

replace a Strategic Partner within forty-five (45) days after termination of a previously established partnership. The MBDC shall consult with its MBDA National Enterprise Center prior to completing the MOU. The MBDA shall have no relationship with or responsibility to the MBDC's Strategic Partners.

The Strategic Partners shall be public or private sector organizations located within the project's geographic service area. Strategic Partners may include:

- Minority Business Enterprise (MBE) programs operated by state, county or city governments;
- Chambers of Commerce or trade associations focused on the needs of the minority business community;
- Small Business Development Centers, or other college and university entrepreneurial development programs;
- Community Development Corporations;
- Banks and financial institutions; and
- Faith-based organizations having economic development components, whose activities are *not* used for sectarian purposes.

Also, the MBDC shall establish Intra-Strategic Relationships with other MBDA funded programs in support of their goals for assisting larger minority businesses as defined under the terms of the award. The MBDC is required to meet with other MBDA-funded programs in the NEC (in person or by phone conference) at quarterly meetings conducted by MBDA staff. The MBDC is encouraged to refer and/or accept clients from these Relationships. The Intra-Strategic Relationships shall *not* be counted towards the MBDC goal of obtaining Strategic Partnerships as described above.

(e) *Facilitate Matches* which identify and refer eligible MBEs with specific viable businesses, market and/or capital opportunities.

This function contributes to an MBDC's financing and/or procurement performance goals, and is the *only* MBDC market development function outside of the standard client business assistance in which a portion of an MBDC's time can be directly associated to *individual* minority business clients and resource customers. This client specific time, no matter how small, is considered client assistance and may be subject to client fees. Under this function, the MBDC shall match qualified minority entrepreneurs with identified opportunities and resources by: (1) Accessing vendor information systems, including the Phoenix/Opportunity system; (2) Providing

follow-up communication to Phoenix-registered minority firms that receive Opportunity matches within the MBDC geographic area; (3) Maintaining a constant awareness of the minority firms that operate within the geographic service area and their capabilities; (4) Maintaining direct contact with purchasing executives, government procurement officials, banking officials and others so that representatives of the MBDC are in a position to learn about available business opportunities, both formally and informally; (5) Engaging in relationship brokering between purchasing organizations and individual minority firms capable of fulfilling their requirements; and (6) Assisting in direct negotiations between purchasing organizations and individual minority firms, in appropriate cases, in order to help resolve issues, serve as an advocate for the minority firm, or otherwise assist in bringing the transaction to closure.

2. *Client Services*—Provides direct client assistance to MBEs on the basis of individualized professional engagements. Rapid growth-potential minority businesses shall be assisted primarily through one-on-one business consulting.

Rapid growth-potential minority businesses are defined as those firms with \$500,000 in annual sales or more or capable of generating significant employment and long term economic growth. Under these duties, the MBDC shall assist minority firms and individuals, which have agreed in writing to become MBDC clients, in establishing, improving and/or successfully maintaining their businesses. *All new clients* shall be entered into the Performance system and registered in the Phoenix system. The MBDC is *required* to enter clients and service hours into the Performance system within seventy-two (72) hours from the time of service. Clients assisted more than once during the funding period may only be counted once in that funding period.

Business consulting to rapid growth-potential minority businesses requires the delivery of sophisticated management and technical assistance based on the client size (see below for definition of sales range). The MBDC shall operate a *systems-integrated approach* (as described below) to assist in minority business growth and development. The MBDC must define its business consulting service approach for each of the following annual sales range categories:

- (a) \$500,000–\$999,999
- (b) \$1,000,000–\$5,000,000
- (c) Other rapid growth-potential minority firms (as defined above)

A systems-integrated approach is defined as a customer-based service model supported by the following functions:

- Strategy—*e.g.*, plans for achieving sustainable competitive advantage and creating customer value
- Processes—*e.g.*, efficient, effective ways of manufacturing products or delivering services
- Architecture—*e.g.*, organizational and value chain (outsourcing) structure to implement the strategy and key processes
- Resources—*e.g.*, the acquisition and management of financial, human, and technical assets
- Systems—*e.g.*, mechanisms for control and communication, including management information systems (MIS)
- Empowerment—*e.g.*, delegation in a way that encourages staff to pursue strategic initiatives and continuous improvement.

The MBDC shall be responsible for providing business consulting to MBEs based on these principles.

Business consulting services are (as defined under this section) provided by the MBDC to eligible MBEs and individuals (as referenced in Executive Orders 11625 and 12432) seeking assistance from the MBDC, including 8(a) certified and graduate firms. These client services are segments to the systems-integrated approach. They are designed to assist minority firms to bridge operational and strategic gaps. They cannot provide long term business viability without aligning all aspects of the business and its environment. Client services include, but are not limited to, the following types of assistance:

(a) *Client Assessment*—Provides the MBDC client with a fundamental business evaluation. This process is designed to standardize services across the MBDC network nationwide and to facilitate the client referral process among the MBDA funded network. It requires an interview to be conducted between client and MBDC consultant. This service is designed to provide:

- Background and contact information on the client;
- Client business analysis with respect to its core competency, organizational structure, market and industry placement, production of products/delivery of services, marketing plan, resources and financial viability;
- Analysis and benchmarking of the client;
- Development of an intervention plan utilizing a systems-integrated approach (as defined under Client Services) & client report; and,