



THE CITY OF SAN DIEGO

## SMALL BUSINESS ADVISORY BOARD (SBAB) ANNUAL COMMUNITY OUTREACH MEETING MEETING MINUTES

October 19, 2012

War Memorial Building/Auditorium  
3325 Zoo Drive  
San Diego, CA 92101

<b>BOARD MEMBERS PRESENT</b>	<b>BOARD MEMBERS ABSENT</b>
Catherine Arambula Antonio Barbosa Edward Barbat Joseph Fox Dr. Ruben Garcia Robert Glick Michelle Gray William Lynch Gary Peterson Matthew Spencer	Patrick Edwards

<b>CITY STAFF</b>
Meredith Dibden-Brown, Office of Small Business Manager Lisa Gordon-Hosch, Small Business Ambassador & SBAB Liaison Alicia Martinez-Higgs, Community Development Specialist

<b>OTHERS PRESENT</b>
Nearly 80 people attended this meeting. See October 19, 2012 Attendance Sheet & Guest List

### 1. Welcome & Call to Order

- Dr. Ruben Garcia, Chairman of the Small Business Advisory Board, called the meeting to order at 8:47 a.m., provided welcoming remarks, and highlighted the agenda and purpose of the Small Business Advisory Board's Annual Community Outreach Meeting. His remarks included an overview of the dynamic panelists, presenters, and "hot topics" for

the meeting. Chairman Garcia also discussed the role of the Small Business Advisory Board, and each board member introduced themselves.

## **2. Approval of Minutes**

- **A motion was made by Gary Peterson to approve the August 17, 2012 Minutes. There was a second by Matthew Spencer. Yes:10, No: 0, Absent: 1**

## **3. Opening Remarks by Mayor Jerry Sanders**

- Mayor Jerry Sanders welcomed attendees and provided opening remarks regarding the importance of small businesses to the region's economy: Over 90% of businesses have 50 workers or fewer and employ roughly 40% of the private workforce. He also discussed the City's initiative to increase and expand opportunities for small local contractors by breaking up large contracts into smaller contracts to help small businesses build capacity. The Mayor also highlighted efforts to help local small businesses pursue City contracts: by providing training and technical assistance through the City's Small Business Development Program/Office of Small Business; partnering with organizations like the U.S. Small Business Association to provide bonding assistance; and creating the City's Small Local Business Enterprise Program that provides bid advantages to local small businesses when competing for City contracts.
- The Mayor stated that the City's efforts, programs, and initiatives to expand opportunities for local small businesses have been successful: Last year the number of construction projects awarded to small or emerging businesses nearly doubled from previous year. Previous year there was 13% participation from small local businesses, while last year there was 25% participation which was highest year ever. When the Mayor first came into office, it was only 3%. City efforts have increased local opportunities for small businesses, bolstered capacity, improved contractor diversity, and fostered competition.
- The Mayor also highlighted other City programs including the Small Business Micro Revolving Loan Fund and Storefront Improvement Program, and City's continued commitment to help the small business community through innovative programs.
- The Mayor thanked the Small Business Advisory Board for being the "face" of small businesses and all their efforts over the years, and Small Business Ambassador Lisa Gordon-Hosch for her continued dedication and enthusiasm for helping small businesses.

## **4. "Hot Trends in the Food/Restaurant Industry" Panel**

- Dr. Garcia introduced the "Hot Trends in the Food/Restaurant Industry" Panel featuring San Diego's leading Restaurateur, Chef, & Sommelier/Mixologist:
  - David Cohn, President & Founder, Cohn Restaurant Group
  - Chef Deborah Scott, Executive Chef, Cohn Restaurant Group
  - Adam Stemmler, Founder/Owner, Blind Tiger Cocktail Company

- Panelists shared information on food, restaurant, and hospitality industries, and new trends, strategies, and resources to help businesses grow. Highlights from the Panel discussion:
  - David Cohn provided an overview of San Diego’s restaurant/hospitality industry and highlighted the impact, strengths, weaknesses, opportunities, and threats within the industry. Industry Strengths/Opportunities/Impact: variety of jobs and career opportunities; offers opportunity to start at entry-level position and move to management; great diversity within the industry; leading private industry employer; second largest producer of sales tax revenue in state; strengthens economy; and predominantly 7 out of 10 restaurants are owned by single unit operators – continuing the trend of mom and pop industry. Industry Threats/Weaknesses include: high failure rate; financing challenges; restaurant/hospitality industry is a heavily regulated and licensed industry at the local, county, state, and federal levels; profit margins declining with increased cost to do business, and highly competitive industry.
  - Chef Deborah Scott focused on the growing trend/importance of connecting with customers/guests and creating a specialized experience. Strategies to connect include: looking at your business/restaurant concept and how your services will benefit and connect with your customer; ensuring you have a mechanism to receive customer feedback and input; rewarding and showing appreciation for your regular customers and their ongoing support to help your business thrive (e.g. create specialty menu items to show customer appreciation); addressing food allergies, diet/weight and health trends and concerns; acknowledging that consumer interest in ingredients has increased thus food industry businesses need to be more willing to educate customers, provide ingredient information, and create more diverse or healthier menu items; and acknowledging your staff and creating a positive work environment to support your efforts to connect with customers and create specialized experiences for guests.
  - Adam Stemmler provided an insightful overview on the history of the alcoholic beverage industry, evolution of the cocktail, resurgence of “cocktail culture”; and resurgence of the bartender/mixologist who has become more of a craftsman/artisan focused on creating a unique customer experience. With the financial global crisis, energy crisis and other economic impacts it is costing more money to wine and dine hence you need to give guests a unique experience they cannot obtain anywhere else; Ideas on new and innovative trends are vast but can be as simple as using fresh juices and quality ingredients, and as advanced as incorporating “molecular mixology” or barrel-aging cocktails/spirits. Importance of creating unique and innovative trends is critical to being a bartender/mixologist in today’s economy in order to attract more customers and build your business.
- Questions for the Panel included whether Europe’s model trend of buying and sourcing locally, and supporting locally grown fresh ingredients is becoming more popular across

the country and in San Diego, and how to help restaurant owners address the high failure rate through resources, restaurant associations, and business consultants.

## 5. “Small Business Hot Topics” Panel

- Dr. Garcia introduced the “Small Business Hot Topics” Panel featuring San Diego Small Business Strategists & Advocates:
  - Adriana Cara, Attorney/Senior Associate, Brown Law Group
    - “Best Business Practices: Managing Employees for Success!”
  - Elizabeth Schott, Executive Director, ACCION San Diego
    - “Financing Wisdom to Grow Your Business!”
  - Rebecca Tall Brown, Owner/Strategist, Tri-Line Marketing
    - “Marketing Strategies to Boost Your Business!”
  
  - Adriana Cara presented on “Best Business Practices: Managing Employees for Success!” and highlighted three Best Practices for Businesses: 1) Employee Handbook – sets forth written policies governing the terms and conditions of employment; communicates employee conduct and expectations, company mission/philosophy, and workplace culture; and demonstrates compliance with employment law. 2) Train Managers on Employee Policies – ensuring management team is trained and able to support and enforce the policies and apply correctly/managers are gatekeepers to conveying and enforcing policies; 3) Applying Policies Consistently – can protect business from liability and prevent lawsuits. A well-written Employee Handbook is one of the best investments you can make in business, and a best business practice.
  
  - Elizabeth Schott offered “Financing Wisdom to Grow Your Business” by sharing the Do’s and Don’t’s in the lending landscape, a lender’s appetite for risk, and highlighting what lenders are looking for: The Six “C”s: Credit (credit history and track record), Capacity (current income and ability to pay back loan), Collateral (assets to secure debt), Capital (your investment), Conditions (type of business in today’s economy), and Character (your experience, professionalism, preparedness, and integrity). Ms. Schott highlighted specific ideas to strengthen your six C’s before seeking financing such as monitoring your credit, paying bills on time, setting aside funds to prove ability to pay back loan; ensuring records and financial statements are up to date; not exhausting your personal capital before seeking a loan, knowing your competitors, and having assets to help secure debt.
  
  - Ms. Schott listed a variety of alternative loan programs and organizations to consider: City of San Diego Revolving Loan Programs; CDC Small Business Finance; Foundation for Women, International Rescue Committee, and ACCION San Diego. These organizations tend to have a little more flexibility/creativity in looking at your credit and capacity, and packaging loans. Be your best advocate and have all the information a lender needs up front to better position your business for financing.

- Rebecca Tall Brown shared “Marketing Strategies to Boost Your Business!” through a discussion on how marketing supports sales: Sales can happen without marketing, but you cannot have consistent marketing without the selling process. Your ideal client reminds you of why your business exists and they become repeat customers who help market your business. Goal with marketing is to get more of those loyal, ideal repeat customers who then become part of your marketing team and influence your marketing strategies.
- Ms. Tall Brown provided ideas on marketing strategies to create more ideal customers: Ensure your customer’s first experience is pleasant and entice your customer to return by creating opportunities to further their experience (specify and train staff/front desk/hostess to create this initial experience); Acclimate customers to the adventure that lies ahead; Incorporate the experience/story concept into your website and provide clear direction on their next step or experience with your business; Have cues in place to further their experience, otherwise customers may not continue their journey or return; Incorporate meaningful memorabilia, storytelling, furniture, colors, design, and your philosophy into your store/ business and share meaning with your customers; Continue your business story or journey online via website and lead customers to participate in future special events that you are hosting through Social Media; Allow customers to become part of the story/experience of your business by requesting their feedback, opinion, or input. Reward ideal customers for contributing to the story: i.e. naming a menu item or product after them, allowing ideal customer to choose a special item/menu item for your special event.
- Marketing supports the customer development process – build loyalty through membership programs or free gifts with purchase; create solutions that make customers their lives easier, and do competitive research.
- Question was asked by Board Member Michelle Gray regarding employment law/human resources and providing references – Ms. Cara reinforced importance of applying standard consistent policy: solely providing title of position, last rate of pay, and length of time employed in order to avoid liability.

## **6. “Demystifying the Procurement Process” Presentation – Michael Winterberg**

- Dr. Garcia introduced Michael Winterberg, Senior Procurement Specialist for the City of San Diego, who provided a presentation on “How to do Business with the City of San Diego to help “demystify the procurement process.” The focus of the presentation was how the Purchasing & Contracting Department facilitates the procurement of goods and services, and how the City Charter, Municipal Code, and Council Policies apply to goods and services procurement practices.
- Presentation topics included: Mission of Purchasing & Contracting (P & C) Department to assist City departments and customers in the centralized acquisition of goods and

services, and provide integrity, fairness, and impartiality in the procurement process; How the P & C Department acts as a “gatekeeper” between internal and external stakeholders and customers, and assists in communicating procurement policies and process; P & C Department role is to coordinate procurement and contracting functions for: 1) goods and services, 2) minor construction and 3) non-Architectural & Engineering consulting services; P & C Department also facilitates managed competition process and Information Technology contracting. Mr. Winterberg also discussed the following topics: Types of goods and services the City buys; Preparation of requests for bids, quotes, and proposals; City Charter requirements and advertisement for competitive bid process; Flow chart highlighting the City’s procurement process; Efforts to identify potential vendors; vendor selection process; Navigating the City’s/Purchasing Department’s website for bidding and contracting opportunities; Vendor registration via DemandStar to receive bid notifications, and role of City Procurement Specialists.

- Mr. Winterberg also briefly discussed and provided contact information for the City’s Purchasing & Contracting Department, Insurance Requirements, Equal Opportunity Contracting, Small Local Business Enterprise Program, Living Wage Ordinance, and Equal Benefits Ordinance.

**7. Presentation to Outgoing Board Member – Special Commendation**

- Lisa Gordon-Hosch presented a Special Commendation on behalf of Mayor Jerry Sanders to outgoing Small Business Advisory Board Member Matthew Spencer to honor his three years of advocacy, commitment, and service.

**8. Public Testimony and Additional Questions & Comments**

- Kevin Swanson commented on ongoing collaborative planning for 2015 Balboa Park celebration, and whether there could be opportunities for small businesses outside Balboa Park to participate and showcase region.
- Comment that hospitality industry has low wages, and whether there are ways to see more types of jobs that could create better living wages for hospitality industry. Board Member Matthew Spencer shared that tips/tipping help create and support higher wages in hospitality industry.
- A supervising attorney/representative from the Thomas Jefferson School of Law shared that the school’s Small Business Law Center opened a year ago provides a variety of free legal services including drafting/reviewing contracts, determining legal structure of business, and consulting on business plans, and also offers presentations to small business groups on various legal topics. The Center is a great resource for businesses that do not have capital to hire attorneys.

## **9. Closing Remarks**

- Dr. Garcia thanked the presenters, panelists, and everyone in attendance at the Small Business Advisory Board's Annual Community Outreach Meeting, and invited everyone to visit with panelists and presenters before departing. He also invited everyone to attend the next Small Business Advisory Board Meeting on December 14, 2012 at the War Memorial Building, and all future meetings of the Board.

## **10. Next Meeting Date**

- The next meeting is December 14, 2012 at 8:45 a.m. at the War Memorial Building, Room 3, located at 3325 Zoo Drive, San Diego, CA 92101.

## **10. Meeting Adjournment**

- The meeting was adjourned by Chairman Ruben Garcia without objection at 10:42 a.m.