

**APPENDIX**



**FAIRLEIGH  
DICKINSON  
UNIVERSITY**

Rothman Institute of  
Innovation and Entrepreneurship

**Silberman College of Business**

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**December 3, 2019 Testimony of Dr. Dale G. Caldwell**

Good morning. I am Dr. Dale Caldwell, a professor in the Silberman College of Business at Fairleigh Dickinson University (FDU) and the executive director of the FDU Rothman Institute of Innovation and Entrepreneurship. I am also the host of a television show called *Family Business World* on RVN TV. I am honored to have the opportunity to present this testimony.

**Public Agency Diversity Spend Reporting**

In recent years, corporations have been pressured to report their "Diversity Spend" (the amount of money spent on veteran, minority and women-owned contractors). Unfortunately, public sector organizations in New Jersey have not been asked to publicly report, on their website, the amount of money spent on New Jersey Certified Veteran-Owned; Minority-Owned; and, Women-Owned Businesses.

These organizations, because they lack the contacts and marketing funds of other organizations, are virtually excluded from contracts with large public schools, municipalities and government agencies. I am recommending that the Legislature (through Legislation) and the New Jersey Governor's Office (through Executive Order) require that every public entity that receives state funding (public schools, municipalities, departments and other public organizations) report, on their website, the total amount of money spent on New Jersey Certified Veteran, Minority and Women owned businesses.

My experience includes being the board president of the New Brunswick Board of Education and the Educational Services Commission of New Jersey (ESCNJ) for a combined total of 22 years. In 2009, I had the honor of being named the *New Jersey School*



# MINORITY RESOURCE GROUP

At a time when minority participation requirements are increasing and compliance has become troublesome for many companies, Minority Resource Group simplifies the process. The minority contracting and material supply sector of the construction industry has seen major growth in the last few years, and that trend is predicted to continue upward. More and more state, municipal, federal, and private development projects are required to have minority participation programs.

Minority Resource Group is a dynamic team of experts serving government agencies, developers, prime and sub-contractors with solution-based vendor diversity plans that are collaborative and socially responsible. We develop specialized plans that are streamlined to benefit the MWDVBE vendors, and most importantly, aid in their continued success.

We consult government agencies on how to maximize the utilization of Capital Improvement Minority Participation Vendor Programs. We provide insight into the complete "life-cycle" of a participation program from the inception to its completion. What sets MRG apart is that we are policy advisers who have extensive real-life experience in construction management to provide solutions by taking a unique "bottom-up" approach.

- We advise prime contractors with professional consulting and management services to further enhance their resources to ensure compliance. The unique blend of expertise that our management team has the result of decades of experience in hands-on vendor compliance, project management, and contractor operations.

We empower minority vendors for sustainable growth through training, executive management, and business development. Additionally, we assist with filing the application for MWDVBE certification, advise on the public bidding process, and analyze estimating procedures.

At MRG, we have the unparalleled experience in construction, material supply, entertainment, digital media, as well as healthcare and insurance administration to bring clarity to any compliance challenge that requires a creative solution.

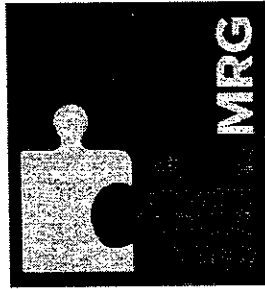
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**MinorityResourceGroup.com**  
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**CONSULT | ADVISE | EMPOWER**

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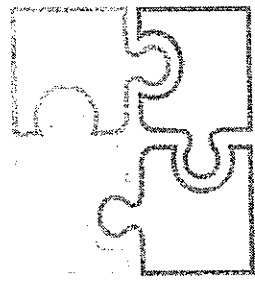


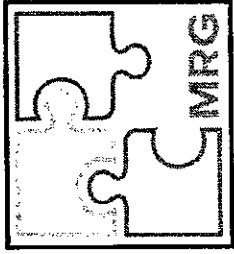
**MINORITY  
RESOURCE  
GROUP**

# Creating and Maximizing Capital Improvement Minority Participation Vendor Program

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The Life Cycle of MRG  
December 3, 2019





## **MINORITY RESOURCE GROUP**

*"A successful minority participation program will consistently produce minority-owned prime vendors. If not, even when the desired goals are being accomplished, it is not being utilized to its full potential."*

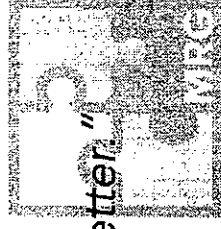
Robert J Harper Jr  
President / Co-Founder

## Empower

We are all here for the same reason - to EMPOWER people. The challenges we will face are not insurmountable but will require us to have a new mindset. With different thoughts, ideas, and diverse backgrounds, we have accepted this challenge and should see this as an opportunity to create the best minority vendor program in the country.

New Jersey may not be the first in the nation, but we can still be the best!

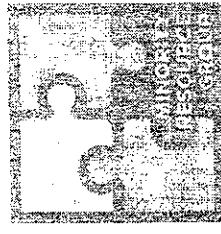
*"We are not trying to recreate the wheel, we just creatively make it roll better."*  
Tom Carolan – Vice President / Chief Operating Officer



# Current climate and conditions for Minority Enterprises:

Minority Resource Group has identified 8 challenges for New Jersey to consider:

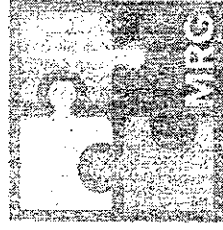
- No Disparity report for New Jersey to refer to.
- On file lawsuit delaying state program release and Vendor development.
- Pilot Minority Program should be considered for immediate deployment.
- No Public knowledge on plans to launch a Minority Program.
- No Online Portal for businesses to find qualified Minority Vendors.
- Qualified vendors cannot enroll until there is a MWDBE program.
- Private development projects are not required to have a Minority Program.
- Lack of competition creates a 10-15% higher pricing for vendors.



# Barriers to entry for Minority Vendors:

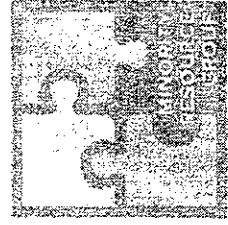
Minority Resource Group has recognized 8 business market barriers for Minority Women Disadvantaged Veteran Business Enterprises:

- Credit is difficult to obtain and maintain, especially with start ups.
- Lack of management experience in Minority-owned businesses.
- Lack of marketing knowledge and proper sales techniques to maintain a steady stream of incoming business.
- There is added overhead and material cost for small minority-owned businesses.
- Lack of credit to purchase tools and equipment.



## Barrier to entry for Minority Vendors

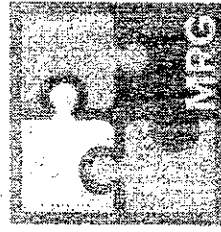
- Higher cost of material due to the lack of volume that is purchased by MWDBE firms when compared to larger firms.
- The administration procedures required are time consuming, cumbersome, and difficult to navigate for vendors.
- Vendors lack the computer and administration knowledge to successfully complete the process in a timely manner.



## Detrimental factors preventing full participation:

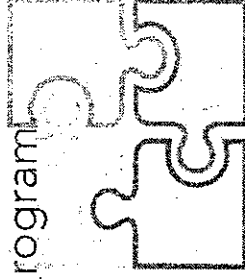
Minority Resource Group has determined 11 factors that will challenge full participation:

- No Credit - Lending for minority-owned and small businesses is difficult to obtain and is the #1 reason why minority vendors struggle. The minority-owned businesses struggle with not just the start up costs, but also what we call the "step up" costs.
- No Marketing Experience - this is the #1A reason a minority vendor cannot sustain growth and prosper.
- Not having an Allocation Percentage on bids – the program would have a weighted selection criteria for MWVDBE vendors on bids.



## Detrimental factors preventing full participation:

- No Private Development – Not incorporating Private Development Projects into the program would be a monumental oversight. These developers are searching for tax incentives or grants available and have expressed to us the interest of instituting a minority participation vendor program should be considered on a case by case basis.
- No Local Municipality Involvement – Requiring this would increase the vendor pool significantly and ensure that local business owners are being utilized.
- Not Allowing Joint Venture – Must allow for Joint Venture applications that share the risk, where one vendor is MWVBE.
- There is a lack of qualified Minority Vendors participating in the program.
- Excessive Sub-Vendor bonding requirements.

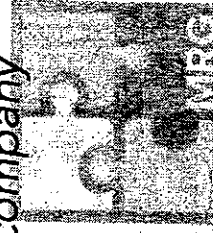


## Detrimental factors preventing full participation:

- Tax Abatement Requirements – All projects that apply for a Tax Abatement would be required to have a Minority Participation Program.
- Small Project Allocation – All projects under a certain budget will be all small and minority business vendors and contractors only.
- Building a Program – If you build the program by making sure you have attainable goals with positive vendor feedback, you create momentum. Once entrepreneurs see and hear of the success they will join the momentum.

*"This business sector needed a resource, a team of experts to provide solutions to the real compliance difficulties that this industry is facing. We created this company to help the entire MWDBE business Life Cycle with compliance planning, procurement, and management oversight."*

**Barbara Harper DC – Founder / Chief Executive Officer**



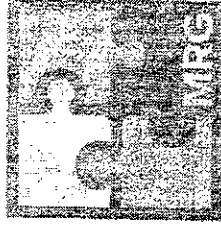
# The Life Cycle Components

The Process

The People

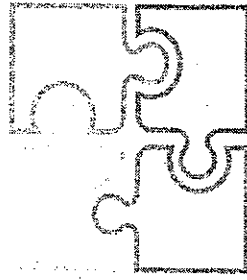
The Tools

Each component is influenced by each other and therefore they all fit like a puzzle. The tools help the process adjust to the people producing full utilization. The concept we have is to create a Life Cycle that feeds the entire Minority Participation program consequently stimulating vendor growth.



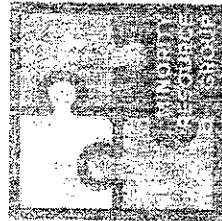
## The Process

The process is the minority program itself. What we have found is that the program process can be counterproductive to the growth of the minority vendors. We can create programs that set aside work for the people. If we do not realize the impact of the process, it will limit the expansion of the program. Regulations should allow a program to be pliable and dynamic, when the desire is to maximize utilization and increase the program goals on a consistent basis.



## The People

The Minority Vendors are the people of the program. These are entrepreneurs that seek to take advantage of opportunities while overcoming small business challenges. Many of the administrative challenges they face are created by the minority program process. Vendor withdrawal must be prevented by ensuring they have all of the tools and resources available to them for success. When the people are successful, the program is successful.

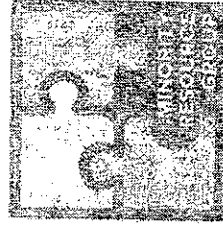


## The Tools

The tools of a program are what we call "having a dynamic and solution-based mentality". These tools are using the resources to make the adjustments to create a synergy from the top to the bottom of the program. We consider the tools to be just as important as the people and the process.

Minority Resource Group determined that when a program is Maximizing Utilization, it will produce what we named "MAG":

1. Minimal number of vendors exiting.
2. Annual increase in vendor participation
3. Graduation to become Prime vendors.





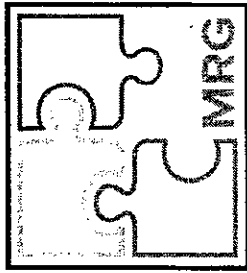
## CREATING THE "LIFE CYCLE"

We are all here to make a difference by EMPOWERING Minority, Women, Veteran, Disabled, and Small Enterprises to become Prime Vendors. When you combine motivated People, create a manageable Process, and utilize the Tools and Resources available, a "Life Cycle" is created. This Life Cycle will feed itself and therefore generate maximum vendor growth, which is the ultimate goal of these programs.

*"We created this firm to make a difference in how Minorities, Women, Veteran, Disabled, and Small Business Enterprises gain opportunities and guidance navigating in this new, exciting, and emerging market. It is what you do with the opportunity that matters the most!"*

Robert J Harper Jr. – President / Co-Founder

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## MINORITY RESOURCE GROUP

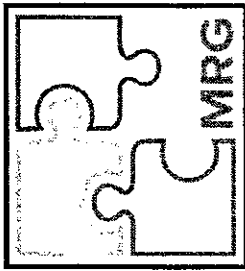
Commission Questions / Comments:

May We Ask some Questions?

1. What would be the % goal that you would have in mind?
2. Do you have a timeline on when you would be starting?

We would be happy to help build a minority program in New Jersey using our experience and knowledge to provide our solutions to many of the challenges discussed here today.

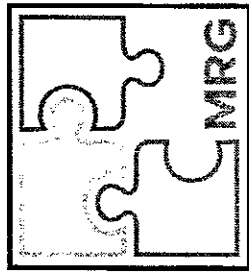
www.mrg.com



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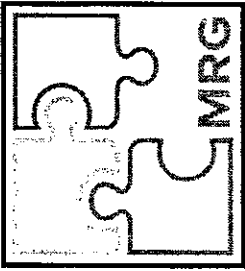
- Barbara A Harper DC – CEO / Founder – Barbara is the Founder and serves as a Corporate Officer and is a retired Doctor of Chiropractic and a former Business School College Professor. She brings a unique business perspective to the firm by being a woman business owner, along with extensive experience in Health Care and the Health Insurance Administrative process..

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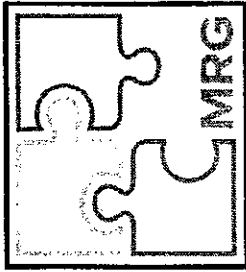
- Robert J Harper Jr. – President / Co-Founder – Robert is the Co-founder and serves as the President and Marketing Officer. With over 28 years of business experience in New York City as a Senior Project Manager and Executive in the Electrical and Communications Industry, he combines knowledge in the Digital Media, and Entertainment Industries as well. Robert was also a partner in a firm that released to market a fitness device where he successfully managed the overseas manufacturing, infomercial production, media purchase, an E-Commerce website, and credit card processing.



## MINORITY RESOURCE GROUP

- Tom Carolan – Vice President / Managing Member – Tom serves as the Operating Officer who has over 25 years of experience as a Compliance Officer and Electrical Vice President in New York City and Long Island. Tom has over 13 years of experience within the MWDBE programs since their inception in the State of New York as a Prime and Sub Contractor. Tom is a seasoned veteran of Minority Participation Compliance in a young industry where this experience is a rare commodity.

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## **MINORITY RESOURCE GROUP**

- John Napolitani Sr. – Political Consultant – John is currently the Deputy Mayor for the Township of Ocean, the President of the Asbury Park Education Association, Chairman of the Negotiation Committee, and serves as a political consultant for MRG. With over 25 years in public service as a former Councilman in the Township of Ocean and Interlaken and over 20 years of leadership roles in the New Jersey Education Association, John is a key resource to MRG with expertise in public policy and government structure.

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