

EDUCATE
PROMOTE
INCREASE
SERVE
SUPPORT

2004
Report to the
Community

E D U C A T E P R O M O T E I N C R E A S E S E R V E S U P P O R T

CONSORTIUM
OF AFRICAN
AMERICAN
ORGANIZATIONS



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TABLE OF CONTENTS

Letter from the Chair1

CAAO’s Growing History3

The Empowerment Circles5

Implementation6

Website6

Opt-In E-mail Service6

Outcomes Over 36 Months7

Financial History8

Statement of Financial Activities9

Cash Flow and Operating Activities10

Member Organizations11

Thanks and Acknowledgements11

Members Give Back12

Board13

Support14



LETTER FROM THE CHAIRMAN OF THE BOARD



Frank Robinson, Jr.
Chief, Risk Management
NASA Glenn Science Center
Chair, CAAO

It has been my pleasure to participate in the development of the infrastructure that **looks** for opportunities, **listens** to the needs of CAAO's constituents, and **link** them to a myriad of resources and opportunities in our community.

With the support of CAAO's founding member organizations, National Technical Association, National Black MBA

Association, National Association of Black Accountants, National Society of Black Engineers, and the Black Data Processing Associates, the Consortium of African American Organizations (CAAO - pronounced K-O) filed for nonprofit status in 2001, after originally being known as the African American Business Consortium which was formed in 1993.

CAAO's mission is to utilize the col-

laborative resources of greater Cleveland African American professional organizations to promote economic development in African American communities and enhance career and entrepreneurial opportunities for African Americans.

CAAO's principles are to EDUCATE the African American community about the importance of business growth, economic empowerment, and development - to PROMOTE the patronage of African American businesses - to INCREASE communication and cooperation between local African American entrepreneurial activities - to SERVE as a resource to support African American entrepreneurial activities - to SUPPORT the activities of member organizations.

executive director to develop the infrastructure process, recruit additional organizations, and bring life to the mission and principles.

The strength of CAAO is in its mission and principles. This strength is exhibited by not reinventing programs but putting systems in place to advise and provide increased "access" to its members and refer to the existing programs in greater Cleveland and aid this process with its access to capital opportunities, capacity building opportunities, empowerment circles, and communication tools, especially the website and email service.

This document is a report of CAAO's work since May 2001 when, in partnership with Enterprise Development, Inc. (now JumpStart, Inc.), CAAO received funding from The Cleveland Foundation and The George Gund Foundation to make its vision and principles tangible. This document provides a glimpse of where CAAO will go under the guidance

“ L O O K , L I S T E N , A N D L I N K ”

of our growth plan. As you read about the milestones, I invite you to join CAAO in its quest to "Look, Listen, and Link" others to resources and opportunities to make a positive economic impact in our community.

Frank Robinson, Jr.

Frank Robinson, Jr.
Chairman of the Board
Consortium of African American
Organizations

In May 2001, CAAO retained the services of an entrepreneur to serve as

CAAO'S GROWING HISTORY



Joint meeting of CAAO's Board and Advisory Council in 2003 with guest speaker, Ronn Richard, of the Cleveland Foundation

The Consortium of African American Organizations (CAAO pronounced K-O) was originally formed in 1993 as the African American Business Consortium. The name was changed in 2001 when formal non-profit status was sought to better

Some of the results released at the end of September 2002 revealed that:

"The researchers found that about 6.2% of all adults are trying to start their own businesses, but that blacks are far more likely to be doing so than whites. Just 5.7% of white households

CONSORTIUM OF AFRICAN AMERICAN ORGANIZATIONS

reflect the mission. CAAO's mission is to utilize the resources of greater Cleveland African American professional organizations to promote economic development in African American communities and to enhance career and entrepreneurial opportunities for African Americans.

The establishment of CAAO is part of a regional economic development strategy that focuses on enabling minority entrepreneurs to participate more meaningfully in our regional economy. CAAO was founded on research that revealed that the cultivation of minority enterprise is vital to the future growth of this country and this region.

In 1996, the Ewing Marion Kauffman Foundation embarked on a major study on entrepreneurship.

included someone who was trying to start a company vs. 9.5% of black ones. Census data show blacks are far less likely to succeed: Blacks make up 12% of the population, but own just 4% of companies. By contrast, whites represent 75% of the population and own 85% of businesses. 'Blacks are starting companies at greater rates, but there is something within the process that causes them to fall out at greater rates,' says Patricia Greene, a University of Missouri professor and co-author of the study."

Even though CAAO has program components to aid startup businesses and assist existing businesses as does other organizations, CAAO is more of a system of communication and relationship building vehicles to aid its constituents as well as serve as a con-

duit to existing support agencies. CAAO is strategically positioned to serve as a conduit of economic development for the African American communities of greater Cleveland for several reasons:

- 24 black professional organizations are members of CAAO
- Strategic partnership with JumpStart Inc.
- CAAO is a member of the Microenterprise Network (30 support agencies for small business)
- Northern Ohio Minority Business Council is a collaborative member
- Hispanic Business Association is a collaborative member
- Cleveland Bridge Builders is a collaborative member
- KSU Center for the Study of Minority Business is a collaborative member

CAAO utilizes technology to help keep expenses down, communicate with its members and constituents, and to deliver services and information on a daily basis. Current uses of technology include:

- Website with online joint calendar of events, jobs postings, business database, etc.
- Email service with 11 information channels, including business ownership and job opportunities
- Online Newsletter featuring a member organization, a member entrepreneur, etc.



Members of the Supplier Diversity Initiative Council of Case Western Reserve University, including three CAAO board members and the Executive Director of CAAO, Connie Holdipp.



PROVIDING SOLUTIONS FOR TODAY'S CHALLENGES



A meeting of the Entrepreneurial Empowerment Circle featuring speakers addressing the issues of minority certification.

The Entrepreneurial Empowerment Circle and the Nonprofit Empowerment Circle each meet several times per year for two hours. The target participants are members of member organizations and potential members of member organizations. Everyone meets in a round robin format, and the participants focus on providing solutions to the challenges

are open to all individuals interested in starting a business, growing a business or taking their business to the next level. The meetings are free of charge. Each meeting hosts approximately 20 to 40 participants. To keep the meetings efficient, attendance is limited to 40 individuals at a time. It is a very dynamic and positive exchange of members helping mem-

THE EMPOWERMENT CIRCLES

that are presented, sharing best practices, and developing productive business relationships. Once an individual has attended at least three meetings, they get the opportunity to give a detailed presentation of their business or a particular business situation for immediate feedback from those present. Some of the issues addressed include pricing, access to capital, general accounting principles, legal issues, different business models, market strategy, product development, joint ventures, dealing with banks, cleaning up credit, dealing with growth, business plan development, etc.

Guest speakers include bankers, attorneys, accountants, entrepreneurs, community leaders, etc. The meetings

bers. The empowerment circles are a vehicle for attracting and assisting aspiring entrepreneurs who are members of member organizations or collaborative organizations.

An individual progress grid was developed to assist in determining a measurement of success. This grid is updated monthly and analyzed every six months. Measurements of success are determined by the number of entrepreneurs involved in the empowerment circles, number of start ups assisted, number of collaborations developed, and individual success stories. The analysis of the information develops a dollar value to the total economic impact by contracts obtained, dollars saved, new products developed, jobs created, and increase

in sales. For the years 2001 - 2003, the total economic impact for companies involved with CAAO and the empowerment circles was more than \$5 million. More than 200 African American and Hispanic owned businesses were assisted. Several new businesses were started and joint ventures and collaborations were formed. Seven interrelated businesses came together to form a full service public relations, marketing, and web development business called the Corporate Image Group. Three small accounting companies came together as I-cubed, and several information technology companies evolved into Medical Solutions, Inc.

Evaluative procedures include:

- individual assistance progress grid
- organization progress grid
- event comment sheets
- monthly website statistics
- monthly email service demographics and statistics
- one on one questions to individuals participating in empowerment circles to gather monetary impact
- strategic planning sessions of executive committee to review, discuss, and make suggestions
- ad hoc committee meetings, such as the website development committee

IMPLEMENTATION

The founding member organizations of CAAO, the National Technical Association, the National Black MBA Association, the National

Society of Black Engineers, and the Black Data Processing Associates, developed a strategic partnership with EDI (now known as JumpStart, Inc.). Together, these organizations partnered on successful grants to The Cleveland Foundation and the Gund Foundation to retain a consultant to make the mission and principles of CAAO tangible. Connie Holdipp, a 20+ year entrepreneur and college professor, was retained as the Executive Director of CAAO on a part time basis in May 2001 to implement the mission and principles. During 2003, William Holdipp, who had been serving as Manager of Research and Member Services as a volunteer, joined CAAO staff as a consultant as well. Additional support has come from many volunteers.

WEBSITE

The CAAO website was officially launched in April 2002. It includes the mission, principles, history, member organizations, executive committee, activities, joint calendar of events, newsletter, events photo-journal, benefits and services, testimonials, supporting members, job postings, resources and links, business database, member organization scholarships and special programs, email subscription link and member survey, CAAO membership application, and the usual help and frequently asked questions.

The CAAO website design gives CAAO the ability to update and edit several dynamic portions of the website daily. These dynamic pieces include

the joint calendar of events, the job postings, the business database, the hot flag items on each page, a changing story and picture on the bottom half of the home page, and the member organizations. This enables us to keep the website "fresh" and up to date on a daily basis without expensive programming. During the month of January 2003, the website received over 20,000 hits, with the most sought after pages being the joint calendar of events and the job postings.

The website is an integral component of CAAO's services and enables CAAO to deliver useful and timely information to several thousand individuals in the community with a very lean staff.

OPT-IN EMAIL SERVICE

CAAO's opt-in email service has over 900 individual subscribers requesting regular information on:

- African American Health Issues
- CAAO General Information
- Job Opportunities
- Non Profit Information / Fundraising
- Non Profit Volunteer Database
- Owning Your Own Business
- People Seeking Job Opportunities
- Saving and Wealth-building
- Technology and Software Information
- Youth Initiatives
- New to Greater Cleveland or Thinking about moving to Greater Cleveland

CAAO's opt-in email service

receives approximately 20 new subscribers monthly seeking information on the above listed topics. CAAO's Manager of Research and Member Services, William Holdipp, Jr., manages these information channels and sends out information totaling 5,000 to 10,000 emails monthly.



BENCH MARKS THAT SHOW OUR STRENGTHS



CAAO entrepreneurs, Gwen Davis and Fatima Karriem, enjoying PowerNetworking 2003 Conference.

FROM MAY 2001 - MAY 2004

- Executive Director retained and office set up and furnished
- CAAO has grown from 4 to 24 member organizations
- From 400 to 8,500 financial members whose combined mailing lists reach over 22,000 in greater Cleveland
- Developed email system with 11 information channels
- Joint calendar created and distributed regularly with 721 posted meetings and events in 2003
- Developed CAAO website www.caaonet.net with 9 dynamic parts that are updated daily
- Developed empowerment circles to donor program, job posting fees, and annual fundraiser
- 1,000 individuals have signed up to CAAO's opt-in email service
- 186 individuals have signed up to be volunteers for CAAO and its initiatives
- CAAO has facilitated several smaller companies coming together in collaborative efforts to increase their capacity: real estate, information technology, accounting services, and marketing and incentive programs.
- Contracts received, jobs created, members recruited, money saved, money raised - over \$6 million economic impact or \$167,000 per month added to the economy with

OUTCOMES OVER 36 MONTHS

- assist 20-40 individuals at a time
- Directly assisted over 400 African American and Hispanic businesses and 35 nonprofits
- Developed progress grids to track direct assistance and determine economic impact
- Posted 220 jobs on the jobs page of the CAAO website during 2003
- Over 100 businesses listed in CAAO's online business database
- Developed multiple revenue streams, including member organization fees, CAAO products, grant writing, annual sponsorships, a total expenditure of only \$202,000 over the first 36 months, approximately \$30 generated for every \$1 spent.

OUR FUNDING AND SUPPORT



Erwin O'Deal, Executive Director, NEORSD, CAAO's first sponsor.

There were no sources of income prior to 2001. For years 2001 and 2002, CAAO was funded by grants received from the Cleveland and Gund Foundations via grants written in partnership with Enterprise Development, Inc. (EDI). All funds were received into EDI and expended by EDI.

FUNDS WERE EXPENDED AS FOLLOWS:

2001 and 2002

Consulting Services	78,750
Website Development	5,875
Opt - in email service	449
Rent	4,040
Copying services	1,048
Business insurance-	540
Meeting refreshments	1,700
Office supplies & equipment	4,120
Parking	1,600
Broadband internet	1,600
Telephone	2,125
Seminars/workshops	<u>390</u>
Total	<u>\$ 100,637</u>

FINANCIAL HISTORY

CAAO started its fundraising process in July 2002. CAAO's first corporate sponsor was the Northeast Ohio Regional Sewer District in late 2002 with a donation of \$5,000. CAAO opened its first checking account at the end of 2002 at KeyBank to deposit sponsorships, grants, and membership fees to be expended for budgeted expenses in 2003. CAAO wrote no checks and spent no money on its own behalf during 2001 and 2002 and thus had no financial statements. The first financial statements are for year 2003.

REVENUES AND CLASSIFICATIONS

For the Year Ended December 31, 2003 **

Public Support, Revenues and Reclassifications

Sponsorships	\$33,500
Grants	21,720
Membership Dues	3,603
Special Events	3,710
Newsletter Advertising and Promotional Revenues	1,003
Donations	540
Net Assets Released From Restrictions	<u>- -</u>
Total Public Support, Revenues and Reclassifications	64,076

Expenses

Bank Charges	10
Communications	337
Computer Hardware/Software	904
Depreciation Expense	242
Holiday Function Expense	4,001
Insurance	370
Office Supplies	52
Postage and Delivery	53
Professional Fees	30,691

STATEMENT OF FINANCIAL ACTIVITIES

Rent	1,100
Marketing	2,780
Telephone	321
Meals and Entertainment	<u>1,226</u>
Total Expenses	42,087
Change in Net Assets	21,988
Net Assets as of Beginning of Year	<u>(4,918)</u>
Net Assets as of End of Year	\$17,070

** Additional revenues from joint grant were paid on behalf of CAAO by EDI for consulting services - \$51,000
ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 8,039
Prepaid Expenses	1,949
Promises to Give	<u>15,340</u>
Total Current Assets	25,328

PROPERTY AND EQUIPMENT

Furniture and Equipment (net)	938
Computer Software (net)	<u>1,722</u>
Total Property and Equipment	2,660

TOTAL ASSETS	<u><u>27,988</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Other Current Liabilities	
Deferred Revenue	<u>10,918</u>
Total Current Liabilities/Total Liabilities	10,918

NET ASSETS

Unrestricted Net Assets	10,422
Temporarily Restricted Net Assets	<u>6,648</u>
Total Net Assets	17,070

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 27,988</u></u>
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CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	<u>\$ 13,965</u>
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Net Cash Provided by Operating Activities	<u>13,965</u>
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NET INCREASE IN CASH	13,965
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CASH AT BEGINNING OF PERIOD	<u>8,039</u>
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CASH AT END OF PERIOD	<u><u>\$ 22,004</u></u>
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MEMBER ORGANIZATIONS INCLUDE:

- African American Chamber of Commerce of Northeast Ohio
- African American Faculty and Staff of Case
- African American Museum
- Black Data Processing Associates
- Black Professionals Association
- Blacks in Management
- Blacks in Government, Greater Cleveland Chapter
- Blacks in Government, Lake Erie Chapter
- CSU Black Alumni Organization
- Cleveland African American Library Association
- Cleveland Women's Council of National Association of Real Estate Brokers
- Forest City Dental Society
- NAACP
- National African American Speakers Association
- National Alliance of Market Developers
- National Association of Black Accountants
- National Black MBA Association
- National Society of Black Engineers
- National Technical Association
- Northcoast Black Bass Anglers
- President's Council
- Sankofa Fine Arts Plus
- Urban Financial Services Coalition
- Women Entrepreneurs of America, Inc.

MEMBER ORGANIZATIONS

THANKS AND ACKNOWLEDGEMENTS

Special thanks go to:

Diann Rucki, the former president of Enterprise Development, Inc. for becoming CAAO's strategic partner.

Charles Burkett, Sr. Director Minority Assistance, Enterprise Development, Inc. (now JumpStart, Inc.) for co-writing grants with CAAO.

William Holdipp, Jr., Manager of Research and Member Services, CAAO, who worked for almost two years as a full time volunteer.

Betty Ivory of the National Society of Black Engineers for her diligence in producing the CAAO By-laws.

Deborah Bibb of the National Black MBA Association for her lead in the development of CAAO growth plan.

**CAAO PROVIDES A
SUPPORTIVE
ENVIRONMENT
TO A CONSORTIUM
OF ORGANIZATIONS**



**Members of
the National
Society of
Black
Engineers**

C A A O M E M B E R S G I V E B A C K

**SPECIAL THANKS GO TO A LONG LIST OF
CAAO VOLUNTEERS INCLUDING:**

Sharonne Ayers
Art Beasley
Teresa Beasley
Renaë Bolton
Pat Davis
Rhonda Ferguson
Quelina Jordan
Fatima Karriem
Bruce Keene
Linda Kerr

Bridgette Lewis
Chataun Moore
Beverly J. Peterson
Henry Pickens
Grace Scales
Nina Turner
James Wade
Jacinda Walker
Alfie Walter



OUR BOARD

BOARD OF CONSORTIUM OF AFRICAN AMERICAN ORGANIZATIONS
As of January 2004

Individual Name	Role on Board	Committees	Member Organization
Adrine, Carol	one voting seat	Annual Holiday Function Nominating committee Spring Mixer	African American Faculty & Staff-Case
Ayers, Sharonne	one voting seat	none	Blacks in Government, Lake Erie Chapter
Bibb, Deborah	Treasurer	Executive Committee Growth Plan	Nat'l Black MBA Association
Bridges, Camille	Vice Chair	Executive Committee	Nat'l Alliance of Market Developers
Burkett, Charles	EDI Rep.	Executive Committee Annual Holiday Function Website Committee	Enterprise Development, Inc.
Cyrus, Theron	Secretary	Spring Mixer	Black Professionals Association
Davis, Robert	one voting seat	Spring Mixer	Northcoast Black Bass Anglers
Dean-El, William	one voting seat	none	African American Chamber of Commerce
Faithwalker, Donna	one voting seat	none	Sankofa Fine Arts Plus
Gilmore, Lady	one nonvoting seat	none	Women Entrepreneurs of America
Coleman, Lonnie	one voting seat	none	President's Council
Ivory, Betty	Parliamentarian	Executive Committee Annual Holiday Function Website Committee By-laws Committee	National Society of Black Engineers

CONSORTIUM OF AFRICAN AMERICAN ORGANIZATIONS

Kennedy, Rose	one voting seat	none	Forest City Dental Society
Miller, Stanley	one voting seat	Finance Committee	Blacks in Management / NAACP
Murphy, Sharron	one voting seat	Norminating Committee	Cleveland Women's Council of NAREB
Brown, Willard	one voting seat	Annual Holiday Function	Black Data Processing Associates
Reese, Ilinda	one voting seat	none	National African American Speakers Assn
Roberts, Ken	one voting seat	none	Blacks in Management
Robinson, Frank	Chair	Executive Committee	National Technical Association
Rodgers, Terri	one voting seat	Spring Mixer	National Technical Association
Taylor, Lennon	one voting seat	none	Nat'l Association of Black Accountants
Travis, James	one voting seat	none	Blacks in Government, GCC
Tubbs, Jerry	one voting seat	none	CSU - Black Alum Organization
Wade, James, III	one voting seat	Growth Plan	Urban Financial Services Coalition
Westbrooks, Lainey	one voting seat	Annual Holiday Function	Cleveland African American Library Assn.

GRANTORS

Cleveland Foundation
Gund Foundation
21st Century Foundation
Deaconness Community Foundation
SBC Foundation

MONETARY AND IN KIND SPONSORS

Northeast Ohio Regional Sewer District
Case Western Reserve University
Huntington National Bank
Fifth Third Bank
National City Bank
Alltel
Acme Express
Neighborhood Centers Association
CompuLogic
New Concepts Consulting, Inc.
RossTek

INDIVIDUAL DONORS

Patricia Anderson Ballard
Gwen and Tyjuan Davis

COMMUNITY SUPPORTERS

COSE, Shore Bank, SBA

COLLABORATIVE MEMBERS

Cleveland Bridge Builders
Northern Ohio Minority Business Council
Hispanic Business Association
KSU Center for the Study of Minority Businesses

Report Writer - Connie Holdipp
Report Designer - Corporate Image Group, LLC



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