



FROM TINY ACORNS TO MIGHTY OAKS.



NASHVILLE BUSINESS INCUBATION CENTER

2011 Annual Stakeholders Report



NBIC Mission-

The mission of the Nashville Business Incubation Center (NBIC) at Tennessee State University is to facilitate the growth and development of small businesses.

Vision-

To be recognized as the best place to grow a small business.

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PARTING THOUGHTS, WHAT'S NEXT?

Letter from Past Chairman, Lee Molette

This has been a year of transformation for the Nashville Business Incubation Center (NBIC). While we have successfully operated for the past 25 years, we know that evolution and improvements are necessary for continued success. In this spirit, the board of directors is undergoing in-depth analysis and planning. As we began this strategic planning process, we contracted with the National Business Incubation Association to evaluate operations through a Peer Review Benchmarking Study. Results of that study are on page seven.

In reviewing the progress we've made, I am particularly pleased with some of the innovations introduced during my tenure as Chairman. First, as the economy weakened, we saw a need to encourage those wanting to start a business at a time that it might appear to be difficult, if not unwise, to do so. For this group, we introduced Business Basics, a ten-week, no-frills class that provided basic information about starting a business at this time.

For the business owner who needs an official place to conduct business, we developed Mini-Suites. These affordable 130 to 400 square foot suites include all utilities, phone line, voice mail, and Internet service with lease rates beginning at \$250 per month. Additionally, Mini-Suite holders are given preference when it's time to move into the full-fledged incubation program. We also instituted a board mentoring program to provide our clients with one-on-one guidance and to aid them in exploring new business opportunities.

And finally, we introduced an advisory board with inaugural members, Charles Grant, Floyd Weekes and Mark Winfree. These successful gentlemen have generously given their time and talent to the board of directors for many years. We don't want to lose their institutional knowledge and expert advice as they rotate from the board. They will be officially inducted to the board of advisors at the Annual Meeting held January 24, 2012.

As I complete my two years as chairman of this esteemed organization, there is still much work to do. We must continue to evolve and improve to serve this community in the next 25 years as effectively as we have served it up to this point. I am confident that, with Chair-Elect Valerie Smith Hayes, I am passing the torch to an individual who is more than competent for the task ahead. I look forward to continuing to serve as a member of the board of directors and invite you to join us in our endeavors.

Sincerely yours,
Lee Molette, Chairman
Growth Enterprises Nashville, Inc.

LOOKING TO THE FUTURE

Letter from Chair-Elect Valerie Smith Hayes



I am excited and honored to have the opportunity to lead this highly regarded organization as it celebrates 25 years of growing jobs, companies, and the entrepreneurs who created them. We are already taking steps toward ensuring the next 25 years of the NBIC continue this tradition of success and excellence.

As part of our strategic planning process, in addition to evaluating current operations, we have also re-written our mission statement to create a vision for the future. The mission of the NBIC is to facilitate the growth and development of small businesses. And our vision is to work toward the goal of being recognized as the BEST place to grow a small business.

We have restructured the board of directors into four Strategic Action Teams:

- 1. Governance** - This is my team and we are currently leading the charge for implementation of the strategic plan. We are also responsible for holding all of us accountable to the policies that govern this organization. And finally, this team is planning for the long-term success of the organization.
- 2. New Facility** - Led by Lee Molette, this team has worked to take care of much needed building repairs, including the roof. Additionally, it has contracted a feasibility study to determine the needs for the new facility which will be built within the next five years.
- 3. Marketing** - Mendy Mazzo is leading this team which is working to improve the Center's communication with its stakeholders. The team is also responsible for the Annual Meeting, to be held at Skanska on January 24, 2012.
- 4. Programs** - The programs team's mission is to improve the quality of services provided to NBIC clients. Rachael Qualls leads this group which has many plans in the works to enhance services to our clients.

And we're just getting started. I believe entrepreneurs are critical to the new economic system. As Chairman of the NBIC for the next two years, I will look for ways to help those entrepreneurs create new jobs and generate greater revenue. I sincerely believe that - working together - we can get more of the unemployed back to work. I encourage you to become a part of the future of this important organization. **We can do this!**

All the best,
Valerie Smith Hayes, Chair-Elect
Growth Enterprises Nashville, Inc.

CELEBRATING SUCCESS

Message from the Executive Director, Mildred Walters



Reaching a 25th anniversary is quite an achievement, especially for a community-based nonprofit organization like ours. But I am proud to say that we have arrived at that milestone and we should all take a moment to celebrate what we've accomplished for our community and its entrepreneurs during that time. Over the past twenty-five years, Nashville Business Incubation Center has added millions of dollars to the local economy, had three executive directors, including myself; and our building has more than doubled in size.

Economic conditions similar to those we are experiencing today led to the development of the Nashville Business Incubation Center in 1986. It was the brainchild of representatives in government, education, and business who worked together to conceive a project that would put those unemployed in the North Nashville community back to work. The pilot project proved to be successful and the target area was expanded to the entire Metropolitan Statistical Area. Since then, the Nashville Business Incubation Center has played a vital role in keeping the Mid-State economy on track. We have proven that entrepreneurs are key to stimulating the economy by generating revenue and creating new jobs. All they need from us are knowledge, encouragement, a sounding board, and sometimes a small loan. When they accept these resources, entrepreneurs turn their ideas into viable businesses. Those businesses in turn employ many in the Metro area who would otherwise be out of work.

The economic climate in which we are operating may be familiar, but the circumstances are certainly different. We must now prepare to meet the evolving needs of the next generation of entrepreneurs. The board and staff are working together to define how we will serve the entrepreneurial community going forward. It's an exciting time for NBIC, thank you for sharing it with us.

Warm regards,
Mildred Walters
Executive Director

NBIC TIMELINE

1986

Dedication ceremony for 18,000 square foot facility.

Four clients accepted into program.

1987

Christie Cookie Co. joins program. First year sales at entry \$744,072.

Exits two years later with \$1.4 million sales.

1992

NBIC businesses create 32 jobs and \$2.3 million in revenue.

Music City Future 50 initiated. Minorico selected.

1993

NBIC obtained fifth contract with the Metro Development Housing Agency. The \$30,000, two-year contract provided management training to MDHA residents.

1994

Suntrust Bank establishes Revolving Loan Fund for NBIC clients.

Minorico named to Future 50 for the third time, joined by Adtec Productions and Zycron, Inc.

1995

Economic Development Agency (EDA) issued a \$1.4 million award to NBIC.

1997

Open House for expanded 39,000 square foot facility.

Transcender, along with Adtec and Zycron selected for Future 50.

Adtec added to Hall of Fame.

2001

NBIC boasts 90 percent success rate for businesses completing program.

Transcender sold for \$60 million.

2002

Executive Director, Jennie W. Lemons announces retirement.

AllMedia Design Group named to Future 50.

2003

Open house held to introduce new executive director, Mildred T. Walters.

2004

Graduate clients employ 491 with \$56.9 million in revenue.

Current client companies generate \$4.6 million in sales and 71 jobs.

2005

NBIC launches first-ever Nashville Business Plan Competition.

Broadwater & Associates named to Future 50.

2006

NBIC 20th anniversary celebrated.

Winners of Nashville Business Plan Competition named. **Tennessee T-Cakes, a 1998 NBIC graduate, was featured on Oprah.** The T-Cakes are marketed as corporate gifts through upscale catalogs and trade shows.

2007

Launched second "Business Plan University," a competition where \$45,000 in cash and business services is awarded to three enterprises to help grow their business.

Darrell Freeman, president and CEO of Zycron Inc., began July as the first chairman of the Nashville Area Chamber of Commerce in recent history to be re-elected for a second term. Zycron Inc. is an international company with offices located in the U.S. and South America.

2008

Angela Crane-Jones, assistant to the director, was selected to present at the National Business Incubation Association's International Conference in San Antonio, Texas for nearly 1,000 attendees.

Don Hardin Group leads winning team to build Nashville's new convention center.

2010

Tate Commercial Services receives the R. H. Boyd Minority Business of the Year Award during Minority Enterprise Development Week.

Tate Commercial also received the TOBY Award during the Building Owners and Managers Association (BOMA) National Meeting beating out the Empire State Building.

National Business Incubation Association names U-Kno Catering International Business Client of the Year in the non-technology category.

2011

NBIC 25th celebrates anniversary.

Zycron listed on Black Enterprise magazine's BE 100, the nation's largest Black businesses.

Green Truck Movers voted the Best Environmental Friendly Business by readers of Nashville Scene.



HAPPY 20th ANNIVERSARY ZYCRON!

Zycron has grown into an international organization with \$30 million in revenue.

CEO/President Darrell Freeman is featured in Jan. 2012 *Black Enterprise Magazine*



86%
success rate

Over the past five years, NBIC housed 42 clients in the incubation program. 36 remain viable today.

Only 50% of all businesses are viable after five years.*

*U.S. Small Business Association

GOALS AND STRATEGIC ACTION PLAN

In planning for the future, NBIC was taken apart piece-by-piece, with each component being analyzed in the process. At times the analysis was painful—after all, the organization is 25 years old and has been considered successful at what it does. But to encourage new growth, some of the old practices had to be discarded. The result is a new Strategic Action Plan that must be accomplished by the year 2015.

Goals

1. Reduce the micro/small business failure rate within Metropolitan Nashville.
2. Impact economic development within the area through job creation.
3. Expand services to the community.
4. Complete a study to determine the feasibility of building a new facility.
5. Strengthen brand and eminence of NBIC within Nashville and the nation.
6. Expand public and private partnerships.
7. Expand capital planning and endowment.
8. Re-develop the business and operations model.
9. Complete relocation (condition based on results of feasibility study.)

To ensure that goals are met on time, it was agreed to check in on a regular basis, moving from quarterly to monthly board meetings. As the board works together, they ask **five very important questions**:

1. What are the critical timelines?
2. What are the required investments?
3. What are the key performance measures to track progress?
4. What are the needed external affiliations?
5. Who will champion each initiative?

In answering those questions, it was realized that the board of directors alone cannot accomplish these ambitious goals. Each board committee is being asked to recruit stakeholders to join in the effort.

We're off and running, knowing that the year 2015 is not that far away.

...a new Strategic Action Plan must be accomplished by the year 2015.

PEER REVIEW REPORT NOTES

The reviewers believe that the Nashville Business Incubator is an excellent and well managed program; this is evidenced through the high satisfaction expressed by its current and past clients as well as its standing within the business community.

Over the years, staff of the incubation program have strived to adhere to "best practice" standards. We believe that in doing so, we will outperform those that do not. And we believe that by doing so, we better serve our clients. The goal has always been to serve as a business model for our clients to emulate.

During his interview, Chairman Molette said that the changes in the incubator program, as well as the excellent standing of the program, are in part due to the board being open to and receiving important input from the program executive director and assistant director.

NBIA PEER REVIEW REPORT: Making the Grade

On April 24, 2011, the National Business Incubation Association (NBIA) completed a peer-to-peer analysis of NBIC. In this review, nine core business areas were identified and given both quantitative and qualitative grades. Below is a high-level overview of these results.

SCORING SCALE: 5.0-4.0 **Excellent** 3.9-3.0 **Good** 2.9-2.0 **Fair**

Area	NBIA Score	Comments
Client Selection	5.0	The staff has set a thorough process for determining the client's fit with the mission of the incubator.
Measuring Impact	4.67	A comprehensive economic impact study is lacking. Graduate activity needs to be tracked and included in the study.
Governance	4.5	The organization's work is in alignment with its mission statement. Bylaws need to be reviewed.
Marketing & PR	4.33	Improve two-way communications with the organization's constituencies. Create a program to get more input from Nashville-based corporations.
Finances	4.0	The Center is currently self-sustaining as a program of the Tennessee State University College of Business.
Graduation	3.63	Prior to graduation, staff evaluates businesses annually to monitor progress toward graduation. After graduation, there is little follow-up/assistance.
Staffing	4.0	Ensure that staff responsibilities and compensation are in line with those of comparable organizations.
Facilities Management	3.0	Update data communications infrastructure & equipment. Improve facility, including roof repair.
Environmental Impact	2.33	Invest in efforts to increase energy efficiency of facility.

SPOTLIGHT: OUR BLOOD RUNS TRUE BLUE

The lifeblood of the Nashville Business Incubation Center is its connection with Tennessee State University (TSU). By a formal agreement executed in 1985, operation of the Center was designated to TSU. NBIC staff is comprised of all TSU employees.

The connection between TSU and NBIC doesn't stop there. While affiliation with TSU is not a requirement for NBIC membership, the program has certainly been utilized by Big Blue graduates. Over the next few pages, we'd like you to meet a few individuals who have been NBIC clients and who are also graduates of Tennessee State University.



Roland's Photography
Emanuel Roland
B.S. Business
Administration, 2000
NBIC 2010



Quantum Healthcare
Solutions
Sperry Jones
B.S. Mathematics, 2008
NBIC 2003



Don Hardin Group
Don Hardin
B.S. Architectural
Engineering, 1990
NBIC 2005



U-Kno Catering
Brenda Odom
B.S. Accounting, 1998
NBIC 2005



IT Solutions by Design
Alex Coure
B.S. Electrical Engineering,
1972
NBIC 2010



Green Truck Movers
Emanuel Reed
Economics/Finance, 2007

Green Truck Movers
Derrick Moore
Political Science, 2007

Green Truck Movers
Clinton Gray
Economics/Finance, 2007
MBA, 2011

IN HER OWN WORDS: VALERIE SMITH HAYES

Deloitte Services LP
Valerie Smith Hayes
BS Biology, 1998,
MBA, 2003



Valerie Smith Hayes oversees Deloitte's Information Technology Services' 1,200-employee group. The job requires regular work details on almost every continent, yet she still manages to have time for community service with NBIC where she has been an active member since 2008. She will be inducted as Chairman of the Board at the Annual Meeting on January 24, 2012. Most recently she served in dual capacity as Vice Chairman and Treasurer. Valerie is a two-time TSU graduate. We recently spoke with her about her alma mater and her involvement with NBIC.

"My time at TSU included a healthy combination of social, academic, and real life experiences. As a student, I developed lifelong relationships, stretched myself intellectually, and learned how to effectively merge the classroom with the board-room. Of course it's a plus to experience all of these things among like-minded, career-oriented African Americans as well. TSU's commitment to exposing students to both broad and specific knowledge bases allowed me to seamlessly transition my career path by applying the necessary academic concepts to the global role I have now with Deloitte.

I was provided opportunities to experience various aspects of leadership including teaming, strategic planning, and effective communication. Mastering

these qualities has enabled me to serve NBIC with unwavering commitment to its vision and focus on its goals. In addition, the relationships formed at TSU have served as an effective professional network that I frequently use to promote the NBIC mission and services. I joined NBIC as a reference by board members. I was grateful for the opportunity because I always want to be a part of efforts where I can positively impact my community.

An organization like NBIC has the ability to take someone's dream and make it a reality.

Seeing this happen has been inspiring, and it encourages me to continue seeking opportunities to help others. My goal as Chairman is to expand the reach of NBIC to develop and connect more local businesses. Working together, these businesses can grow operationally and form partnerships that will continue to drive increased revenue (and employment) in Tennessee.

I invite others to become involved. Never let the odds prevent you from doing what you were born to do. At NBIC, we're here to see your entrepreneurial vision to fruition. Anyone interested in becoming a client, mentor, or donor should visit the NBIC website (<http://www.nbiconline.com/>) for more information, or call our office at 615-963-7184."

In each of the past five years, businesses served by NBIC have created an average of:

86 + \$3,515,521
jobs average annual revenue

Year	Revenue	Jobs
2006	4,700,096	77
2007	3,544,784	97
2008	3,968,435	132
2009	2,164,290	65
2010	3,200,000	58
Total	17,577,605	429

CONSULTANT SPOTLIGHT

Not Just a Bean Counter: Marcus Foster, CPA



Marcus Foster is a 1998 graduate of Tennessee State University, with a Bachelor of Business Administration degree with a concentration in Accounting. He is managing partner of Advantage CPA Group, LLC, a practice which provides accounting and tax services to individuals and businesses. He first became involved with NBIC in 2006 when he just happened to visit one day while marketing his CPA firm. He quickly became one of the experts the staff calls on when NBIC clients need QuickBooks set up and training, accounting and tax services. He also provides other accounting and finance related advice, such as helping a client determine if a business opportunity will be profitable.

A small business owner himself, Marcus is in a unique position to understand the entrepreneurs he serves. Some of his businesses have been wildly successful, others have not. But even the failures add to the experience that he brings to the table to benefit clients when he shares his expertise about all aspects of owning and running a small business. He says that it gives him great satisfaction to help other small business owners navigate the issues that arise when trying to get a business off the ground.

"I love working with entrepreneurs," Marcus says. "There is joy and excitement seeing someone realize their dream and become successful. This environment allows me to work one-on-one with the decision makers, creating a more personal relationship, which affords a better quality of service. I also find that entrepreneurs are usually more open to trying new, cutting edge ideas."

Working with clients in the incubation program has been particularly rewarding for Marcus because of the various industries found in one place. "I've had the opportunity to work with IT groups, entertainers, salon distributors, catering companies and more. I look forward to my continued involvement with NBIC and the opportunity to grow and work with other up and coming business leaders."

CLIENT SPOTLIGHT

Marketing Machine: Brad Cowart, MouseWise

Brad Cowart's title on his business card is "Entrepreneurial Enthusiast." Those words so aptly describe Brad that it is hard to believe he would ever have trouble staying positive. However, he says his greatest challenge as a business owner is, "...not getting knocked off track." So he focuses on the company's vision to "help small businesses leverage the Internet as a measurable marketing tool."

Brad first became involved with NBIC in 2007 when he entered the business plan competition. He was one of the five finalists and, although he didn't win free rent for one year, he still applied to enter the program. Initially, he was attracted to the atmosphere, the rental rate, the location and the opportunity to network with other entrepreneurs. Even so, he says, "When I was accepted into the program, I didn't understand what all I was getting. I have found the counseling and staff support to be extremely valuable, too."

Another secret to the success of MouseWise is the employees who allow Brad the opportunity to develop the business. The five-man team works well together. Brad says that when he brings on new employees, he instills them with the corporate culture, stressing that MouseWise is a little offbeat. He adds, "I also allow employees a great deal of autonomy. I want them to have a sense of ownership in the effort and the results. When that fails, I let them go quickly." While Internet marketing is Brad's forte, he is also somewhat of an expert at other forms of marketing, including networking tips. Bringing new customers into the pipeline is not an issue for this company owner who spends a large percentage of his time on the "grip and grin" circuit, with 90% of his business coming from those efforts.

Two things that Brad says he has learned during his time in business are, "Little things matter and you can't just work harder to achieve success. You have to plan, measure, improve and repeat."



Brad's networking tips:

Go to many different events.

Find a couple of organizations to become deeply involved in.

Always show an interest in helping the other person—not just as an opportunity to get a sales.

CLIENT SPOTLIGHT

Spreading the Word on Federal Contracting: Eric Ruffin



The leader of Ruffin Consulting, Eric Ruffin, is described as "honest, hard working, knowledgeable and advanced in every way." He is experienced beyond his years, perhaps because unlike many other young adults, he had an early vision of his career goals. Although his path has not been without its challenges, it has been steady.

After receiving a Bachelor of Science degree with an emphasis in Accounting from Alabama State University, he went on to earn the Master of Accountancy from the same institution. Before starting his own consulting firm, he worked as an Audit Manager for a larger, long established CPA firm.

Upon entering the incubation program, RC had one employee, it now has seven. Eric says, "My greatest challenge has been learning to delegate and embrace the project manager role. Now that I have that mastered, we are not limited in how much we can grow." In the past year the company has increased staff, resources, and revenues by more than 50%. This is in part due to the award of a major Federal contract in 2010, which helped provide financial stability and to expose the firm to a broad range of clients throughout the nation.

Over the years the consultancy has made available a broader range of services than initially offered. The firm is certified 8(a) and Small Disadvantaged Business (SDB) that provides specialized consulting services, accounting assistance, management and technical assistance, and administrative, staffing and facility support services to city, state, and local municipalities, as well as private entities, located throughout the United States. Ideal clients are Federal Agencies, 8(a) firms and Local & State Governments. Eric says that the one thing he knows now that he wishes he'd known when he first started his business is the Federal procurement process.

NBIC FY 2010-2011 CLIENTS

Above & Beyond Litrechia Jackson	Chilly Pops Peggy Bartosh	Integrity Salon Services Donald Neal	Roland's Photography Emanuel Roland
Angel Trumpets Fatima Vann	Computer Vision Ricky Corn & Greg Glasscock	Island Sports Daniel Gordon	Ruffin Consulting, PC Eric Ruffin
Apollo Management Jack Sayed	Crumb de la Crumb Lorie Burcham	IT Solutions by Design Alexander Coure	Spring Clean Darren & Karla Frierson
Archangel Protective Ken Thomas	Emerald Resources Michelle Perry	MouseWise Brad Cowart	The Green Truck Moving Company Derrick Moore, Clinton Gray, Emanuel Reed
A-Z DME Dinah & John Norman	Higher Ground Training Clint Boyd Jr.	Powell Construction Clarence Powell	U-Kno Catering Brenda Odom
Broadwater & Associates Ernest Broadwater	Integral Financial, PC James Hardaway	Redline Ashley Perry	Young Motivation Group Allyson Young



GROWTH ENTERPRISES NASHVILLE, INC.

FY 2010-2011 Board of Directors: (Front row,L-R) Mark Winfree, Valerie Smith Hayes, Carol Soloman and Terriance Moody, (Back Row L-R) Mendy Mazzo, Mildred Walters, Lee Molette, Tilden Curry, Rachael Qualls, Dale Jones and Blenda Williamson.

OFFICERS

Lee Molette, Chair
Managing Principal
Molette Investment Group

Valerie Smith Hayes,
Vice Chair/Treasurer
IT Business Operations Leader
Deloitte

Mildred T. Walters,
Corporate Secretary
Executive Director
NBIC

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Charles K. Grant
Attorney-at-Law
Baker, Donelson, et. al.

Dale Jones
Day Maker
Paul Mitchell School

Dr. Ken Looney
Associate Vice President
Tennessee State University

Mendy C. Mazzo
Vice President of Business Dev.
Skanska USA Building Inc.

Terriance Moody
Owner
Dream Systems

Rachael D. Qualls
Managing Partner
Angel Capital Group

Judge Carol Soloman
Eighth Circuit Court

Floyd Weekes
Executive Vice-President
Citizens Bank & Trust

Blenda Williamson
Administrator
Dialysis Clinic, Inc

Mark A. Winfree
Senior Vice President
First State Bank

EX-OFFICIO MEMBER

Dr. Tilden Curry, Dean
College of Business
Tennessee State University

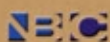
STAFF SUPPORT

Angela Crane-Jones
Assistant to the Director
NBIC

Thank you

We are so grateful to those who have supported us over the past 25 years. **A special thanks to...**

Deloitte, Zycron, HCA Healthcare, Aneel M. Pandey (Founder of Transcender Corporation), WB 58/UPN 30, J&A Partners, Citizens Bank, Bellsouth Dell, Evolution Creative Group, First State Bank, TG Inc., TVA, AccountNet!, AmSouth, Blackshear Capital & Legal, PLLC; Cole Law Firm, LLC; Lewis & Wright Funeral Directors, New Level CDC, Tennessee Economoc & Community Development, US Bank, Dining In, Baker Donelson, Bearman & Caldwell, Capital Bank & Trust, Carpets of Art, Kijiji



Nashville Business Incubation Center 315 10th Ave. N., Nashville, TN 37203 605-963-7184 www.nbiconline.com

NBIC is a program of the Tennessee State University College of Business. It provides management and technical assistance to the businesses located at the

315 10th Avenue North center. Qualifying businesses may reside at NBIC for up to five years while they receive guidance in the area of strategic business growth.

The program was established in 1986 with a grant from Tennessee Valley Authority to Tennessee State University.