



ANNUAL IMPACT

Better Business Bureau of Minnesota & North Dakota

2017-2018 REPORT



START WITH TRUST



KEY MISSION INDICATORS

BUSINESS INTEGRITY

BBB Accredited Business Growth



7,226

Total Businesses

1,327

New Accredited Businesses
in 2017-18

BRAND ENGAGEMENT



1.44M

Page Views

CONSUMER CONFIDENCE



2.26M

Instances of Service

MISSION

To be the leader
in advancing
marketplace trust

VISION

An ethical
marketplace where
buyers and sellers
trust each other

ABOUT US

Better Business Bureau of Minnesota and North Dakota is **proud** to be known as “the first BBB,” founded here in 1912. Our BBB has served consumers and local business owners for more than **100 years**. We’re a non-profit organization founded in 1912 by ethical Twin Cities business and civic leaders who banded together to combat misleading advertising and create a level marketplace for consumers and businesses. The movement is strong and continues to grow. Today, we are supported by **more than 7,000** local BBB Accredited Businesses across Minnesota and North Dakota that believe in our vision.

LEADING WITH INTEGRITY

TO OUR STAKEHOLDERS:

The foundation of a healthy economy in Minnesota and North Dakota is an ethical environment where buyers and sellers trust each other. Our board members, staff, volunteers and more than 7,000 locally Accredited Businesses drive BBB's mission of advancing marketplace trust.

I am honored to serve as BBB CEO in this region and am proud of the organization's important work in assisting thousands of buyers and sellers every day. We do this by setting standards of ethical practices, engaging businesses and educating consumers. Many programs, such as our annual Torch Awards for Ethics, celebrate role models and encourage exemplary business conduct. We also actively promote voluntary self-regulation, address substandard marketplace behavior and work with state and federal agencies to safeguard consumers and businesses. Through media relations, public forums and social media, we call out problematic behavior and work with consumers to prevent and decrease fraud.

This past year, our BBB broadened services through the implementation of a five-year strategic plan with special emphasis on outstate areas. Through an expanded network of partnerships, we grew BBB's reach to targeted audiences. A new office opened in Mankato, and enhanced programs were offered in Rochester, Duluth, St. Cloud, Fargo and the Red River Valley. We've also upgraded our technology, added new web services and a virtual online platform. BBB has a history of financial stability and improvements will serve to foster further revenue growth and maximize operational effectiveness.

Going forward, our aim is to increase the visibility of BBB across this vibrant marketplace through marketing and promotion. Additionally, we've launched innovative initiatives geared towards at-risk consumers, new businesses, young entrepreneurs and diverse communities. We eagerly accept the challenge of instilling consumer confidence and advancing a trustworthy marketplace. After all, trust never goes out of style.



Susan Adams Loyd
CEO, Better Business Bureau of Minnesota and North Dakota

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Health Partners Medical Group & Clinics

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Border State Bank

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Board Officers also serve as the Board of Directors for BBB's 501c(3) charitable education foundation.

COMMITMENT TO INTEGRITY

STANDING OUT: CARING, ETHICAL BUSINESS LEADERS



Recognition of 70 Years as a BBB Accredited Business
Anthony Commers, Owner, Commers, the Water Store



It's a great honor for Commers, the Water Store to be a member of the BBB since 1947. Being an Accredited Business demonstrates our **commitment to our customers** and lets them know they can **trust** us.
- Anthony Commers, Owner, Commers, the Water Store



Celebrating Marketplace Role Models
Susan Adams Loyd, BBB CEO; Diane Dormanen, CEO, Discount Steel; and David Aafedt, BBB Board Chair



Receiving the Torch Award is truly an **honor** and a **privilege**. Winning this award has helped us to expand our network of customers and supply partners because they know we not only talk about **service with integrity**, but we deliver on that promise every day. It has been hugely beneficial to be **supported** and recognized by Better Business Bureau.
- Diane Dormanen, CEO, Discount Steel

SETTING STANDARDS

1

BUILD TRUST

5

HONOR PROMISES

2

ADVERTISE HONESTLY

6

BE RESPONSIVE

3

TELL THE TRUTH

7

SAFEGUARD PRIVACY

4

BE TRANSPARENT

8

EMBODY INTEGRITY

FORTUNE 500 COMPANIES THAT SUPPORT BBB:



THRIVENT®
Be Wise With Money™



Xcel Energy®
RESPONSIBLE BY NATURE™

TRUSTWORTHY **BUSINESSES**



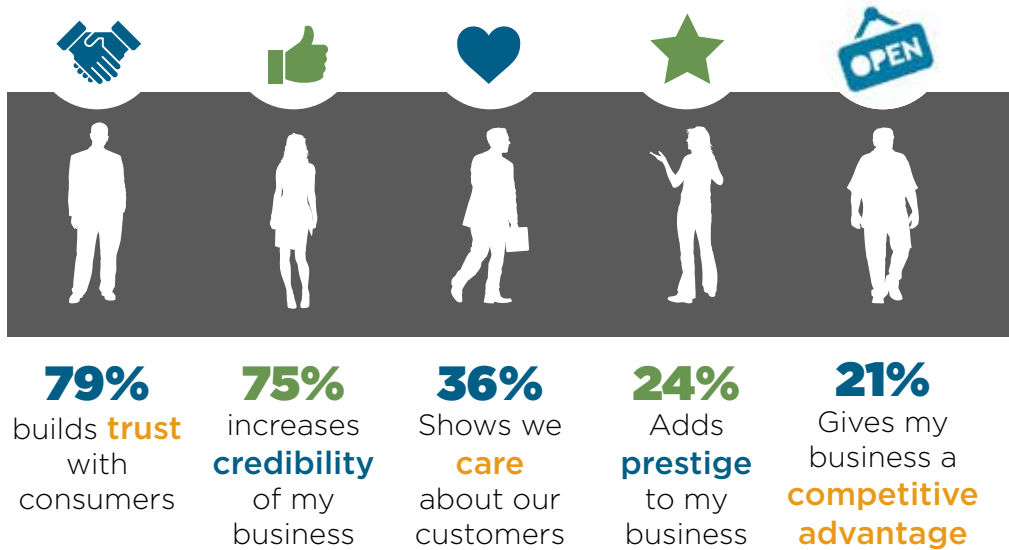
81%
OF CONSUMERS

FAMILIAR WITH THE BBB SEAL ARE MORE LIKELY TO **TRUST A BUSINESS** IF IT CARRIES THE BBB ACCREDITATION SEAL.

Nielsen 2017

BBB Accreditation signifies **TRUST**, **INTEGRITY** and an unwavering **COMMITMENT** to ethics.

THE VALUE OF ACCREDITATION LOCAL BBB ACCREDITED BUSINESSES SAY:



“For companies that truly want and do put their **customers first**, it is a good way to stand out from your competition.”

- Michael Mortenson, Owner, Custom Home Specialities Inc.

“I think accreditation is a great marketing tool to add **credibility** for potential clients and the clients you have. The networking and educational **opportunities** are great, as well as the support staff.”

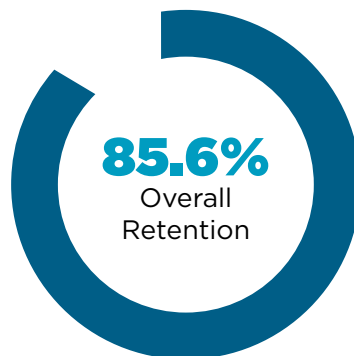
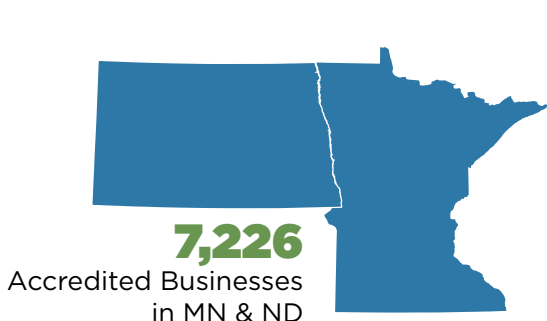
- Tina Wiehle, Sales Representative, Payroll Direct Inc.

“BBB Accreditation is what consumers look for when evaluating a company. It helps with **branding** and **recognition** and the name recognition just of BBB itself is vital to running a business. Our standing is crucial in helping us land clients.”

- Deb Newell, CEO, Real-Time Leasing

CBBB Research, 2016: Minnesota and North Dakota Value of Accreditation Survey

A TRUSTED **MARKETING ASSET & PARTNERSHIP**



1,327
New Accredited Businesses
joined in 2017-18

5,904 **↑25%**
Consumers utilized our
“Request a Quote” Service

CONSUMER CONFIDENCE

EMPOWERING, SHARING & BUILDING A STRONGER VOICE



I want to applaud you for your **due diligence**, **effort** and **time** you have afforded this matter. Your **professionalism** and **kindness** you have extended to me did not go unnoticed.

- Pat S.



This is the first time I've had to use the BBB and I appreciate the **help** and the **quick resolution** to the situation."

- Jim S.



Great resource for checking on valid businesses. I used your site last week to help me make a final decision on a vendor. - Cynde B.

Photographs are only representative of consumer audience.



EXPANDING SERVICE

New partnership with Minnesota State University Mankato's Small Business Development Center (SBDC).

Hubbard Office Building in Mankato, MN

A HELPING HAND

Torch Awards for Ethics



“WHAT A HUMBLING OPPORTUNITY TO BE SURROUNDED BY SUCH IMPRESSIVE PEOPLE MAKING A DIFFERENCE IN OUR COMMUNITIES.”
- 2017 Attendee

The Torch Awards for Ethics **celebrates** and **recognizes** best in class companies of all sizes, who are committed to the highest ethical standards.

CONGRATULATIONS to our 2017 Award Recipients!

Discount Steel, Murphy Bros. Design Build Remodel, Omega Force Services, and Renewal by Andersen



BBB PROVIDED



761,647

LOCAL BUSINESS PROFILES accessed via BBB.org



1.44 MILLION

PAGE VIEWS



22,874

PHONE CALLS & ONLINE CHATS received by BBB Resource Center



1,278

SCAMS REPORTED to BBB Scam TrackerSM



240 **↑92%**

INVESTIGATIONS CONDUCTED



60

ARBITRATIONS AND MEDIATIONS



452

ADVERTISING REVIEW CHALLENGES ISSUED



Susan Adams Loyd, BBB CEO, welcomes the crowd to Scam Jam Twin Ports, held in Duluth.

SCAM JAM

Along with AARP Minnesota, BBB hosts Scam Jam events across our region, educating seniors, caregivers and professionals serving seniors on how to fight fraud.

STUDENT OF INTEGRITY SCHOLARSHIP

Our annual scholarship program rewards and nurtures area high school seniors who recognize the role character ethics played in their young lives. This unique essay contest is inspirational and helps reinforce the value of ethical decision making among our future leaders.

CONGRATULATIONS to all of the 2017 scholarship winners who received a combined total of **\$14,500!**

2.26 MILLION

instances of service to businesses, charities, and the general public.

BUILDING BRAND ENGAGEMENT

LOCALLY RELEVANT CAMPAIGNS

CONNECTING WITH OUR COMMUNITIES



6,963
BRAND MEDIA MENTIONS



22,051
E-Newsletter Consumer Subscribers



Page likes:
4,824
↑ 6%



Followers:
409
↑ 36%



Followers:
3,976
↑ 6%

GROWING VISIBILITY
545,000+
DISPLAY IMPRESSIONS IN APRIL ALONE

PROTECTING SMALL BUSINESSES



Better Business Bureau of Minnesota and North Dakota (BBB) and the Federal Trade Commission (FTC) launched *Scams and Your Small Business Research Report*. The report is designed to educate and empower small businesses to speak up and report fraud, enabling BBB to expand its knowledge of how scams uniquely impact this constituency.

When scammers go after your organization, it can hurt your reputation and your bottom line. Your best protection?

Learn the signs of scams that target businesses.

Then tell your employees and colleagues what to look for so they can **avoid scams.**

SCAMMERS' TACTICS

Scammers pretend to be someone you trust.

Scammers create a sense of urgency.

Scammers use intimidation and fear.

Scammers use untraceable payment methods like gift cards and wire transfers.

HOW CAN I PROTECT MY BUSINESS?

- Train Your Employees
- Verify Invoices and Payments
- Be Tech-Savvy
- Know Who You're Dealing With

COMMON SCAMS THAT TARGET SMALL BUSINESSES

- Fake Invoices
- Directory Listing and Advertising Scams
- Tech Support Scams
- Social Engineering, Phishing, and Ransomware
- Fake Check Scams

To learn more, visit:

FTC.gov/SmallBusiness
BBB.org/SmallBusiness

To report scams, visit:

FTC.gov/Complaint
BBB.org/ScamTracker

PARTNERSHIPS FOR LASTING IMPACT



The BBB lives and breathes their mission every day, and we have found them to be an invaluable business partner. We work with them on a variety of projects including the Torch Awards for Ethics, Student of Integrity Scholarship Program, and various networking events throughout the year. We look forward to building an even brighter future, along with the BBB.



- Bridget Petersen
Market VP of Community Outreach, SPIRE Credit Union



Our longtime “Scam Jam” partnership with BBB of MN and ND multiplies our efforts to educate the public about fraud and identity theft. We’re able to put together really high-quality programs and include other law enforcement and social services experts who share their resources. We know we’re preventing many of them from becoming the next victim.

- Jay Haapala, Associate State Director
Community Engagement, AARP Minnesota



Allianz Life is proud to support Better Business Bureau’s Safeguarding Our Seniors program. The program is an invaluable resource in the efforts to combat the problem of elder financial abuse in our community.

- Laura Juergens
Community Relations Manager, Allianz



TOGETHER
DEVELOPING
YOUTH



TORCH AWARDS FOR ETHICS SPONSORS

- iHeartMedia Minneapolis
- Minneapolis/St. Paul Business Journal
- Clear Channel Outdoor
- EideCom
- YPC Media
- NFP Corporate Service
- Luther Automotive Group
- Best Buy
- Comcast Business
- Rippe Print

STUDENT OF INTEGRITY SCHOLARSHIP SPONSORS

- North Star Resource Group
- CenterPoint Energy
- Border State Bank
- Citizens Independent Bank
- KleinBank
- Plumb Right
- SPIRE Credit Union
- Valley Pools & Spas

PROGRAM AND EVENT PARTNERS

- Minnesota State University Mankato’s Small Business Development Center
- Small Business Development Center Central Region
- Federal Trade Commission Midwest Region
- Minnesota Department of Commerce
- Junior Achievement of the Upper Midwest
- AARP Minnesota
- Think Mutual Bank
- Builders Association of the Twin Cities
- Contractors Association of Minnesota
- Trust Vets
- Allianz
- Calhoun Companies
- James J. Hill Center
- SPIRE Credit Union
- US Bank

INVESTIGATION PARTNER

- Coalition Against Marketplace Fraud

Special Thanks

BBB is **FORTUNATE** to have a wide array of sponsors and partners supporting our mission. We are **GRATEFUL** for their unique contributions, and humbly thank each of them for their **TIME, EXPERTISE and COMMITMENT.**

Visit: go.bbb.org/partners

FINANCIAL PERFORMANCE

FISCAL YEAR ENDING JUNE 30, 2018

AB Development	\$800,000
AB Dues - Renewals	3,425,000
Online Directory	450,000
Donations/Grants/Sponsorships	225,000
Other Revenue	92,750
Total Revenue	<u>\$4,992,750</u>
Commissions/Salaries	\$3,052,450
Office & Other Expenses	1,011,300
Member Programs/Projects	424,000
Total Expenses	<u>\$4,487,750</u>
Revenue over (under) Expense (before depreciation)	505,000
Depreciation Expense	150,000
Revenue over (under) Expense	<u>\$355,000</u>
Extraordinary Expense	155,000
Revenue over (under) Expense	<u>\$200,000</u>

 **101**
VOLUNTEERS


\$225,000

Donations, Grants
Sponsorships



 **2.5%**
Revenue Goal
Exceeded

Preliminary FY18 financial information at time of printing, for audited financials, call 800-646-6222



BBB has been the leading voice of trust for more than 100 years. Although proud of our solid history, we are steadfast in our commitment to serve changing needs. Better Business Bureau of Minnesota and North Dakota continues to grow and thrive with each new generation. Our community's economic viability depends on ethical business leaders and informed consumers. Thank you for your continued support and for your partnership. Nobody is fighting harder to advance marketplace trust.

-David Aafedt

Better Business Bureau of Minnesota and North Dakota Board Chair

Looking ahead, we will:

- Grow our Community of Informed Consumers and Business Owners
- Expand our Network of Trustworthy Businesses and Strategic Partnerships
- Maximize Operational Effectiveness
- Maintain Financial Stability
- Promote the Value of BBB

PASSION FOR DOING THE RIGHT THING

HELPFUL, AUTHENTIC, APPROACHABLE



Working at BBB is about the **mission** we carry out on a daily basis with the work we do, the **integrity** we share with our interactions within our workplace, **great leadership** & a **caring community** in which we work in.
-Becky Hokenson, Resource Specialist



To me it's about being part of the **community** and doing something **meaningful**. That sense of purpose makes it more than a job, it's being part of a mission.
-Michael Neuerburg, Account Manager



When you feel you've helped not just one person but the **broader marketplace**, that's pretty powerful stuff.
-Steve Farr, Auto Industry Liaison



OUR VALUES

We commit to the following values to guide our decisions and behavior with each other and those we serve:



Excellence



Integrity



Teamwork



Trust



Respect





BBB | Partner With Us

BURNSVILLE • ST CLOUD • FARGO • MANKATO

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