

PUBLIC PERFORMANCE REVIEW

Goal Areas 2 & 5 – Small Business Sector Growth
and Supplier Diversity

May 24, 2023



WELCOME

PRESENTED BY:

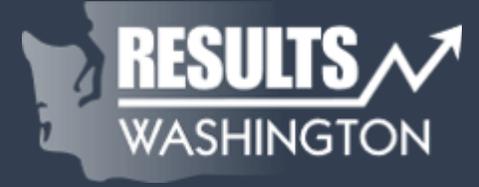
- MANDEEP KAUNDAL, DIRECTOR, RESULTS WASHINGTON

Building Logistics

- **Emergency exits** are located through the conference room doors directly ahead
- **Restrooms** are located outside of the conference room next to the elevators
- Please take **side conversations** outside the room
- Attendees will find a QR code and a physical **survey** located on conference room tables
- **ASL interpretation** is being provided for today's meeting
- Our meeting is being **live-streamed** by TVW
- Meeting **materials** are located at www.results.wa.gov

Topic Selection

- Small Business Growth and Supplier Diversity are tied to the Governor's strategic goal 2: A **Prosperous Economy**, as well as goal 5: **Efficient, Effective, and Accountable Government**
- Recommended by leaders across the state to review support for **small business growth** and progress on **equity in state contracting**
- Progress and initiatives presented by:
 - Office of Minority & Women's Business Enterprises
 - Governor's Office for Regulatory Innovation & Assistance
 - Department of Commerce
 - Department of Transportation
 - Department of Enterprise Services



Governor's Opening Remarks



SMALL BUSINESS SECTOR GROWTH, SUPPLIER DIVERSITY INTRODUCTION

PRESENTED BY:

- SARAH ERDMANN, DEPUTY DIRECTOR,
OMWBE



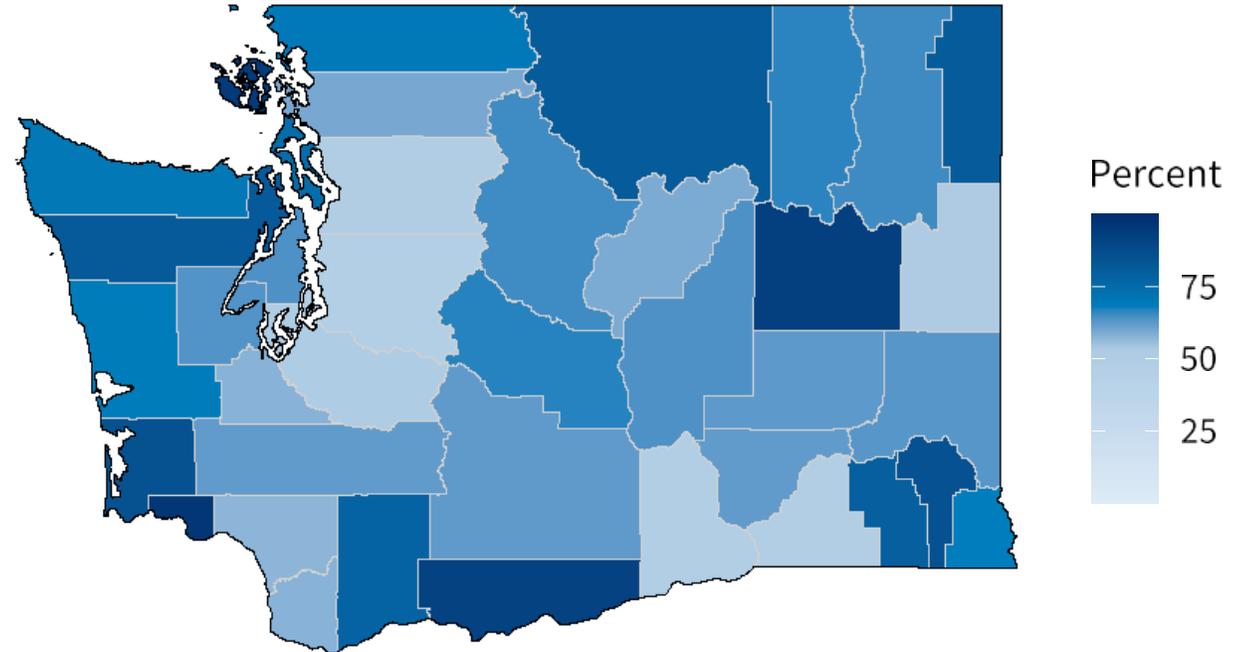
Small Businesses are the backbone of our economy, employing about 50% of the Washington State workforce.

When small businesses thrive, everyone succeeds!

Washington State 2022

SBA Small Business Profile

- **657,529** small businesses
- **99.5%** of all businesses in Washington are small
- **1.4 Million** small business employees
- **49.8%** of Washington Employees



Share of employees working at small businesses by county

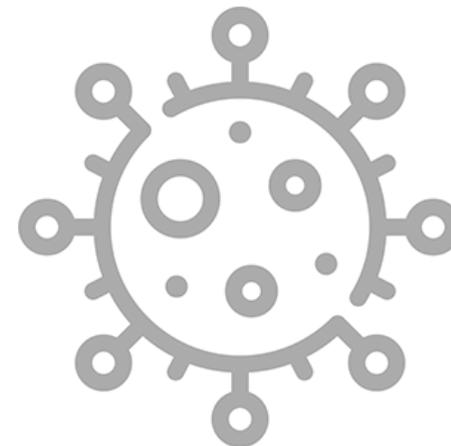
Source of data: [Statistics of US Businesses](#) (Census)

Minority-Owned Business Losses Due to COVID-19

“During the COVID-19 pandemic, business owners of color had business earnings losses that were disproportionately large compared to White business owners. Black business owners suffered the largest losses. The losses incurred by Black, Latinx and Asian owners widened overall earnings inequality”

From 2019 to 2020, overall earnings dropped by 5% to 17% nationwide.

- Black business owners, between 11% and 28%
- Asian business owners, between 15% and 21%
- Hispanic business owners, between 7% and 19%
- White business owners, between 2% and 15%



OMWBE What We Do



OMWBE has been certifying small businesses owned and controlled by minorities, women, and other disadvantaged individuals since 1983.

State agencies, educational institutions, and local governments seek out certified businesses to meet contracting needs and supplier diversity goals.



Why Our Work Matters

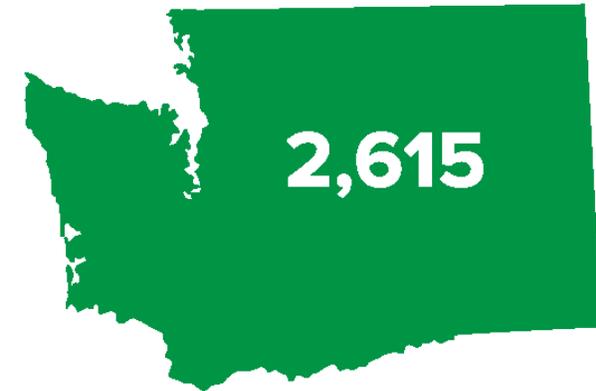


- Supports all facets of the economy and helps “diversify” our economic investments, contributing to resiliency and recovery
- Promotes competition, innovation, and better-quality service delivery for the government
- Small businesses make up a large part of our economy and about 50% of jobs, supporting success, prosperity, and resiliency of our communities and families
- Government contracts can provide stable, predictable work and help M/WBEs weather economic changes and grow their businesses

OMWBE Certification

State Program

- **MBE** – Minority Business Enterprise
- **WBE** – Women's Business Enterprise
- **MWBE** – Minority Women's Business Enterprise
- **CBE** – Combination Business Enterprise
- **SEDBE** – Socially and Economically Disadvantaged Business Enterprise

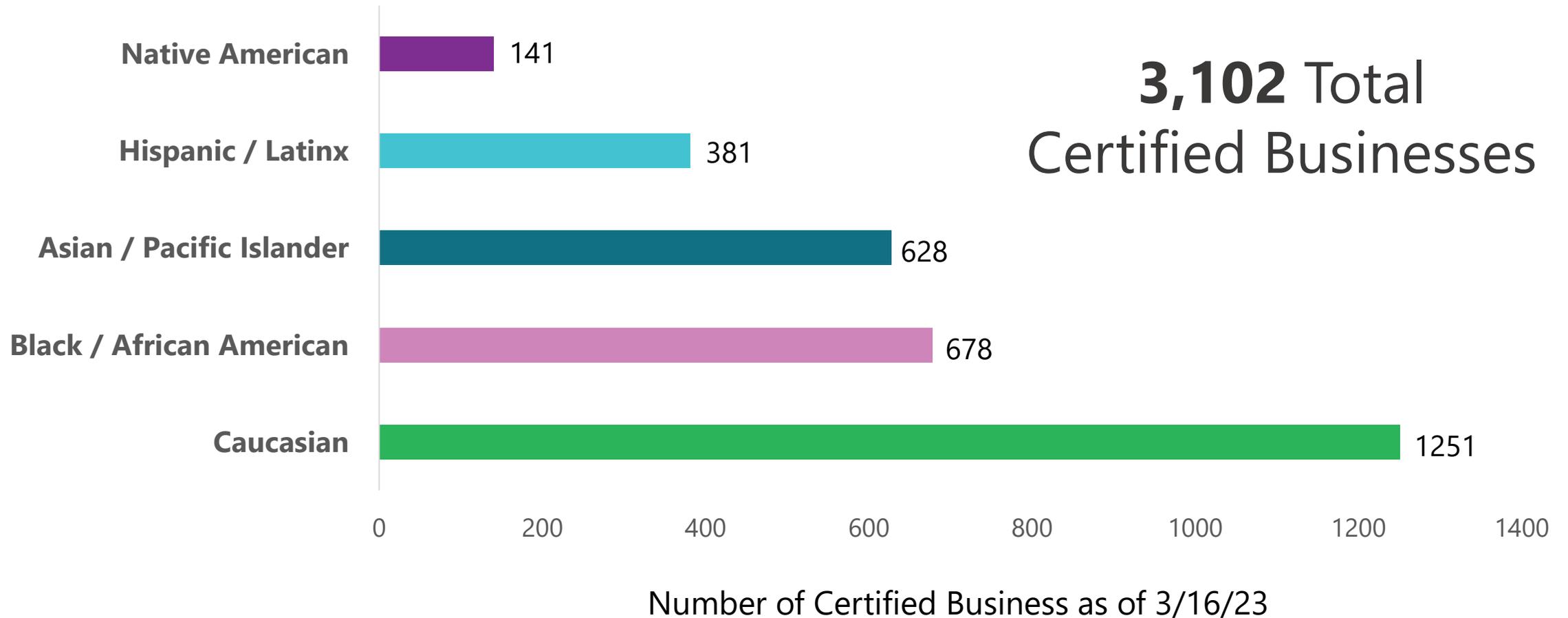


Federal Program

- **DBE** – Disadvantaged Business Enterprise
- **ACDBE** – Airport Concessions Disadvantaged Business Enterprise
- **SBE** – Small Business Enterprise



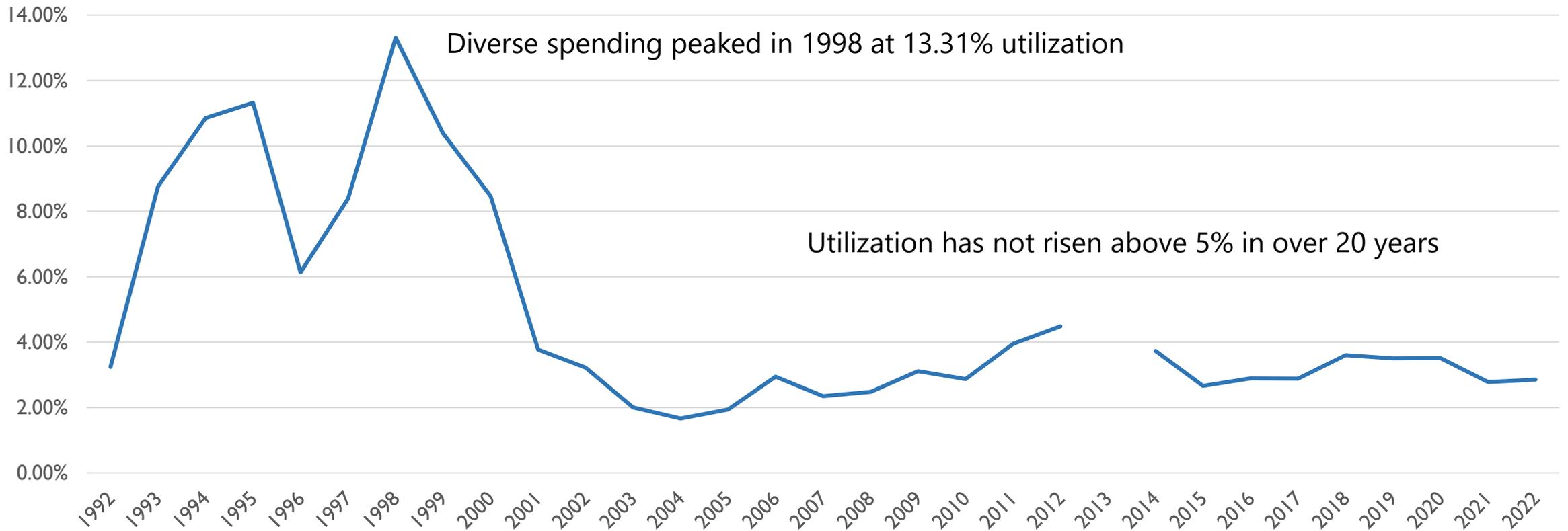
OMWBE Certified Business Demographics



30 Years of State Spending With Certified Businesses



Percentage of Public Spending with Certified Businesses



Current / Future State



- Certified businesses are being underutilized
- Agencies and Higher Ed need to improve long-held practices to meet Supplier Diversity goals
- OMWBE coaches contracts and procurement staff on best practices using the **Tools for Equity in Public Spending**
- OMWBE is implementing an enterprise-wide system called **Access Equity** to collect data from public owners on all contracts that include subcontracts

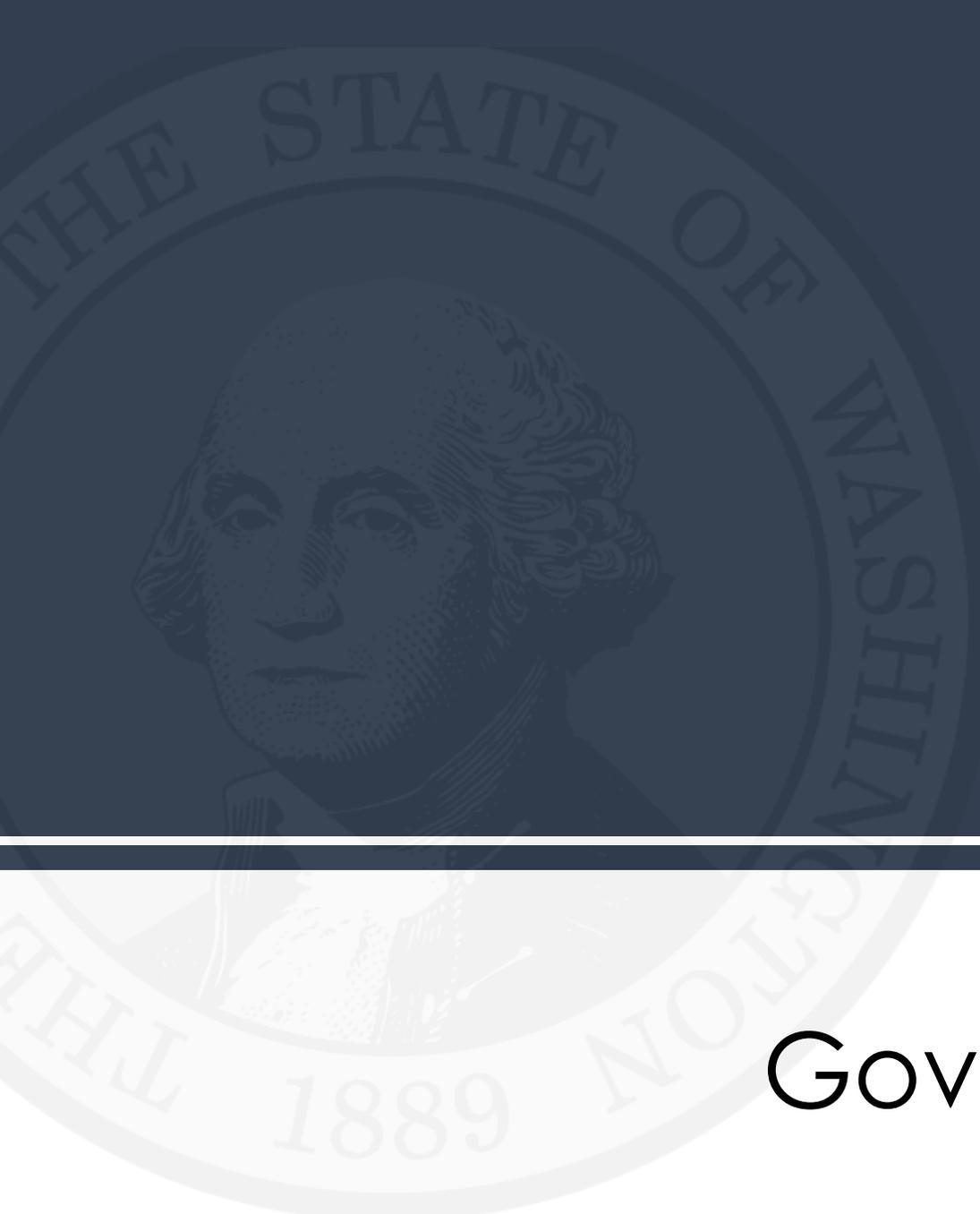
OMWBE Directory Of Certified Businesses



Business that appear in the directory are currently certified with OMWBE.



Designed to help buyers and contracting officers more quickly locate certified firms for upcoming procurement and contracting opportunities.



Governor Q&A



PROGRESS AND INITIATIVES: SMALL BUSINESS OUTREACH AND ASSISTANCE

PRESENTED BY (IN ORDER OF PRESENTATION):

- JESSICA CAMACHO, SMALL BUSINESS RESILIENCY NETWORK DIRECTOR, DEPARTMENT OF COMMERCE
- ANGIE HINOJOS, EXECUTIVE DIRECTOR, CENTRO CULTURAL MEXICANO; CHAIR, WASHINGTON STATE COMMISSION ON HISPANIC AFFAIRS
- HUGO NICOLAS, SMALL BUSINESS CONSULTANT, OFFICE OF REGULATORY INNOVATION AND ASSISTANCE
- ALMA CHACON, EXECUTIVE DIRECTOR, COMMUNITY FOR THE ADVANCEMENT OF FAMILY EDUCATION (CAFÉ)

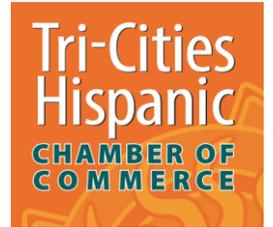


Small Business Resiliency Network

Supported by Washington State Department of Commerce



ASIA
PACIFIC
CULTURAL
CENTER



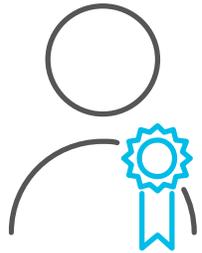
SBRN Partner Highlights – Since July 2022



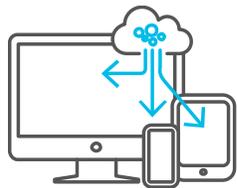
What it Means to be an SBRN Partner



TIME
40-80
 HOURS OF WRAP AROUND
 SUPPORT PER BUSINESS



TRUST
 LONG-TERM INVOLVEMENT IN
 COMMUNITY AND SHARED
 LIVED EXPERIENCE



TECHNOLOGY
 ACCESS TO BROADBAND AND
 DIGITAL TOOLS



CENTRO CULTURAL MEXICANO
 Les invita a nuestro proximo Taller para Pequeñas Negocios

¿Necesita foto de Portada Profesional Para su Negocio?

MIÉRCOLES, 21 DE JUNIO
 6PM-8PM

7945 GILMAN STREET
 REDMOND, WA 98052

El tener una foto profesional es muy importante, hoy en día es la primera impresión! Venga y tómese su foto de portada para sus redes sociales o su sitio web LIBRE DE COSTO para todos los dueños de su propio negocio pequeño o trabajadores independientes.

Evento GRATUITO
 Cupo Limitado

REGÍSTRESE LLAMANDO
 425-896-7067

www.CENTROCULTURALMEXICANO.ORG

CENTRO CULTURAL MEXICANO
 Les invita a nuestro proximo Taller para Pequeñas Negocios

FOTOGRAFIA Y REDES SOCIALES

MIÉRCOLES, 24 DE MAYO
 5:30PM - 8PM

7945 GILMAN STREET REDMOND, WA 98052

Enséñese a tomar fotos profesionales de su producto o servicio y cómo usar las redes sociales para expandir su negocio.

Además de la fotografía estaremos cubriendo el tema de cómo es que puede mejorar su uso de las redes sociales para expandir su negocio y clientela.

Evento GRATUITO con Cena Incluida
 Cupo Limitado

REGÍSTRESE LLAMANDO 425-896-7067

www.CENTROCULTURALMEXICANO.ORG

Centro Cultural Mexicano

Empowering and Connecting Communities through Art and Culture
 Construyendo una comunidad vibrante de individuos empoderados a través del arte y la cultura

Education

Culture

Civic Engagement

We provide opportunities to create a positive future

Small Business Liason Team



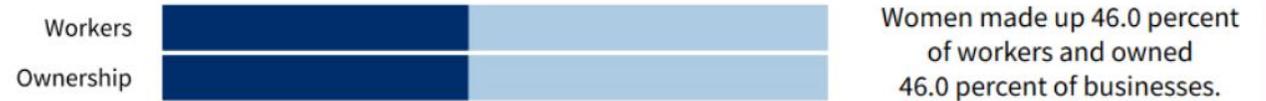
The SBLT is a partnership of 29 state agencies working to improve access to regulatory education and agency resources for small business owners across the state.

Small Businesses are DIVERSE, let's meet them where they are at

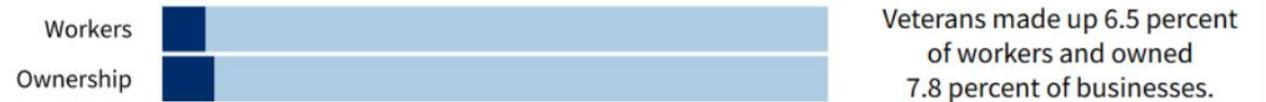


Business ownership share by demographic group

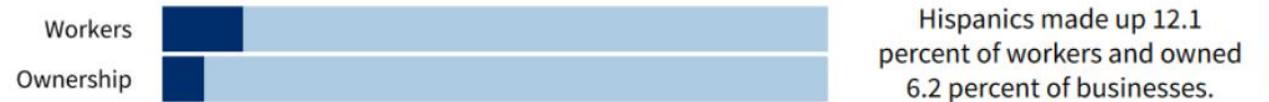
Women



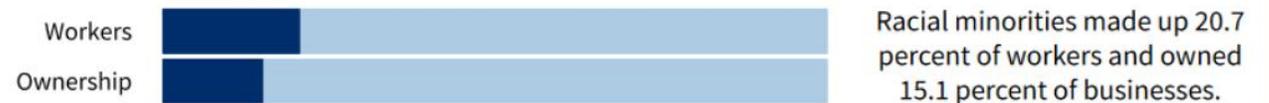
Veterans



Hispanics



Racial minorities



Ownership shares include equal and majority ownership

Sources of data: [American Community Survey, 2018](#) (Census and IPUMS); [Annual Business Survey, 2018](#) (Census); [Nonemployer Statistics by Demographics, 2018](#) (Census)

Access To State Resources

The need

Challenges unique to this business community:

- Language barriers
- Location
- Accessibility
- Trust



SUCCESSFUL PILOT PROGRAM IN YAKIMA, WASHINGTON

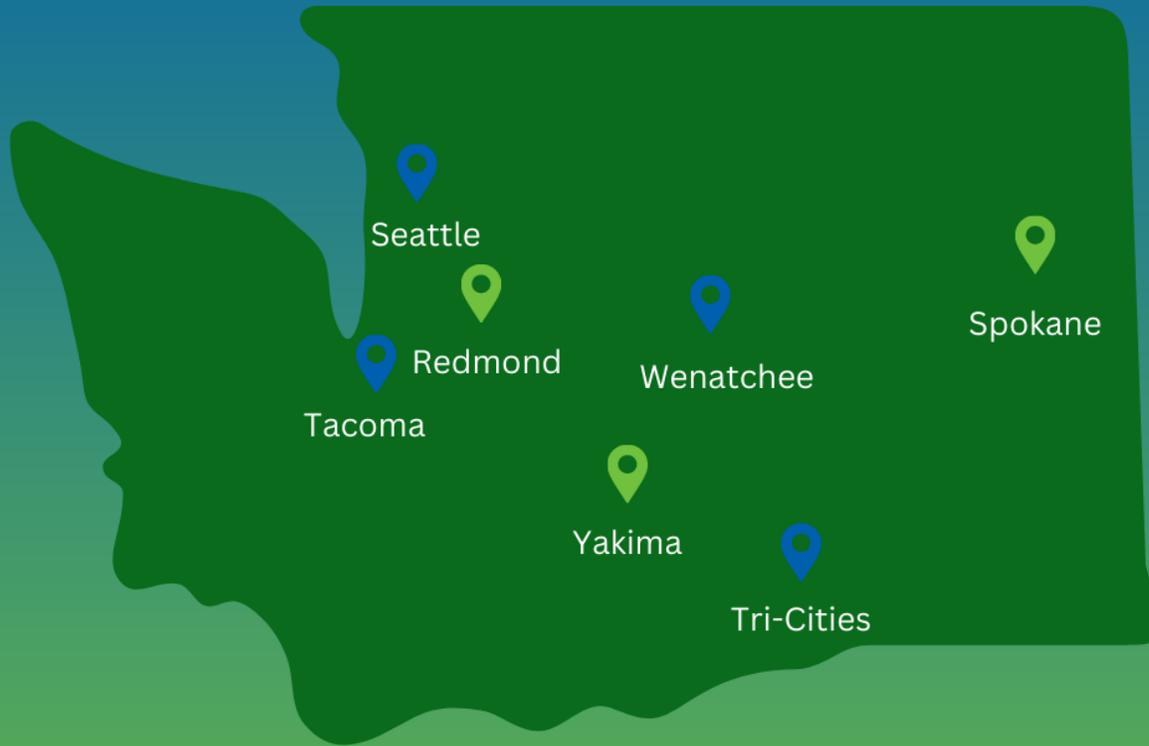
In October 2022, the SBLT piloted a successful workshop program in Yakima, and we were able to connect with more than 90 Latino-owned businesses to provide them with information on state business requirements and agency resources.

WHAT WE LEARNED

Partnering with trusted community organizations allows us to have a wider reach and reduces some of the barriers to connecting with local Latino business owners.



2023 SBRN And SBLT On The Road



- Walk with community, work with community
- Trusted community partners housing the event
- Culturally and linguistically appropriate

LOCAL ORG	LOCATION	DATE
TRIDEC	KENNEWICK	MAY 31, 2023
TRI-CITIES HISPANIC CHAMBER	PASCO	JUNE 1, 2023
WENATCHEE VALLEY CHAMBER OF COMMERCE	WENATCHEE	JUNE 27, 2023
CAFE WENATCHEE	WENATCHEE	JUNE 28, 2023
TACOMA PIERCE COUNTY EDB NAVIGATOR PROGRAM	TACOMA	JULY 11, 2023
LATINOS EN SPOKANE	SPOKANE	AUGUST 2023
YAKIMA COUNTY DEVELOPMENT ASSOCIATION	YAKIMA	SEPTEMBER 20-21

Spanish Language Small Business Workshop



- 65 Latino business owners participated in the Tacoma in-person event.
- 7 SBLT members and a total of 10 agency representatives presented.

First Korean Language Small Business Workshop

How to Get Started 시작하는 방법

- 1) To become an SBDC Client, go to www.wsdbc.org to request services.
- 2) Then, schedule an appointment to meet with the Certified Business Advisor in your area, via zoom or in-person.

- 1) SBDC 클라이언트가 되려면 www.wsdbc.org 로 이동하여 서비스를 요청하세요.
- 2) 그런 다음 확대/축소 또는 직접 방문을 통해 해당 지역의 공인 비즈니스 고문과 만날 약속을 잡으십시오.

Participants visible in the grid include: Khieship, joann, Sarah George - Redmond WA, SKBMedia, Hyun, Oscar Fernandez, By's Drive In, James Park, MJ Brow & Son, Meeyoung Jang/Salmonday, Nereus Laboratories Inc, cafe makario, Ace Cleaners, Good Neighbor Heating and Air Conditioning, K&M Group - ChoTaeKwon Do 조기영 차만득, Dahlia, J&F DELI MART, Y.M International LLC dba Teriyaki Wok Express, First Class Tent, K-TON/HEE Sung Kim, 김현석, Duncan iPad (2), Bruce Kim (Dreamdriver Works Seattle), and ML.

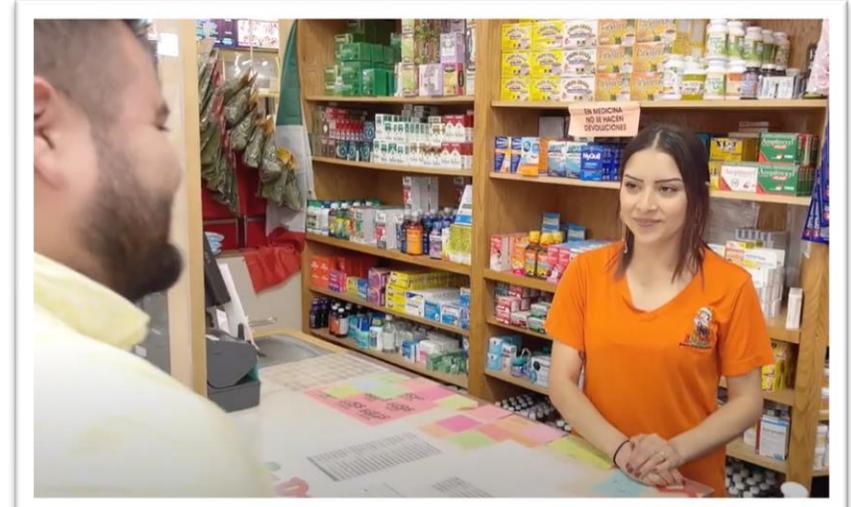
- 200 Korean business owners showed up to our virtual workshops.
- We plan to do the next workshop in person and continue to grow trust with the Korean business community.

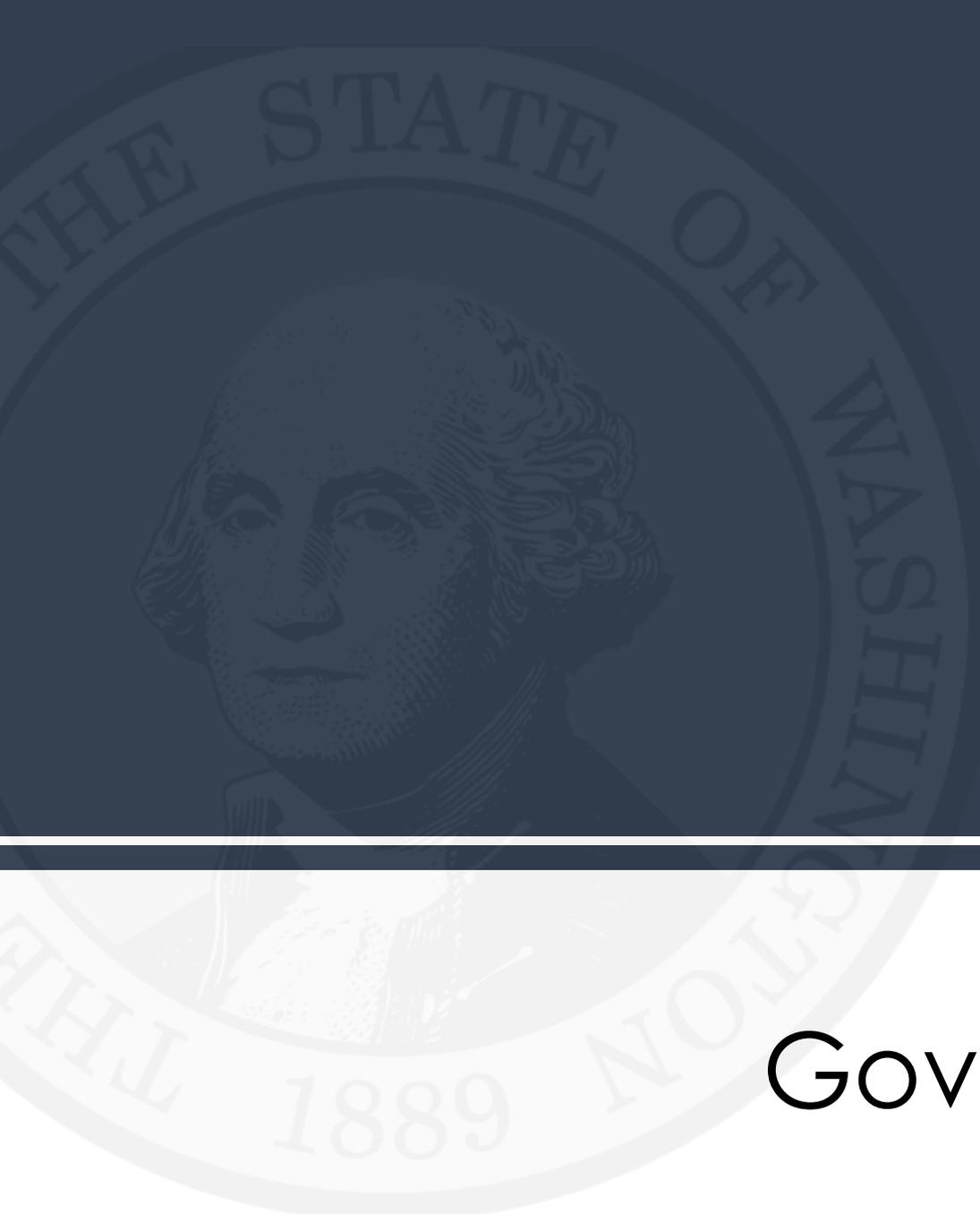
Strong Business, Strong Economy



- Micro-businesses that receive the right mix of capital and support grow 30 percent faster than their peers.*
- Women-owned businesses grow at three times the rate of all businesses. And women of color-owned businesses demonstrate explosive growth, growing 43% faster than businesses.*
- One 2022 report noted nationally certified minority-owned businesses saw a 64% increase in jobs.*

Small Business Resiliency Network Impact





Governor Q&A

The seal of the State of Washington is visible in the background on the left side of the slide. It features a portrait of George Washington in the center, surrounded by the text "THE STATE OF WASHINGTON" and the year "1889".

PROGRESS AND INITIATIVES: SUPPLIER DIVERSITY

PRESENTED BY (IN ORDER OF PRESENTATION):

- EARL KEY, SENIOR DIRECTOR OF TRANSPORTATION EQUITY, WSDOT
- TIMOLIN ABROM, ASSISTANT DIRECTOR OF SUPPLIER DIVERSITY, OMWBE
- ARTI O'BRIEN, OWNER, ADVANCED GOVERNMENT SERVICES, INC.

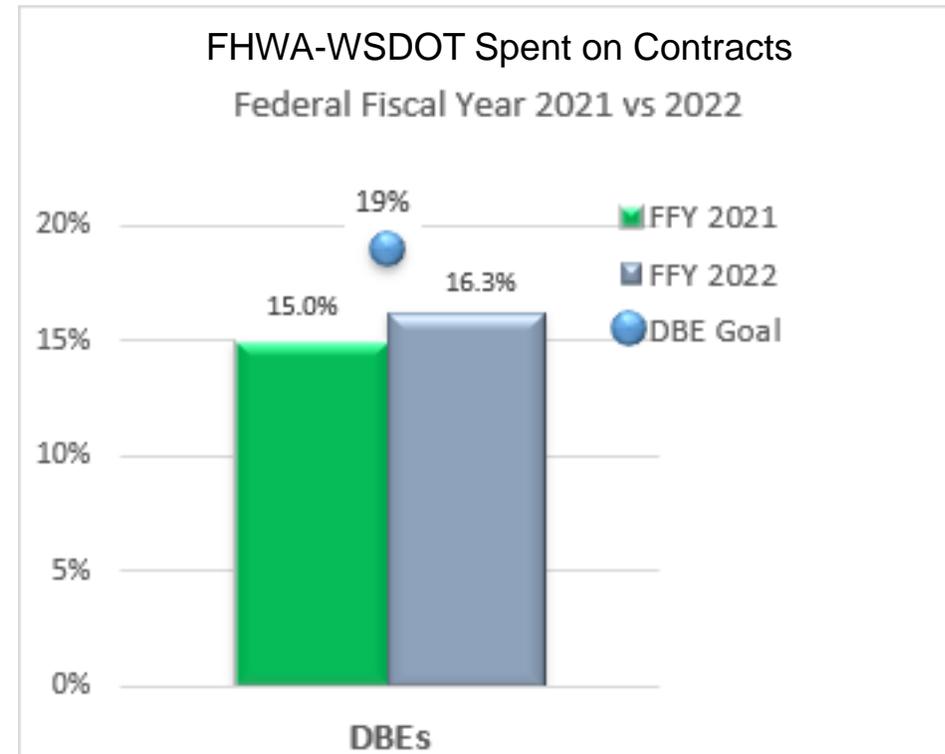
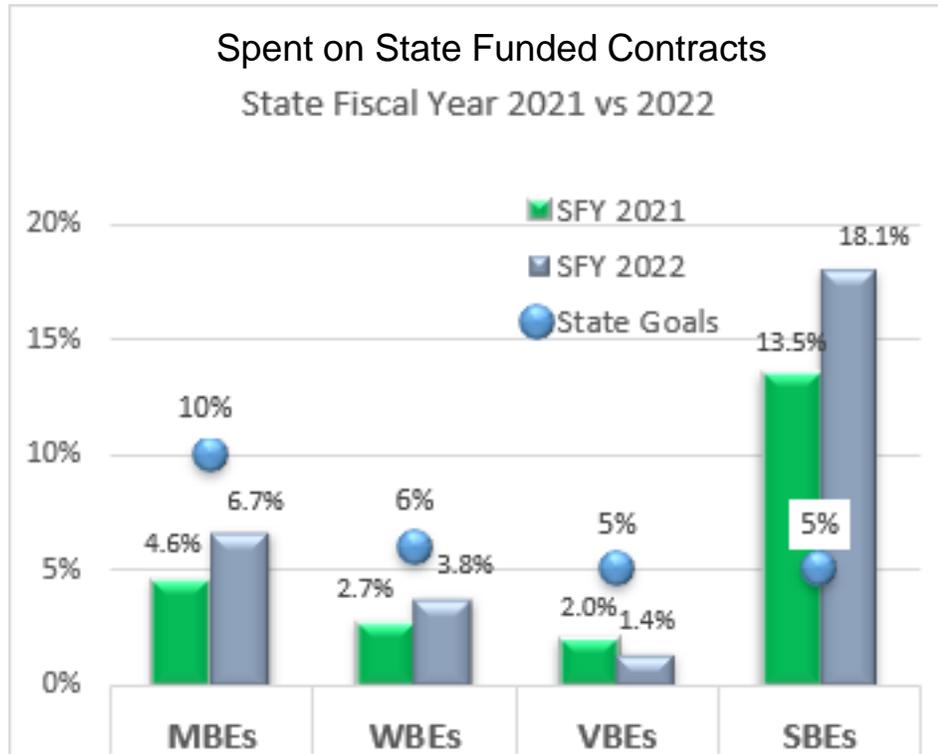
WSDOT Strategic Plan

Our Strategic Plan provides the vision, mission and values that guide the work of the agency. The important work of the agency is focused in three key areas:

- **Resilience**
- **Workforce Development**
- **Diversity, Equity & Inclusion**

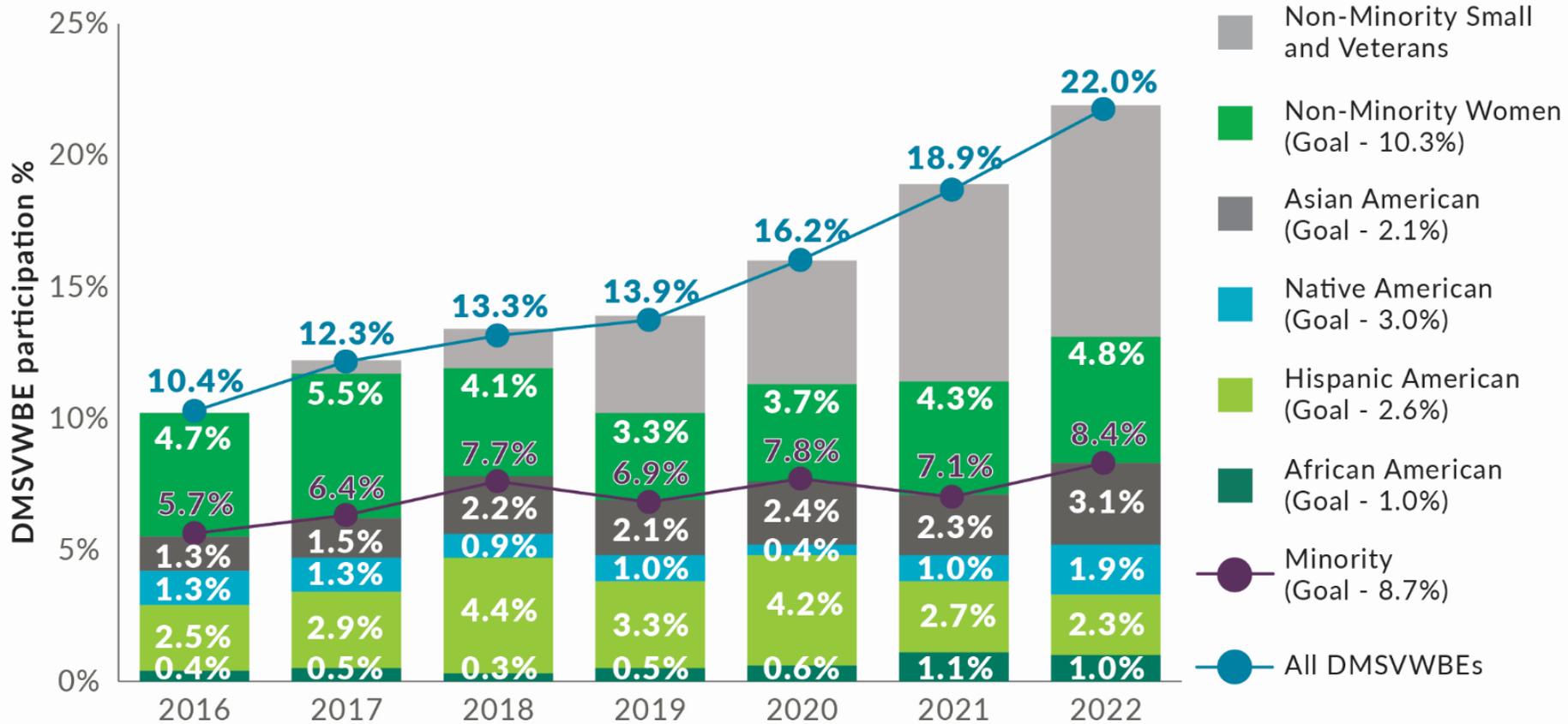


State v. Federal Participation



Diverse Business Participation

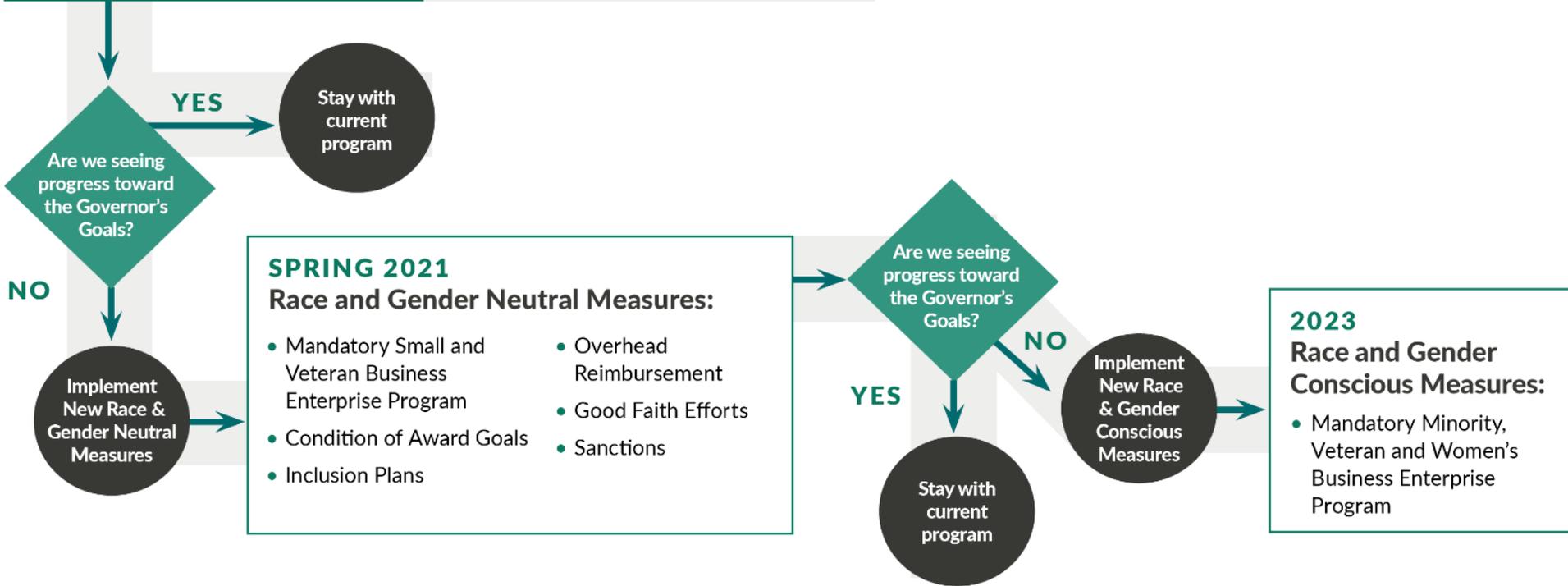
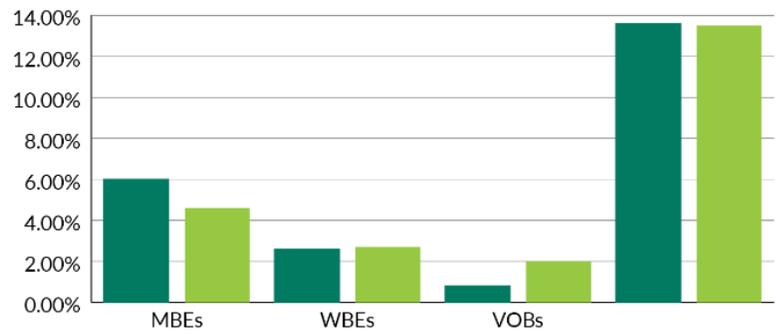
Payments on WSDOT Contracts to DMSVWBE certified businesses from 1/1/2016 to 12/31/2022



State Funded Contracts - Diversity Roadmap

- 2017**
Current Voluntary Measures:
- Goals and Contract Language
 - Inclusion Plans
 - Community Engagement
 - Technical Assistance
 - Capacity Building Mentorship Program

- Progress is currently defined as:**
- New WSDOT subcontracts and subcontractors
 - New private sector contracts
 - Increased bonding
 - Increased gross receipts
 - Increased bidding
 - Decreased disparity



When we clearly **define our performance** and **root causes** for performance challenges,

THEN we can use our expertise and best practice research to **develop an improvement plan**.

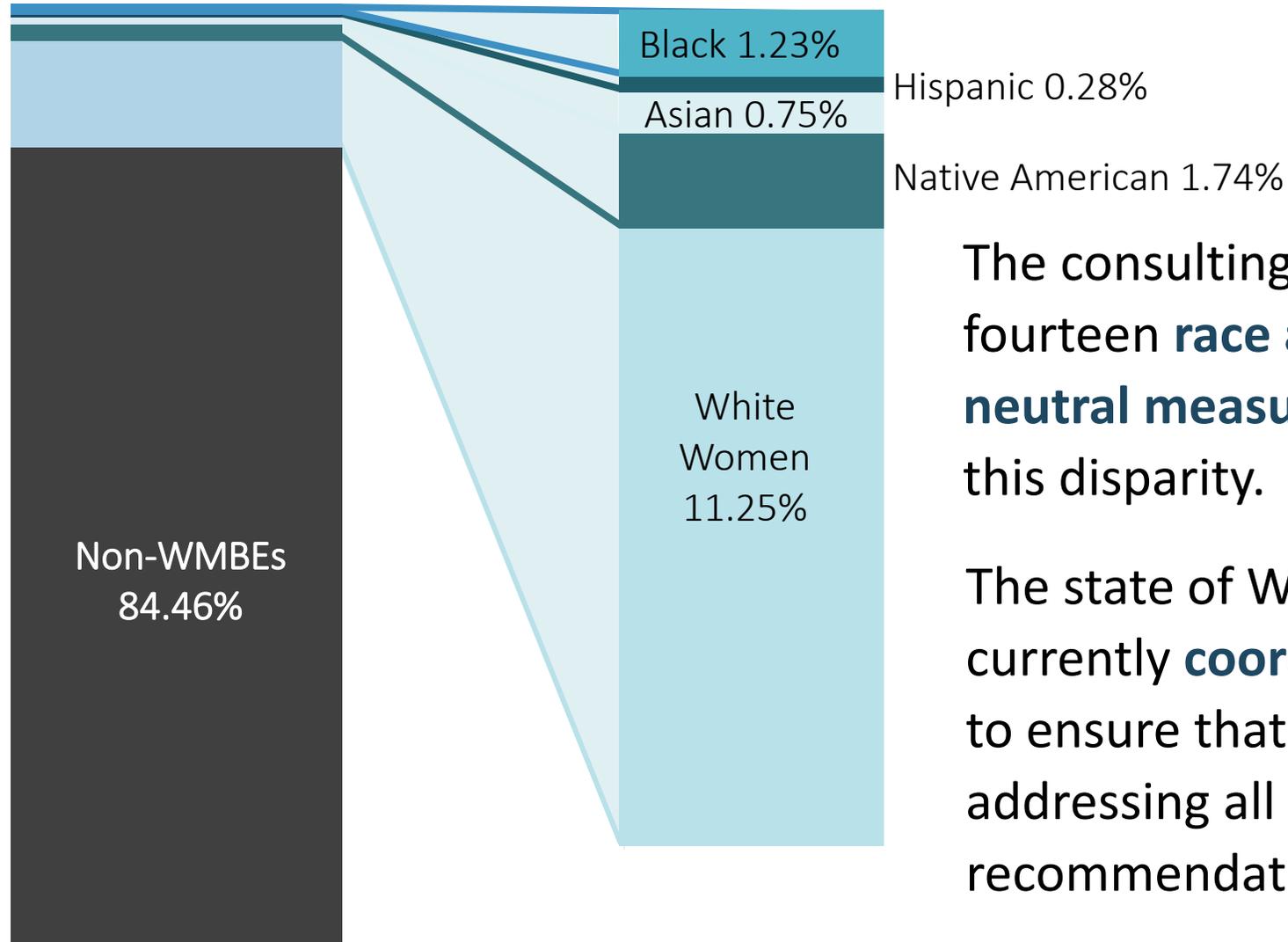


MOVING FROM DATA ANALYSIS TO ACTION

Disparities in State Contracting

The results of the 2019 Disparity Study showed that certified small **minority** and **women owned businesses** are **disproportionately underused**

Distribution of Contract Dollars by Race and Gender



The consulting firm provided fourteen **race and gender neutral measures** to address this disparity.

The state of Washington is currently **coordinating efforts** to ensure that we are addressing all of the recommendations.

Statewide Progress on Implementation

Recommendation	Public Works	Goods and Services
Provide Training to State Staff	Established	Established
Lengthen solicitation times	Established	Established
Raise the Direct Buy limits	N/A	Established
Adopt “ quick pay ” policies	Established	N/A
Increase technical assistance to M/WBEs & small firms	Implemented	Established
Review contract sizes & scopes	Implemented	Established
Review insurance, surety bonding & experience requirements	Implemented	Established
Develop a pilot small business enterprise target market	In Progress	Established
Increase Outreach to M/WBEs	Implemented	Implemented
Implement an electronic data collection & monitoring system	Implemented	In Progress
Increase access to state contracting information	Implemented	In Progress
Develop performance measures for success	Implemented	In Progress
Adopt a pilot small business enterprise mentor-protégé program	In Progress	In Progress
Develop a Pilot Small Business Enterprise Bonding and Financing Program	In Progress	N/A

EXECUTIVE ORDER 22-01

Developed by the Subcabinet, signed by the Governor.

GOALS

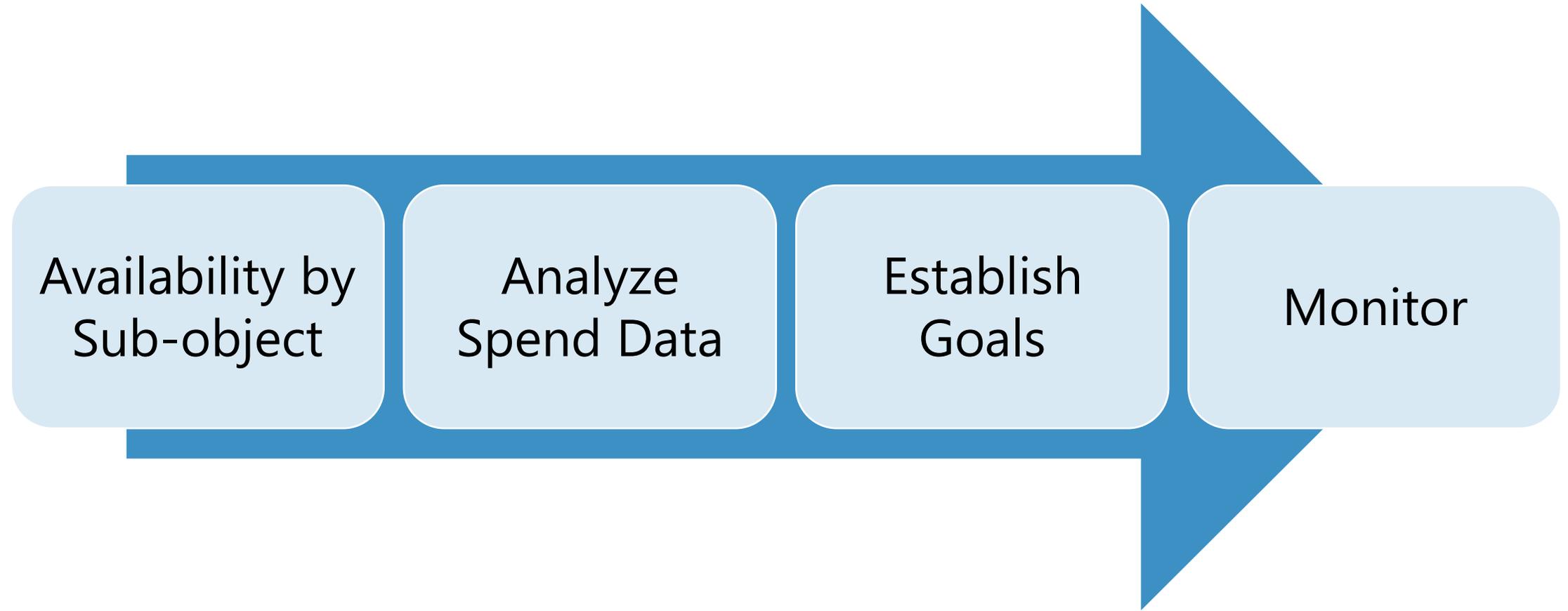
- ✓ Achieve equity in public spending by state agencies
- ✓ Provide a layer of accountability

Requires agencies to adopt the Tools and Best Practices

Provide training and technical assistance for implementation

Collect and report public spending data with transparency

GOAL SETTING



LOOKING FORWARD

Fiscal Year 2023 and Beyond



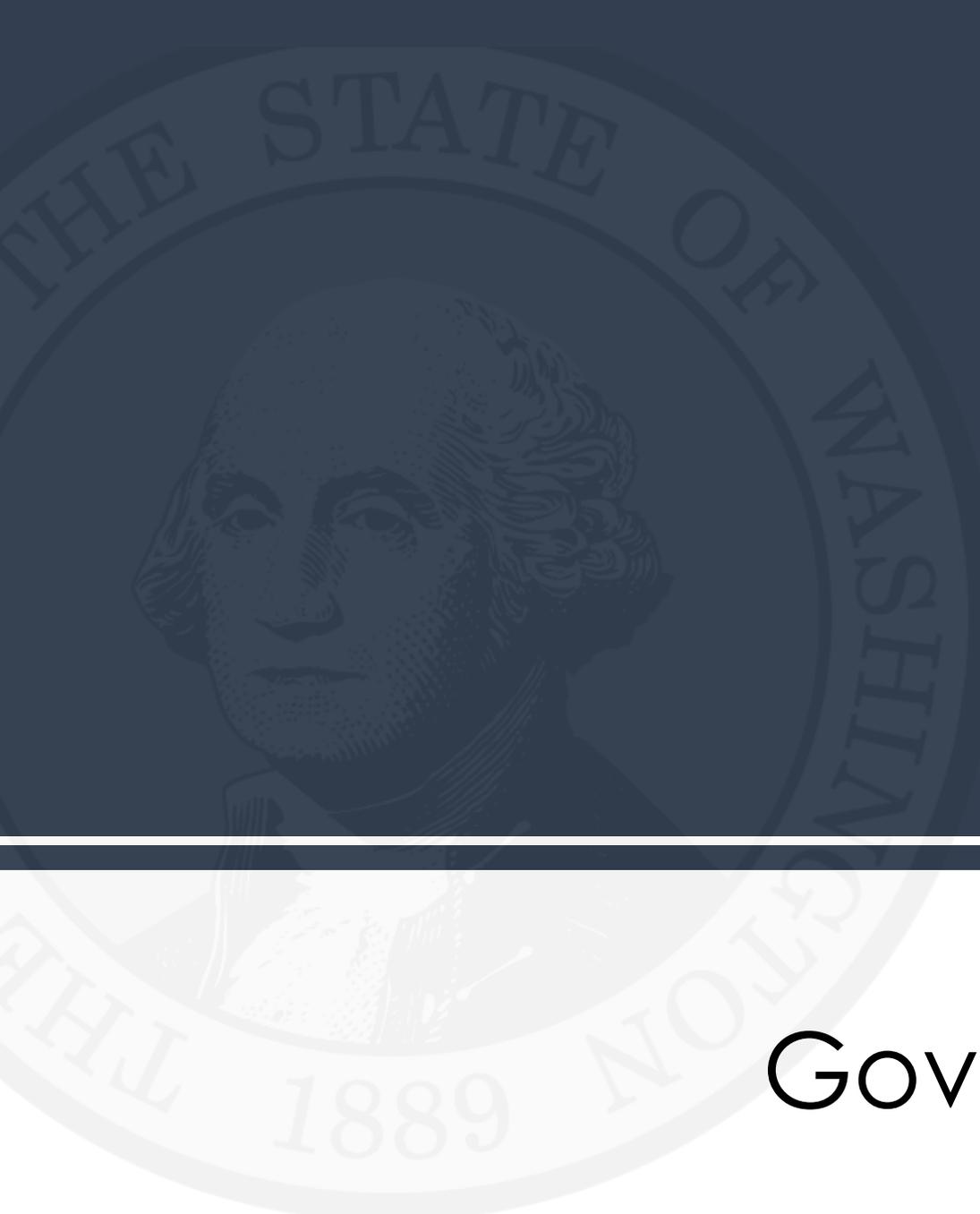
- OMWBE will hold agencies **accountable for implementation** of Executive Order 22-01
- By the end of June 2023, OMWBE will **report quarterly on each agency's progress** toward its goals for participation by certified minority- women-, and veteran-owned businesses over the baseline established in 2022
- All state agencies will be onboarded to begin using the new Access Equity **data collection, monitoring, and reporting system** by June 2024
- OMWBE will continue to offer Toolkit Workshops to **support agencies** in increasing their diverse spend

Testimonial

Arti O'Brien

Owner of Advanced Government Services

Certified Disadvantaged, Minority, and Women's Business Enterprise



Governor Q&A

The seal of the State of Washington is visible in the background on the left side of the slide. It features a portrait of George Washington in the center, surrounded by the text "THE STATE OF WASHINGTON" and the year "1889".

FUTURE COMMITMENTS AND NEXT STEPS

PRESENTED BY (IN ORDER OF PRESENTATION):

- TARA C. SMITH, DIRECTOR, DEPARTMENT OF ENTERPRISE SERVICES

ABOUT THE POLICY

- Enterprise supplier diversity policy took effect April 1, 2023
- Applies to all state agency goods and services procurements
- More than 8,200 state employees have completed the training
- People who complete training get 3 short training refreshers at set intervals to help them retain what they learned
- DES, OMWBE are partners in implementation – providing supplier diversity policy workshops, community of practice for procurement professionals

SUPPLIER DIVERSITY STRATEGIES APPLIED TO STATEWIDE CONTRACTS

In March 2021, we started applying supplier diversity strategies to new statewide contracts (formerly called master contracts) for goods and services.

SUCCESS STORIES AFTER 2 YEARS



Total spend with small, certified diverse and veteran businesses has doubled to 15%



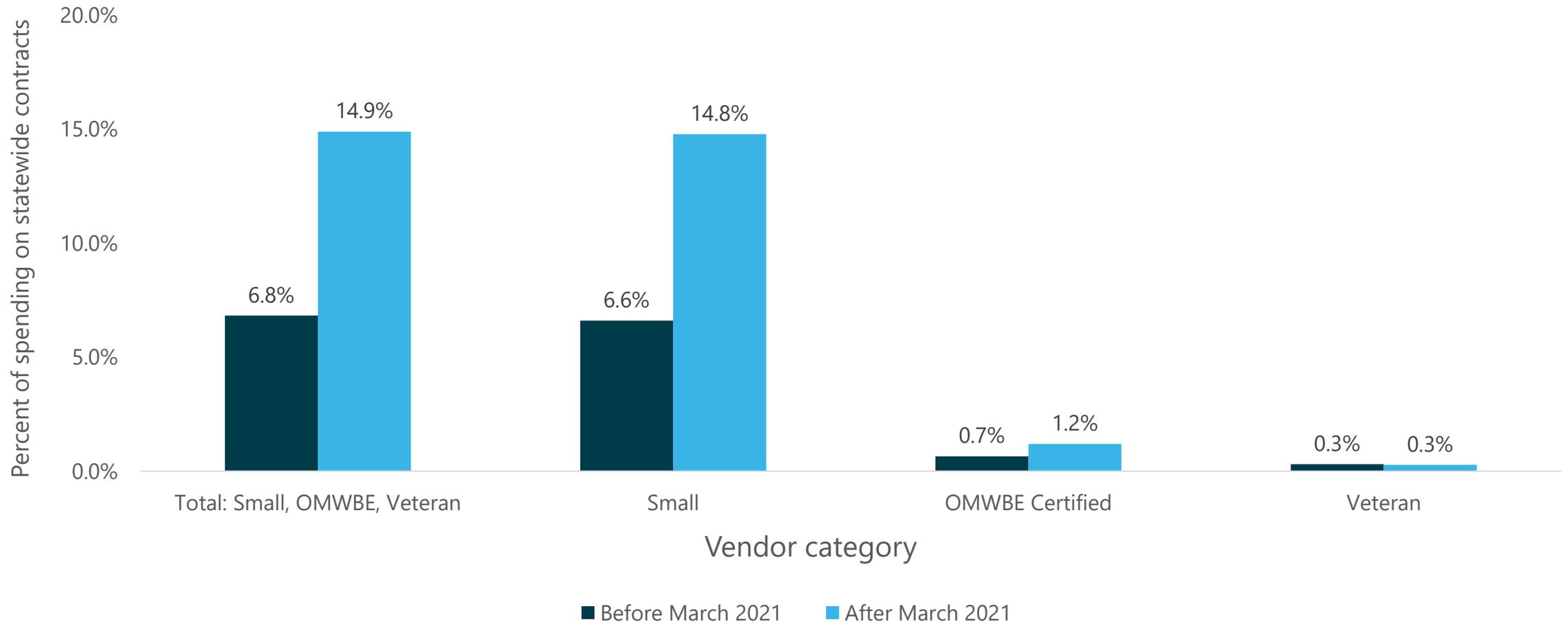
Spend with OMWBE-certified firms is 84% higher



Availability of OMWBE-certified vendors on statewide contracts increased nearly 50%

STATEWIDE CONTRACTS SPENDING

Applying supplier diversity strategies increased spending with **small** and **OMWBE-certified** businesses



CALL TO ACTION

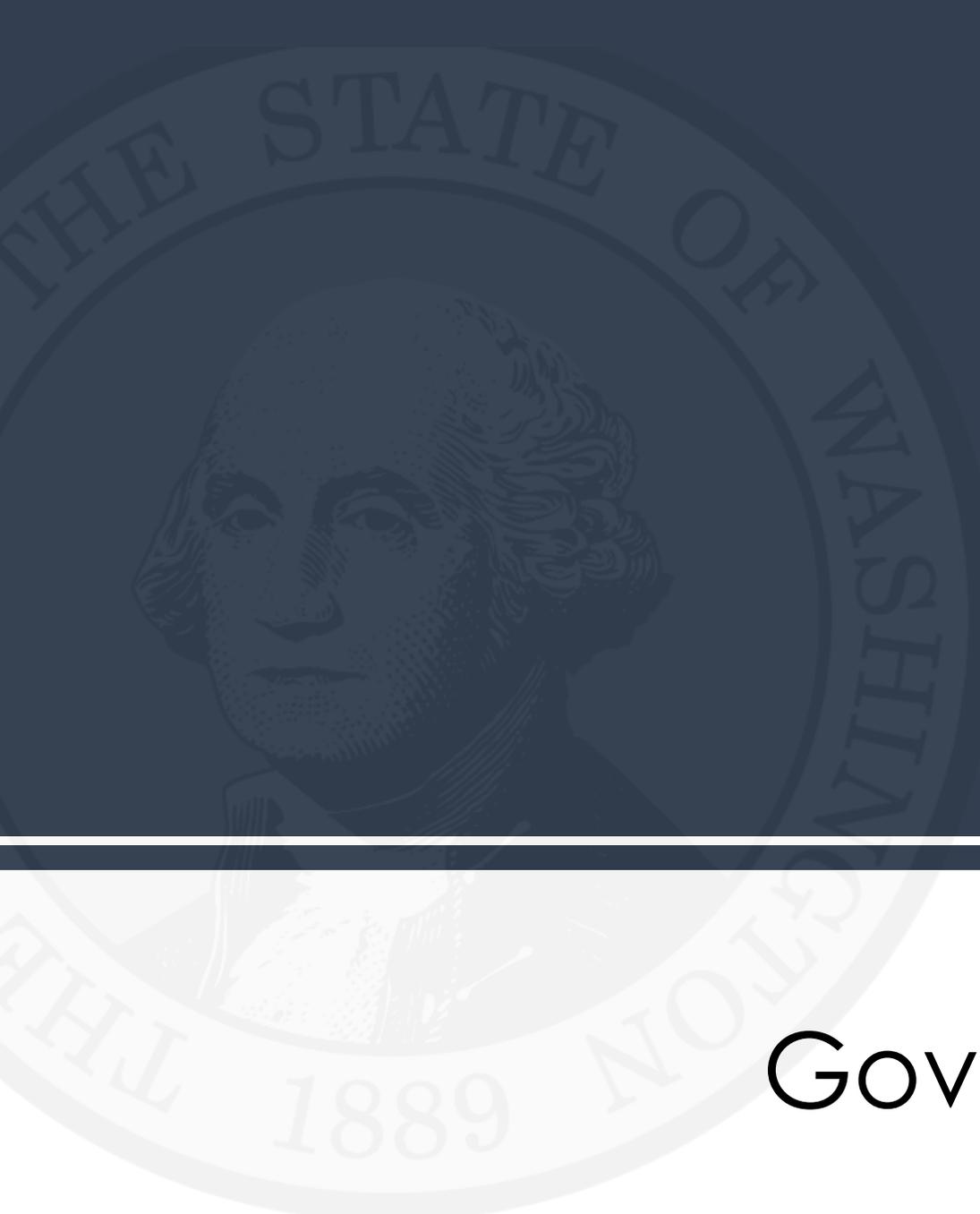
The goal of this policy to create durable change for small, diverse and veteran-owned businesses in Washington state.

Leaders can:

- Talk about it with your staff.
- Look at your diverse spend data and challenge yourself and your team to improve upon it.
- Encourage staff take DEI training to help combat implicit bias.

Purchasers can:

- Be intentional about using small, diverse and veteran businesses when you buy goods and services from statewide contracts – we make it easy to identify them.
- When you solicit competitive contracts, follow our step-by-step guide for using supplier diversity strategies.
- Participate in our workshops and our community of practice.



Governor Q&A



Governor's Closing Remarks

Join us June 28th
10:30 a.m. – 11:45 a.m.

Topic:
Improving Traffic
Safety

THANK YOU FOR ATTENDING TODAY!

**PLEASE TAKE A MOMENT TO COMPLETE
OUR BRIEF SURVEY USING THE QR CODE
BELOW:**



**YOU CAN VIEW THE RECORDING OF
TODAY'S MEETING
AT: [HTTPS://RESULTS.WA.GOV/MEASURING-
PROGRESS/PUBLIC-PERFORMANCE-REVIEWS](https://results.wa.gov/measuring-progress/public-performance-reviews)**