and 13% said no. The comments/concerns centered mostly on making it distinct and attracting a sufficient number of quality applicants. It also sounds like there are some good recognitions already taking place around the state, so for now, we will hold off on establishing another award program.

Keep in mind, the goal of this quarterly newsletter is to serve as a platform to bring attention to what is happening across our state and nation for DBEs; to highlight what's working well for you and your clients; to seek your feedback; and to bring attention to challenges. Look towards the bottom, Call for Entries, for details. Your participation is valuable and important!

Warm regards,

Wisty Pender
Director, BERO

What's in the Summer 2013?

- ❖ DBE/Veteran Practices and Highlights
- ❖ Access to Capital
- ❖ Upcoming Events and Items of Note
- ❖ Call for Entries
- ❖ Articles of Interest from the Last Quarter
- ❖ Contact Information

❖ DBE/Veteran Best Practices and Highlights ❖

➤ From the Field...

**Why Mentoring is the next Manhattan Project for Small Businesses***Doug Minter, Business Development Manager*

When you look at the current ecosystem for the development of small businesses it depends on your respective lens as to what you see. In the current context of today, government contractors are feeling the various stings of sequestration. Construction seems to be making a turn, but the forward outlook is murky at best with many of the smaller contractor's ownership self-performing their work and larger general contractors having to take on smaller and more numerous jobs to maintain cash flow. If the trucking industry is one of the forward gauges of growth and economic activity then we have much to look forward to with the industry having its best year since 2008-2009, according to the Journal of Commerce. However the future is mired with doubt around the current political gridlock and future regulations.

As a business development manager for the Knoxville Chamber, I am able to sit down with 150 to 175 firms of various industry and type, and I hear the normal needs: access to capital, marketing concerns, cost cutting and the like. When I started here in 2008 the recession had just reared its head, and we saw lending come to halt. In response to the times, we decided that there is one thing that we can provide to small businesses that was not controlled by capital needs or political concerns. That one thing is providing access to Mentors.

Our philosophy was based on the simple rule that chambers of commerce have a pool of mentors; and we also have members who need their guidance, wisdom and networks. The mentors in our program have assisted their protégés in producing over \$50 million in economic development. Several firms have doubled and tripled their revenues, and we have been able to maintain a 90% survival rate. Our graduates, in turn, commit to mentor other firms, which creates a culture of giving back to the ecosystem that assisted them.

What we have found is that providing mentors is an essential asset to the small business ecosystem of a region. In addition to the opportunities to get mentors in our Propel Mentor-Protégé Program, we also provide peer-to-peer mentoring through our CEO Circle program. This program is a sounding board of 10-12 trusted peers from non-competing businesses of similar size who gather every month to share experiences, candidly solve issues, and brainstorm ideas. Participants have reliable support they can count on in an open, confidential forum that's built on a foundation of mutual trust.

Mentoring has seen growth in the state of Tennessee as regions develop entrepreneur centers, accelerators and incubators. We assert that chambers are fertile with mentors who can and want to assist in the growth of young entrepreneurs as well as mature businesses.

Mentoring is one of the few relatively free or low cost ways to add significant value to today's small business owner. Mentors benefit not just in altruistic ways, but are also able to grow via the networks opened to them by their protégé.

We believe that every chamber should consider either having a mentor-protégé program and/or provide mentors to the accelerators and incubators who would eagerly welcome them.

If you are interested in applying for or starting a program, please contact Doug Minter, Propel Mentor Protégé Program, at dminter@knoxvillechamber.com or Mark Field, CEO Circle at mfield@knoxvillechamber.com.

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**Registration Open for Fall Tennessee Certified Economic Developer Courses***Erin Ketelle, TCED Director*

The University of Tennessee Center for Industrial Services (CIS) has opened fall registration for the Tennessee Certified Economic Developer (TCED) courses. The Tennessee Strategic Planning for Economic Development course, and the Tennessee Business Retention and Expansion course.

The Tennessee Certified Economic Developer (TCED) program, developed in partnership with lead federal, state and regional organizations, provides high quality training, continuing education, and professional development opportunities to Tennessee's economic development and community development practitioners and community leaders.

"We are very pleased with the interest in the program," said Erin Ketelle, Director of the Tennessee Certified Economic Development (TCED) program. "The enrollment that we're seeing in recent and upcoming courses indicates a strong demand for a certification program in economic development."

If customer satisfaction is an indication of TCED's future success, then the program is on the right track. Student evaluations for every course have been very positive and program enrollments continue to grow. A participant in the 2013 Tennessee Basic Economic Development Course, for example, wrote "This is a worthwhile program. The content is excellent, and courses are very well organized. I appreciate the interaction with others in the development field during course case studies.

For more information about the Tennessee Certified Economic Developer program, please visit cis.tennessee.edu/tced or contact Erin Ketelle at erin.ketelle@tennessee.edu or (615) 532-4926.

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Check out TDOT's new initiative, "Small Business Enterprise Program"

Deborah Luter, Director, Civil Rights Office

The 21st century entrepreneur needs to be equipped with different characteristics than their predecessor. The fluctuating economy, ever-changing technology and increased government oversight are more prevalent than ever and are important factors that must be considered when running a business. The TDOT DBE must also continually refocus their priorities to meet these 21st century challenges, or risk the chance of lagging behind their competitors. One thing TDOT's Civil Right Office will always be committed to is carrying out the mandate from the Federal Highway Administration of "leveling the playing field". Staying at the top of the game is never easy, but if DBEs are willing to stay the course in removing some of the barriers, success can be achieved. TDOT DBEs and other small businesses are highly encouraged to review the Small Business Development Program.

The Small Business Enterprise (SBE) component is a new element to TDOT's existing Small Business Development Program. It is designed to help maximize the participation on highway transportation contracts by small businesses other than, and in addition to, disadvantaged business enterprises. The SBE program was established by TDOT to enhance business opportunities for small, women- and minority-owned businesses, and to ensure a level playing field for these small businesses in Tennessee. The program was developed in response to a Federal Highway Administration mandate (Federal Requirement 49 CFR 26.39)

TDOT has partnered with the Governor's Office of Diversity Business Enterprise (Go-DBE) as the certifying agency for these small businesses. If an SBE is also a TDOT DBE, any work performed will be counted toward non-goal, or race neutral, participation towards the overall departmental DBE goal. (Note: TDOT DBE certification must be current and on file in order to count toward race neutral participation)

Some TDOT Small Business Enterprise FAQs:

Q: Who can qualify as a TDOT SBE?

A: Any business certified by the Governor's Office of Diversity Business Enterprise (GoDBE) as a Small Business Enterprise and listed in the GoDBE Directory. The business must be a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee; has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period; and employs no more than thirty (30) persons on a full-time basis.

Q: I am a DBE. Do I also need to be certified as a SBE?

A: No. TDOT-certified DBEs are automatically considered to meet the qualifications of a SBE for the purposes of this program. There is no benefit to becoming registered as both a DBE and a SBE for the intent of working with TDOT on a construction contract. However, if you anticipate bidding on other State of Tennessee contracts outside of TDOT, please contact GoDBE for information on being certified with their office.

Q: How does a business become certified as a SBE?

A: Businesses may begin the on-line application at the SBDP web site. You are strongly encouraged to review GoDBE's FAQ page prior to starting an application, as well as to contact the GoDBE Office with any questions concerning Small Business Enterprise certification. TDOT does not handle any of the actual certification, so we will be unable to answer any questions regarding this.

Q: Does my company need to be prequalified?

A: Yes. SBEs will need to be prequalified per the same requirements of any other contractor looking to work on TDOT contracts. Prequalification forms are available on the TDOT Construction Forms website.

Q: What else do I need to do to work with the state of Tennessee?

A: Please review TDOT's State Contracting Opportunities and Assistance document available on the CRO webpage under the Small Business Development Program (SBDP) link. This page was created to provide a centralized location for information concerning state bidder registration and contracting opportunities, as well as to find agencies that provide certification and specialized assistance to small businesses. The SBDP hopes this information will increase small business participation across the state, as well as ease any barriers and concerns small businesses may have associated with dealing with state government bidding and contracting.

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➤ **6th Annual East Tennessee Women's Leadership Summit: "Close the Gap"**

This summit (previously the East TN Regional Economic Summit) is an annual event that has evolved out of the work of the Tennessee Economic Council on Women, and is hosted locally by a group of volunteers. This year's Summit was on June 14, 2013. For more information go to <http://easttnwomensls.wordpress.com>.

➤ **Side note...Postcards are on the way**

The Tennessee Smart Start Guide has been updated for 2013, and the print version has been delivered to ECD's [regional offices](#)! Now the postcards are at the printers. The postcards have the link and QR code that takes you to the PDF on BERO's webpage at www.tn.gov/ecd/bero. The link to guide is www.tn.gov/ecd/bero/pdf/TNSmartStartGuide.pdf



❖ **Access to Capital** ❖

➤ **Small Business Focus, Federal Reserve Bank of Atlanta**

Small businesses may finally be seeing some easing in credit. The first-quarter 2013 Small Business Survey results show that small firms experienced an improvement in their ability to obtain credit from banks. To learn more go to <http://www.frbatlanta.org/research/smallbusiness/sbsurvey>

➤ **Watch it, follow it...competitions, mentoring, DBEs, capital and Tennessee**

Silicon Valley's [NewME Accelerator](#) Pop-up event, designed to spur growth in technology businesses that are led by African-Americans, Latinos and women, took place from June 28-30, 2013 in Memphis. Memphis was one of 13 cities nationwide selected to participate along with Austin, Los Angeles, Atlanta, Miami and Washington D.C.

The [Memphis Daily News](#) reported that "Charleson S. Bell, the president, CEO and co-founder of [BioNanovations Corp.](#) (a startup company based on technology developed at Vanderbilt) won the competition and prizes valued at \$45,000. He also won the opportunity to participate in the 12-week NewME Accelerator in Silicon Valley." The top three winners are from two different [accelerators](#) and were [TNInvestco](#) funded. In a pre-event article by [Southern Alpha](#), NEwME Founder and CEO, Angela Benton said, "We're excited to be a catalyst in the already diverse and fast-growing tech space in Memphis."

[Angela Benton](#) is one of this year's mentors for the Wall Street Journal's Startup of the Year competition. According to the [website](#), "Over the next 20 weeks our videos will take you inside 24 startups chosen from more than 500 applicants as they build their businesses with coaching and criticism from some of the world's most successful thought leaders and innovators." Live School is one of the 24 startups. See what advice this [TNInvestco](#) funded company gets in the video "I've Got Concerns': Vivek Wadhwa to LiveSchool" [here](#).

➤ **Southland SE:** From June 12-13, positioned between CMA Fest and Bonnaroo, the inaugural Southland conference brought together 500+ entrepreneurs, investors, thought leaders and innovators with the goal of connecting the Southeast's best early-stage companies with investors from across the country. Capital? The winner took a \$10,000 top prize. You can read about the reaction [here](#) or [here](#), and it's all good. Find out more on their website at <http://www.southlandse.com>.

❖ **Upcoming Events and Items of Note** ❖

➤ **July:**

- July 11, Upstart Memphis kicks off its tech based accelerator for women-led startups, Memphis. More information at <http://www.upstartmemphis.com>.
- July 24-27, National Urban League's 2013 Annual Conference, Philadelphia, PA. More information at <http://conf2013.iamempowered.com>.

➤ **August:**

- August 1-2, SAWF Annual Conference, Nashville, TN. More information at <https://sawf.memberclicks.net>.
- August 6-8, Veteran' Small Business Conference, St. Louis, MO. More information at <http://www.va.gov/osdbu/nvc>.
- August 27-29, The MMBC Continuum Economic Development Forum, Memphis, TN. More information at http://www.mmbc-memphis.org/download/EDF13_registration%20FINAL.pdf.

➤ **September:** Hispanic Heritage Month (September 14 – October 15)

- September 17-18, TDOT Annual DBE Meeting, Nashville, TN. More information at www.tdot.state.tn.us/civil-rights/smallbusiness/.
- September 30-October 2, 36th Annual Hispanic Heritage Month Celebration "Our Time: A Strong America," Washington, D.C. More information at www.chci.org.

➤ **And beyond...**

- **October –**
 - October 3-4, Governor’s Conference on Economic and Community Development, Music City Center, Nashville, TN
 - October 27-28, Economic Summit for Women, Nashville Airport Marriott, Nashville, TN. More information at <http://www.womenseconomicfoundation.org/>
- **November –**
 - November 18-24, Global Entrepreneurship Week. More information at <http://www.gewusa.org/>.

❖ Call for Entries ❖

Case Studies: We would like to spotlight how your organization worked with a client. How you plugged the company into resources, and what things that company or individual sought to accomplish. This serves two purposes, to highlight (1) your range of services and (2) the company itself statewide.

Best Practices: Which ones have worked for your organization? Send a short paragraph with any links explaining how and why, and the challenges. Your best practices can be anything from how you process a client to programs developed to fill gaps that are producing good results (i.e. business matchmaking, mentor-protégée programs, loan programs, etc.).

Events: What impactful events are you planning, co-planning or promoting for DBEs? Include the basics of who, what, when, where and how, with a link for more information. Also include the expected number of participants.

How to submit: There is a lot of great work being done across the state for DBEs. If you have questions that you would like to see how other groups are solving and/or addressing, send them along. Provide enough contextual information so your question can be answered in a relevant manner.

Send events that take will place in the next 6 months.

Send your best practices, questions, well wishes to ECD.BERO@TN.GOV. We look forward to hearing from you! Also, please feel free to forward this on to others.

❖ Articles of Interest from the Last Quarter ❖

These articles also posted in “DBE Topics in the News” section of BERO’s website at www.tn.gov/ecd/bero.

◻ APRIL ◻

Southern Alpha: Kelley on Women in Startups: 3 Things we can learn from Tina Fey

<http://southernalpha.com/general/women-in-startups-3-things-we-can-learn-from-tina-fey>

I recently read Bossypants by Tina Fey. As I read the book, I realized that there are several commonalities between Ms. Fey and women who are creating successful startups in the Southeast...Colab is a startup

Fast Company: THE FINANCIAL PLANNER: ALEXA VON TOBEL ON MOBILE TECH STARTUPS

<http://www.fastcompany.com/3007968/mobilizing/financial-advisor-alexa-von-tobel-making-your-tech-startup-mobile>

Along the way, von Tobel has learned many lessons about what it takes to run a successful tech startup, including the importance of productivity, and how to maintain company culture as a business grows.

DealBook: Why So Few Women Reach the Executive Rank

<http://dealbook.nytimes.com/2013/04/02/why-so-few-women-reach-the-executive-rank/>

Here is a puzzle. If the bulk of studies show that women are a net plus to corporate America, why are they still a small minority on Wall Street and in the executive suite?

Times Free Press: Women-owned businesses get a boost at The Company Lab's first all-female 48-Hour Launch

www.timesfreepress.com/news/2013/apr/08/women-owned-businesses-get-a-boost/?local

Nine fledgling businesses competed for the top spots in The Company Lab's first all-female 48-Hour Launch. Judges chose two winners Sunday night: The Whiskey Women, which targets marketing, advertisements and information at female whiskey drinkers, and Mama’s Got Mail, a monthly gift subscription for moms.

Teknovation.Biz: Karen Tobias passionate about a device that she created to help veterinarians, animals

www.teknovation.biz/2013/04/08/karen-tobias-device-created-veterinarians-animals/

Karen Tobias is passionate about seeing a novel mechanical device that she invented to quickly secure bandages, dressings, or pressure wraps over large wounds brought to market. She needs it in her work. Like many inventors...

Times Free Press: Whiskey Women, Mama’s Got Mail win 48Hour Launch

www.timesfreepress.com/news/2013/apr/07/whiskey-women-mamas-got-mail-win-48hour-launch/

A monthly gift subscription service for mothers and a web site devoted to women who drink whiskey were picked as the winners of the first Female Founders 48Hour Launch tonight. The two startup ventures may not share much in common, but they will share in \$10,000 of prizes and business donations to help turn their ideas into workable businesses.

Southern Alpha: Chattanooga's All-Female 48-Hour Launch (#48HL): The Aftermath

<http://southernalpha.com/general/chattanooga-all-female-48-hour-launch-48hl-the-aftermath/>

Chattanooga's Co.Lab hosted its much anticipated 48-Hour Launch events this weekend. The theme: female founders. 48HL is a LaunchTN event resource that inspired the Co.Lab to reach out to Chattanooga's female entrepreneurial minds...Cash prizes of \$1,000 and over \$10,000 worth of business services were awarded to: The Whiskey Women and Mama's Got Mail

Memphis Daily News: Number of Women-Owned Businesses Booming in Tennessee

<http://www.memphisdailynews.com/news/2013/apr/12/women-owned-biz-booming-in-state/>

The number of women-owned businesses in Tennessee has grown faster than the national average over a 16-year period, according to a recent report commissioned by American Express OPEN. Tennessee ranks No. 14 in the nation in the growth of the number of women-owned businesses from 1997 to 2013...

Nashville Post: Tennessee makes big leap on technology, science index

<http://nashvillepost.com/blogs/postbusiness/2013/4/12/tennessee-makes-big-leap-on-technology-science-index>

Tennessee may not be known as a national hub for science and technology but compared to all other states, it made the most significant strides on that front in 2012, according to a report released this week...“Tennessee was the biggest gainer, jumping from 41st to 35th,”

Fast Company: THE COUNSELOR: HOW RACHEL RODGERS BUILT HER VIRTUAL LEGAL PRACTICE

<http://www.fastcompany.com/3008304/mobilizing/counselor-how-rachel-rodgers-built-her-virtual-legal-practice>

Rodgers made a commotion in the legal world by being one of the first young attorneys to successfully run a virtual law firm. Then, on the advice of her mentor, Pam Slim, she established a consultancy to help others do the same.

Forbes: "Leaning In" is Not Enough: Women Entrepreneurs Need to "Leap In"

www.forbes.com/sites/babson/2013/04/13/leaning-in-is-not-enough-women-entrepreneurs-need-to-leap-in/

For the past two weeks, in nearly every meeting someone mentions the phrase “lean in”, popularized by Cheryl Sandberg in her new book which inspires women leaders to move forward in their careers, pursue opportunities and actively accept responsibilities. While this advice is most appropriate for women leaders, executives and managers, “leaning in” may not be enough for women entrepreneurs. In fact, they need to “leap in”. It is impossible to be an entrepreneur by leaning- you have to commit, take risks and take action.

Co.Lab Blog: Recapping 48Hour Launch: Female Founders

http://colab.is/2013/04/48hour-launch-recap/?utm_source=twitterfeed&utm_medium=twitter

When it comes to the startup world, it's no secret that women are outnumbered by their male counterparts. But it's not for lack of talent or ability, as evidenced by our 48Hour Launch: Female Founder Edition. After hours of nonstop planning, strategizing and modeling, nine female founders each presented a startup or startup concept that has potential to become a full-fledged, successful business. Read on for a recap of each pitch.

Video: Entrepreneur Minute - The Importance of Mentoring

<http://e2.ma/webview/ktmf/52bf7335c1115f091f7e751cb5c25d71>

Baker Donelson's Entrepreneur Minute features attorneys, entrepreneurs and business leaders sharing advice on starting, growing and running your business. Look for a new video each week. Olivia Lomax, Venture Mentor Coordinator for LaunchYourCity, offers insight into the importance of having and being a mentor.

KnoxNews.com: Lipscomb ranked in top 25 for veterans

<http://www.knoxnews.com/news/2013/apr/18/lipscomb-ranked-in-top-25-for-veterans/>

Lipscomb University's college of business is being ranked among the top 25 in the country for veterans returning from the wars in Afghanistan and Iraq.

Fast Company: Are Women Our Most Undervalued Resource?

<http://www.fastcoexist.com/1681853/are-women-our-most-undervalued-resource?partner=newsletter>

A report from [Booz & Company](#) shows that employing women in equal numbers to men could raise the United States' GDP by 5%, Japan's by 9%, the United Arab Emirates' by 12%, and Egypt's by a jaw-dropping 34%. "Even small increases in the opportunities available to women, and some release of the cultural and political constraints that hold them back, can lead to dramatic economic and social benefits," it says.

Ron Busby – U.S. Black Chamber president – to keynote 2013 Benny Awards

<http://www.tsdmemphis.com/index.php/business/155-original/11554-ron-busby-u-s-black-chamber-president-to-keynote-2013-benny-awards>

Ron Busby, president of the U.S. Black Chamber, Inc., will be the keynote speaker at the 2013 Annual Benny Awards Luncheon sponsored by the Black Business Association of Memphis (BBA).

◊ MAY ◊

Washington Post: SBA launches new program for women contractors

http://www.washingtonpost.com/blogs/on-small-business/post/sba-launches-new-program-for-women-contractors/2013/04/30/5f2ac436-b104-11e2-baf7-5bc2a9dc6f44_blog.html

The program, called “ChallengeHER,” features a series of events and workshops nationwide, including upcoming sessions in Washington highlighting opportunities at the Department of Energy and the Department of Health and Human Services.

Upstart Memphis: Upstart - Accelerator for women-led tech startups

www.upstartmemphis.com/accelerator/?doing_wp_cron=1367589087.9226720333099365234375

Women-led private technology companies generate 35% higher returns on investment, and when backed by venture capital earn 12% higher revenues than those led by men. Yet women launch only 3% of high growth tech startups.

Memphis Daily News: Couple Moves to Memphis to Launch Startup

www.memphisdailynews.com/news/2013/may/6/couple-drawn-to-memphis-to-launch-startup/

Pam and Tom Cooper are the co-founders of Boosterville, a Memphis-based startup with an app that helps school fundraisers raise money by connecting them with local businesses...They relocated to Memphis recently from Indianapolis to participate in Memphis' Seed Hatchery program.

Entrepreneur: Top U.S. Cities for Women Entrepreneurs (Infographic)

www.entrepreneur.com/article/226559

More women than men earn college degrees, but many still struggle to reach leadership roles. Rather than try to compete in the corporate world, more women are starting their own businesses according to data compiled by software firm Intuit.

WCYB: Local chocolatier follows passion while helping children

wcyb.com/news/local-chocolatier-follows-passion-while-helping-children/-/14590844/19992282/-/qgk5n5/-/index.html

As a chemical engineer she worked at Eastman, until a few years ago when she lost her job. But that bump in the road led her here, to her own chocolate company. "I ultimately kept coming back to really wanting to run this chocolate business and dedicate it to children's charities," she said.

New York Times: THE BOSS: Neither Teacher Nor Nurse

<http://www.nytimes.com/2013/05/12/jobs/founder-of-rand-construction-didnt-care-for-teaching.html>

In 1989, Sherry, who owned 51 percent of the company, said that she wanted to dissolve the partnership. With the money she paid me for my stock, I started Rand Construction.

Biz Foundry: Event: Upper Cumberland Young Entrepreneur Academy

<http://thebizfoundry.org/young-entrepreneur-academy/>

Join us for a five-day boot camp that teaches college-age students how to start their own real business now or in the future. Learn about why business succeed or fail, have access to the most innovative business models in today's economy, and have the opportunity to interact with local entrepreneurs and investors.

AccelNow Video: Importance of Business Mentors - Kanishka Biddanda

www.youtube.com/watch?v=aigyZYpLF44&feature=youtu.be

Digital Fridge recently met up with Jeff Keeling from the WCEDC to interview Kanishka Biddanda founder of The Creative Trust Agency in Kingsport, TN. Kanishka talks to us about the importance of having business mentors.

Forbes: Show Some Respect For The Innovating Women Reshaping Technology And Entrepreneurship

www.forbes.com/sites/singularity/2013/05/10/show-some-respect-for-the-innovating-women-reshaping-technology-and-entrepreneurship/

James Brown sang, "It's a Man's World." But Aretha Franklin responded, "They say that it's a man's world/Well you can't prove that by me.../Show some respect for me."...Did you know that venture-backed firms led by women are less likely to fail and produce higher returns than ones run by men? Or that technology companies with women on their boards also outperform those with all-male board rosters?

Memphis Business Journal: Woman-focused business incubator starting up in Memphis

www.bizjournals.com/memphis/news/2013/05/10/woman-focused-business-incubator.html

As the third group of Seed Hatchery cohort companies wraps up a three month boot camp, Launch Your City is preparing to launch Upstart Accelerator, a 90-day program that will focus on women-led startups.

Teknovation.Biz: Four student start-ups are winners in latest "Boyd Venture Fund" challenge

www.teknovation.biz/2013/05/20/student-start-ups-winners-latest-boyd-venture-fund-challenge/

Three student-owned ventures split \$25,000 in seed funding grants, and the UT Research Foundation offered space in the UT incubator to a fourth competitor. The spring 2013 winners were: SummerSett Foods, Escadrille Cycling Apparel, PTlink and Anna's Armoire.

Forbes: How Women Angels And Entrepreneurs Are Beating Investment Odds

<http://www.forbes.com/sites/geristengel/2013/05/22/how-women-angels-and-entrepreneurs-are-beating-investment-odds/>

While the percent of women angel investors is still small — 22% — it jumped 50%, according to the Center for Venture Research, which studies early stage equity financing for high-growth ventures.

Tennessean: Nashville teen to get \$100,000 for startup but must quit college

www.tennessean.com/article/20130522/BUSINESS01/305220127/

Mark Daniel, 19, recently won a two-year fellowship from a foundation created by Silicon Valley financier and PayPal co-founder Peter Thiel. The fellowship gives Daniel \$100,000 over two years to focus on his startup, with one caveat: He must not attend college during those two years.

Southern Alpha: Silicon Valley Pop Up Accelerator Coming to Memphis

<http://southernalpha.com/general/silicon-valley-pop-up-accelerator-coming-to-memphis/>

Our neighbor to the west will soon play host to an exciting pop-up accelerator event put on by Silicon Valley's NewME. The three-day event which is slated to take place June 28-30 will feature one-on-one coaching along with invaluable opportunities for the Memphis community to congregate and network.

Forbes: The 100 Women Who Are Redefining Power

<http://www.forbes.com/power-women/>

Our annual snapshot of the 100 women with the most impact are top politicians and CEOs, activist billionaires and celebrities who matter. In roughly equal measure you'll find next gen entrepreneurs and media mavens, technologists and leaders in philanthropy — all ranked by dollars, media momentum and impact.

Wall Street Journal: Southland Conference Announces First Keynote Session: PandoDaily Founder Sarah Lacy Interviews oDesk CEO Gary Swart

<http://online.wsj.com/article/PR-CO-20130528-908199.html>

Southland, Launch Tennessee's new tech conference for entrepreneurs in the Southeast and investors, thought leaders and innovators from all over, today announced that Gary Swart, CEO of oDesk, the world's largest online workplace, will help open the conference in a keynote conversation with Sarah Lacy, founder and editor-in-chief of PandoDaily.

Fast Company: MOBILIZING: A GENERATION OF WOMEN WITH THE WORLD AT THEIR FINGERTIPS

<http://www.fastcompany.com/3007658/mobilizing/mobilizing-generation-women-world-their-fingertips>

When it comes to mobile technology, remote work, and innovation that untethers innovators from their desks and places new capabilities at their fingertips, women in the United States and in other developed countries are increasingly influential.

Forbes: 5 Ways To Get More Entrepreneurs On The World's Most Powerful Women List

<http://www.forbes.com/sites/geristengel/2013/05/29/5-ways-to-get-more-entrepreneurs-on-the-worlds-most-powerful-women-list/>

Are we beginning to see the rise of the American-born women entrepreneurs?

A couple of things have happened over the last few weeks that lead me to say, YES. The most recent: two American-born women

Fast Company: BILLIONAIRE SAYS BABIES DESTROY A WOMAN'S FOCUS IN WALL STREET JOBS

<http://www.fastcompany.com/3010144/fast-feed/billionaire-says-babies-destroy-a-womans-focus-in-wall-street-jobs>

Speaking at a symposium at the University of Virginia last month, hedge fund billionaire Paul Tudor Jones suggested that having babies kills a woman's focus, rendering her unable to succeed in the trading industry.

▫ JUNE ▫

Livestream: Dell Women's Entrepreneur Network 2013

<http://new.livestream.com/Dell/DWEN2013English>

Catch up with a series of videos from the conference that “spotlight female entrepreneurial success and creates an atmosphere where women can connect with one another, share best practices, build business opportunities and recognize female influence in business and technology.”

Forbes: The World's Most Powerful Black Women 2013

<http://www.forbes.com/sites/mfonobongnsehe/2013/06/04/the-worlds-most-powerful-black-women-2013/>

A couple of weeks ago, FORBES published its 2013 annual list of the World's 100 Most Powerful Women. They include political leaders, corporate executives, heads of non-governmental organizations, top government functionaries and a first lady.

Small Biz Trends: 10 Tips for Women Entrepreneurs to Stay on Track

smallbiztrends.com/2013/06/women-entrepreneurs-tips.html?utm_source=rss&utm_medium=rss&utm_campaign=women-entrepreneurs-tips

What prompts a woman to take up the challenge of becoming a successful entrepreneur? The main reason is the flexibility that being your own boss offers. Below I have shared a few tips for today's women entrepreneurs.

Hispanic Business: \$4 Billion Program for Minority Businesses Lacks Oversight

http://www.hispanicbusiness.com/2013/6/3/4_billion_program_for_minority_businesses.htm

The U.S. Department of Transportation distributes some \$4 billion a year in contracts reserved for minority-owned and other "disadvantaged" businesses, but conducts virtually no oversight and has no idea if the program is accomplishing any of its goals, a new inspector general's report found.

Comptroller Curry Tells Minority Depository Institutions OCC Rules Make It Easier for Minority Institutions to Raise Capital

<http://www.occ.gov/news-issuances/speeches/2013/pub-speech-2013-94.pdf>

The good news is that minority institutions are returning to health and profitability, and that puts them in a better position to serve as a catalyst for economic growth.

Fast Company: AT CLINTON GLOBAL INITIATIVE AMERICA, A BIG BET ON WOMEN VETERANS TURNED ENTREPRENEURS

<http://www.fastcompany.com/3012967/leadership-now/at-clinton-global-initiative-america-a-big-bet-on-women-veterans-turned-entre>

The women surveyed said their military service gave them a number of advantages as business owners, including organizational skills, the ability to adapt quickly to changing environments, and specific skills and training, such as technology, and project management and procurement, according to the WVEC survey.

Fast Company: HOW SILICON VALLEY'S OBSESSION WITH NARRATIVE CHANGED TASKRABBIT

<http://www.fastcompany.com/3012593/taskrabbit-leah-busque#4>

Then TaskRabbit happened... She had stepped down because she believed a CEO with an operations background could help grow the company. But in June 2012, Busque reclaimed the CEO title, and soon thereafter Founders Fund invested \$10 million of TaskRabbit's \$13 million round.

Washington Post: New rankings: The world's top nations for female entrepreneurs

www.washingtonpost.com/business/on-small-business/2013/06/17/f86fa7fc-d77d-11e2-a9f2-42ee3912ae0e_story.html

Women have historically started far fewer businesses than men — but the gap is closing. In the latest Global Entrepreneurship Monitor, the rate of business formation among women eclipsed the rate among men...

Forbes: The Paradox Of Women Business Owners

<http://www.forbes.com/sites/nextavenue/2013/06/18/the-paradox-of-women-business-owners/>

The good news: between 1997 and 2013, the number of women-owned businesses increased by 59 percent – 1½ times the rate of U.S. businesses overall. What’s more, over the past 16 years, employment by companies owned by female entrepreneurs was up by 10% and their revenues grew by 63%. Both of those increases exceed those of all but the largest, publicly traded firms.

Nashville Post: Former AirStrip Technologies VP to start venture within EC

<http://nashvillepost.com/news/2013/6/21/former-airstrip-technologies-vp-to-start-venture-within-ec>

Days after leaving her executive post at a local health care IT services company, Connie McGee has formed Evolve Women, a venture aimed at helping local business women develop their careers. McGee will work with the Nashville Entrepreneur Center by offering via Evolve Women a “delivery platform” to female clients, including those already working within corporate structures and those more entrepreneurially minded.

Huffington Post: Indiegogo Founder Slava Rubin Reveals the Secret to Striking Crowdfunding Gold (VIDEO)

www.huffingtonpost.com/nathaniel-cahners-hindman/indiegogo-founder-slava-slava-rubin_b_3462521.html?utm_hp_ref=small-business

After all, there’s a science to this stuff, people. Just ask Slava Rubin, the founder and CEO of Indiegogo, one of the largest crowdfunding platforms in the world. During last week’s Southland Summit in Nashville, we caught up with Rubin and got him to reveal the secrets to striking crowdfunding gold. Pay attention: He speaks ridiculously fast and you could use the cash.

Women on Business: Inside the Mind of a Startup Entrepreneur (Infographic)

<http://www.womenonbusiness.com/inside-the-mind-of-a-startup-entrepreneur-infographic/>

A new infographic from Top Management Degrees sheds some light on the startup entrepreneur mindset and offers tips and warnings for anyone traveling the startup entrepreneur path.

Venture Beat: Tennessee funds new accelerator for agriculture startups

<http://venturebeat.com/2013/06/28/tennessee-funds-new-accelerator-for-agriculture-startups/>

Agriculture poses a major opportunity for entrepreneurs to make money and do good, ...and entrepreneurs are encouraged to tackle ideas related to precision software, grain handling and storage, food processing, tablet apps, livestock nutrition, crop production, and more.

Bloomberg: Entrepreneurs Get Better with Age

www.bloomberg.com/news/2013-06-27/entrepreneurs-get-better-with-age.html

Meanwhile, data from the Kauffman Foundation indicates the highest rate of entrepreneurship in America has shifted to the 55-64 age group, with people over 55 almost twice as likely to found successful companies than those between 20 and 34.

Nashville Business Journal: Evolve launches to help Nashville women start businesses

http://www.bizjournals.com/nashville/news/2013/06/20/evolve-launches-to-help-women-start.html?ana=e_du_pub&s=article_du&ed=2013-06-20&u=36404871304e0b5bf640d6ce4e7268&t=1371766308

It usually only takes a few minutes at an entrepreneur panel or pitch session before the observation creeps in: There aren't a ton of women on the stage.

Sacramento Bee: Diversity Business Strategist Shayna Rattler Reveals What Women and Minority Business Owners Need to Do to Attract and Retain Lucrative Corporate Contracts

<http://www.sacbee.com/2013/06/27/5528275/diversity-business-strategist.html#storylink=cpy>

Rattler says that only 2% of women and minority owned businesses break the \$1 million revenue mark. Of those, 56% of their sales come from corporate clients. The trouble is, most women don't know how to make a winning approach to earn or retain the business.

Huffington Post: What is Working in Small Business? How Empowering Women Benefits The Economy (VIDEO)

http://www.huffingtonpost.com/2013/06/27/dina-powell-aspen-ideas_n_3512661.html

Global leaders gathering in Aspen this week are discussing why providing business education to women around the world creates more economic stability and social equity.

Hispanic Business: How The Hispanic Business 500

http://www.hispanicbusiness.com/branded/2013/hb500/hb500_industry.asp

Navarro Research and Engineering, Inc., is a full-service environmental company based in Oak Ridge, Tenn. Hispanic Business 500 ranked CEO Susana Navarro-Valenti’s company at 100 with 2012 revenues of \$61.66 million and employment of 468.

Forbes: Women And Men Need This Instead Of Quotas

<http://www.forbes.com/sites/womensmedia/2013/06/30/women-and-men-need-this-instead-of-quotas/>

On June 20th at the headquarters of the New York Times a very interesting and revolutionary gathering occurred, one that was very different to many of the “women’s” leadership events I attend and participate in. I had the honor of moderating an executive round table hosted by IMPACT Leadership 21. 65 decision makers from a variety of arenas: UN representatives, NGO’s, non-profits, entrepreneurs and corporate executives were in attendance to engage in a different type of discussion for the advancement of women.

Special thanks to Courtney Corlew at LaunchTennessee for her assistance with articles!

Contact Information:

Wisty Pender
Director, Business Enterprise Resource Office (BERO)
Economic and Community Development | State of Tennessee

312 Rosa L Parks Ave, 26th Floor
Nashville, TN 37243

wisty.pender@tn.gov
www.tn.gov/ecd/bero

p 615/741.8914 - 800/872.7201
f 615/401.6872

About BERO: The Business Enterprise Resource Office (BERO) is housed within the Department of Economic and Community Development. BERO serves as a voice for and advocate of disadvantaged businesses (DBE); analyzes, disseminates and promotes best practices and access to capital to service providers; and reports on status of DBEs statewide.

About ECD: The Tennessee Department of Economic and Community Development's mission is to develop strategies which help make Tennessee the No. 1 location in the Southeast for high quality jobs. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth.

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ATTACHMENT C: TENNESSEE SMART START GUIDE

DOWNLOAD AT

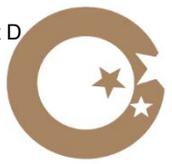
TN.GOV/ECD/BERO/PDF/TNSMARTSTARTUPGUIDE.PDF



TENNESSEE
SMART START
YOUR BUSINESS STARTS HERE

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ATTACHMENT D: COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)
FOR MICROENTERPRISE ECONOMIC DEVELOPMENT



UPDATED LOCATION INFORMATION

Community Development Block Grants (CDBG) for Microenterprise Economic Development: Regional Meetings

Purpose:

The CDBG funds available will potentially be used to support DBEs as it relates to economic development. Agencies and organizations that work with small, women-owned, minority-owned, veteran-owned, rural and urban core businesses as well as youth entrepreneurs are encouraged to participate in these discussions. The information and ideas garnered will help determine the use of the funds. While CDBG money is federal, and therefore has its particular set of eligible uses and requirements, there are many possibilities for Tennessee's growing business community to benefit.

Consider:

What programs could use additional funds to reach DBE populations better? What collaborations are in place? What partnerships could be forged? How would those programs become sustainable? Where are the gaps? What successful programs could be furthered? Etc.

Meeting schedule:

1. Jackson: January 23

Southwest Development District
102 E. College Street
Jackson, TN 38301

Meeting:
Boardroom
1:30-2:45pm (CST)

2. Spring Hill: January 24

Workforce Development and Conference Center
at Northfield
5000 Northfield Lane
Spring Hill, TN 37174

Meeting:
Large Conference Room
10:30-11:45am (CST)

3. Kingsport: February 18

Kingsport Chamber of Commerce
400 Clinchfield Street
Kingsport, TN 37660

Meeting:
Eastman Board Room
1:30-2:45pm (EST)

4. Athens: February 19

Tennessee College of Applied Technology – Athens
1635 Vo-Tech Drive
Athens, TN 37303

Meeting:
TCAT Conference Room
10-11:15am (EST)

Who should attend?

Agencies and organizations are encouraged to invite other DBE service providers to attend these sessions regardless of their region.

Agencies and organizations may be national, state, regional and local in their activities, but activities must benefit Tennessee.

For more information, contact Wisty Pender by email at Wisty.Pender@tn.gov (preferred) or 615.741.8914.

Updated: 1/20/2014

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ATTACHMENT E-1: NON-EMPLOYER DATA

2011 Nonemployer Statistics

Table Name

Geography Area Series: Nonemployer Statistics by Legal Form of Organization: 2011

Universe

The universe of this file is all firms with no paid employees or payroll with receipts of \$1,000 or more (or \$1 for the construction sector) and are subject to federal income tax. The universe is limited to industries in approximately 300 of the nearly 1,200 recognized North American Industry Classification System industries. The universe contains only those codes that are available through administrative records sources and are common to all three legal forms of organization applicable to nonemployer businesses. This is generally a broader level of detail than would typically be provided for employer data. For specific exclusions and inclusions, see <http://www.census.gov/econ/nonemployer/methodology.htm>.

Release Date : 06/27/2013

NOTE: Nonemployer Statistics originate from tax return information of the Internal Revenue Service. The data are subject to nonsampling error such as errors of self-classification by industry on tax forms, as well as errors of response, nonreporting and coverage. Values provided by each firm are slightly modified to protect the respondent's confidentiality. For further information about methodology and data limitations, see Survey Methodology.

Geographic area name	2007 NAICS code	Meaning of 2007 NAICS code	Year	Number of nonemployer establishments	Receipts (\$1,000)
Anderson County, Tennessee	00	Total for all sectors	2011	4,615	180,761
Bedford County, Tennessee	00	Total for all sectors	2011	2,958	111,648
Benton County, Tennessee	00	Total for all sectors	2011	1,106	38,147
Bledsoe County, Tennessee	00	Total for all sectors	2011	864	31,523
Blount County, Tennessee	00	Total for all sectors	2011	8,517	351,474
Bradley County, Tennessee	00	Total for all sectors	2011	6,745	329,509
Campbell County, Tennessee	00	Total for all sectors	2011	2,530	88,524
Cannon County, Tennessee	00	Total for all sectors	2011	1,102	39,790
Carroll County, Tennessee	00	Total for all sectors	2011	1,609	54,734
Carter County, Tennessee	00	Total for all sectors	2011	3,366	114,225
Cheatham County, Tennessee	00	Total for all sectors	2011	3,355	133,234
Chester County, Tennessee	00	Total for all sectors	2011	1,021	39,003
Claiborne County, Tennessee	00	Total for all sectors	2011	1,977	74,374
Clay County, Tennessee	00	Total for all sectors	2011	696	22,917
Cocke County, Tennessee	00	Total for all sectors	2011	2,176	62,869
Coffee County, Tennessee	00	Total for all sectors	2011	3,597	130,311
Crockett County, Tennessee	00	Total for all sectors	2011	946	38,457
Cumberland County, Tennessee	00	Total for all sectors	2011	4,473	170,717
Davidson County, Tennessee	00	Total for all sectors	2011	57,150	2,802,784
Decatur County, Tennessee	00	Total for all sectors	2011	841	27,777
DeKalb County, Tennessee	00	Total for all sectors	2011	1,369	46,149
Dickson County, Tennessee	00	Total for all sectors	2011	3,629	139,616
Dyer County, Tennessee	00	Total for all sectors	2011	2,416	81,949
Fayette County, Tennessee	00	Total for all sectors	2011	3,229	144,758
Fentress County, Tennessee	00	Total for all sectors	2011	1,514	63,325
Franklin County, Tennessee	00	Total for all sectors	2011	2,678	88,913
Gibson County, Tennessee	00	Total for all sectors	2011	2,871	110,736
Giles County, Tennessee	00	Total for all sectors	2011	1,763	71,749
Grainger County, Tennessee	00	Total for all sectors	2011	1,503	57,504
Greene County, Tennessee	00	Total for all sectors	2011	4,222	142,914
Grundy County, Tennessee	00	Total for all sectors	2011	1,338	44,818
Hamblen County, Tennessee	00	Total for all sectors	2011	3,742	153,453
Hamilton County, Tennessee	00	Total for all sectors	2011	23,952	1,170,245
Hancock County, Tennessee	00	Total for all sectors	2011	503	9,994
Hardeman County, Tennessee	00	Total for all sectors	2011	1,570	50,969

Hardin County, Tennessee	00	Total for all sectors	2011	1,946	70,817
Hawkins County, Tennessee	00	Total for all sectors	2011	3,134	102,552
Haywood County, Tennessee	00	Total for all sectors	2011	1,097	35,640
Henderson County, Tennessee	00	Total for all sectors	2011	1,773	66,296
Henry County, Tennessee	00	Total for all sectors	2011	2,244	89,471
Hickman County, Tennessee	00	Total for all sectors	2011	1,670	49,883
Houston County, Tennessee	00	Total for all sectors	2011	572	18,607
Humphreys County, Tennessee	00	Total for all sectors	2011	1,182	41,839
Jackson County, Tennessee	00	Total for all sectors	2011	881	27,208
Jefferson County, Tennessee	00	Total for all sectors	2011	3,155	119,063
Johnson County, Tennessee	00	Total for all sectors	2011	1,099	39,050
Knox County, Tennessee	00	Total for all sectors	2011	33,321	1,663,868
Lake County, Tennessee	00	Total for all sectors	2011	369	6,744
Lauderdale County, Tennessee	00	Total for all sectors	2011	1,325	50,305
Lawrence County, Tennessee	00	Total for all sectors	2011	2,947	119,844
Lewis County, Tennessee	00	Total for all sectors	2011	901	34,852
Lincoln County, Tennessee	00	Total for all sectors	2011	2,421	98,111
Loudon County, Tennessee	00	Total for all sectors	2011	3,318	141,256
McMinn County, Tennessee	00	Total for all sectors	2011	3,061	111,599
McNairy County, Tennessee	00	Total for all sectors	2011	1,746	72,214
Macon County, Tennessee	00	Total for all sectors	2011	1,655	60,944
Madison County, Tennessee	00	Total for all sectors	2011	6,583	286,444
Marion County, Tennessee	00	Total for all sectors	2011	1,725	70,725
Marshall County, Tennessee	00	Total for all sectors	2011	1,895	67,073
Maury County, Tennessee	00	Total for all sectors	2011	5,546	204,566
Meigs County, Tennessee	00	Total for all sectors	2011	695	29,182
Monroe County, Tennessee	00	Total for all sectors	2011	2,696	112,696
Montgomery County, Tennessee	00	Total for all sectors	2011	8,598	414,069
Moore County, Tennessee	00	Total for all sectors	2011	443	16,242
Morgan County, Tennessee	00	Total for all sectors	2011	1,231	40,267
Obion County, Tennessee	00	Total for all sectors	2011	1,914	65,485
Overton County, Tennessee	00	Total for all sectors	2011	1,793	65,647
Perry County, Tennessee	00	Total for all sectors	2011	594	24,673
Pickett County, Tennessee	00	Total for all sectors	2011	484	20,602
Polk County, Tennessee	00	Total for all sectors	2011	998	37,111
Putnam County, Tennessee	00	Total for all sectors	2011	5,870	244,581
Rhea County, Tennessee	00	Total for all sectors	2011	1,685	51,527
Roane County, Tennessee	00	Total for all sectors	2011	3,151	115,848
Robertson County, Tennessee	00	Total for all sectors	2011	4,790	195,239
Rutherford County, Tennessee	00	Total for all sectors	2011	17,851	736,275
Scott County, Tennessee	00	Total for all sectors	2011	1,392	54,459
Sequatchie County, Tennessee	00	Total for all sectors	2011	1,050	35,612
Sevier County, Tennessee	00	Total for all sectors	2011	7,658	337,365
Shelby County, Tennessee	00	Total for all sectors	2011	80,869	2,692,741
Smith County, Tennessee	00	Total for all sectors	2011	1,391	52,067
Stewart County, Tennessee	00	Total for all sectors	2011	843	26,700
Sullivan County, Tennessee	00	Total for all sectors	2011	9,543	411,728
Sumner County, Tennessee	00	Total for all sectors	2011	13,447	588,002
Tipton County, Tennessee	00	Total for all sectors	2011	3,886	114,058
Trousdale County, Tennessee	00	Total for all sectors	2011	558	23,076
Unicoi County, Tennessee	00	Total for all sectors	2011	786	28,030
Union County, Tennessee	00	Total for all sectors	2011	1,342	49,724
Van Buren County, Tennessee	00	Total for all sectors	2011	368	10,370
Warren County, Tennessee	00	Total for all sectors	2011	2,917	108,201
Washington County, Tennessee	00	Total for all sectors	2011	7,696	357,647
Wayne County, Tennessee	00	Total for all sectors	2011	970	33,174
Weakley County, Tennessee	00	Total for all sectors	2011	1,737	74,136
White County, Tennessee	00	Total for all sectors	2011	2,043	72,045
Williamson County, Tennessee	00	Total for all sectors	2011	21,070	1,342,517
Wilson County, Tennessee	00	Total for all sectors	2011	9,583	426,246
Total				473,451	19,876,183

Source: U.S. Census Bureau, 2011 Nonemployer Statistics.

BERO ANNUAL REPORT FY2014

ATTACHMENT E-2: BUSINESS DATA BY SIZE AND COUNTY

DOWNLOAD AT

TN.GOV/ECD/BERO/PDF/2014BEROANNUALREPORT_DATASHEET.PDF

BERO ANNUAL REPORT FY2014

ATTACHMENT ~~A~~ BERO WEBPAGE SNAPSHOT

- Jobs4TN
- Innovation
- Doing Business
- Jobs Base Camps
- Community & Rural Services
- Data and Publications
- Administration
- Incentives and Grants
- Maps
- Our Commissioner
- Newsroom
- Upcoming Events
- Multimedia Center
- Storip
- Contact TNECD

Business Enterprise Resource Office



- BERO
- Minorities
- Women
- Veterans
- Rural
- Youth
- Grants
- Other

BERO

The Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO), was created in the Tennessee Department of Economic and Community Development (TNECD) by Chapter 135 of the Public Acts of 1977, codified as Section 94-26-101 et seq.

BERO serves as a voice for and advocate of disadvantaged businesses (DBE) statewide. For the purposes of BERO, DBE refers to businesses owned by women, minorities and veterans. It also refers to businesses operating in remote or rural areas of the state. BERO is also tasked to analyze, disseminate and promote best practices and access to capital to service providers as well as report on the status of DBEs across in the state.

BERO Resources

[Small Business and Startup Guide \(PDF\)](#) - a small business and startup guide, financing snapshot

[Rural Small Business and Entrepreneurship Loan Fund](#) - \$500 - \$20,000 loans for rural businesses

BERO annual reports -

- FY2013
- FY2012
- FY2011

Recent quarterly newsletters -

- Summer 2014
- Spring 2014

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DBE in the News

[Nooqa.com: Chattanooga entrepreneur launches locally sourced clothing line](#)

Chattanooga resident and budding entrepreneur Orngeigh Gipson has combined two passions—environmental science and sustainability and fashion—to create a business called Temperate, which offers women's clothing made from local, organic products... a pop-up shop at Society of Work, a relatively new downtown collaborative workspace.

[Columbia Daily Herald: Students construct websites, careers at Cade Academy](#)

Eighteen-year-old Lync McGlofin wants to start her own business someday, but she's trying to decide between working for an insurance firm or starting a fashion line. She does know she'll need a website.

[Huffington Post: What I Learned in My First Year as a Female Startup CEO](#)

If a reporter asks me why it sucks to be a female CEO, I can come up with hundreds of reasons. On the other hand, if I am asked to argue why it's awesome to be a female CEO, I can also do that pretty well. So here is my take on both sides of the issue.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21



Tennessee Small Business and Startup Guide



Rural Small Business and Entrepreneurship Loan Fund