

Better Business Bureau
Serving Minnesota & North Dakota



ANNUAL IMPACT REPORT

2022-2023



OVERVIEW

Opening Remarks	4
Mission, Vision and Values	6
Value of BBB Accreditation	8
Scam Prevention Initiatives	12
Lights! Camera! Action!	16
BBB Foundation Report	18
Financial Report	22
BBB Board of Directors	24



David Aafedt

CHAIR, BBB BOARD OF DIRECTORS

Since 2013, I have had the privilege to serve on the Board of Directors for Better Business Bureau of Minnesota & North Dakota and to watch the organization operate, adapt, and grow through various economic cycles. If I've learned one thing during my tenure as Board Chair, it's the importance this BBB plays in strengthening our communities.

At a time when trust in traditional institutions is in flux, BBB stands as a beacon. Since its inception right here in Minnesota more than a century ago, BBB has been a leading authority on trust in the marketplace with its primary purpose of fostering honest transactions between businesses and consumers, and ultimately helping communities to thrive.

My own employer, Winthrop & Weinstine, P.A. has been a BBB Accredited Business since 2010. And like the other 7,000 BBB Accredited Business members in Minnesota & North Dakota, my company holds our Accreditation in the highest regard and operates with an up-front commitment to goodwill, integrity, and transparency in all dealings.

It's now my honor to pass the baton to John Owens, President of Owens Companies, as the new Board Chair. As a long-time operator of a family-owned HVAC company and BBB Accredited Business, John brings valuable insight and wisdom to this leadership position. I've pledged my support to him and the entire 32-member Board and amazing staff during this transition and beyond.



Susan Adams Loyd

CEO, BBB SERVING MINNESOTA AND NORTH DAKOTA

The Annual Impact Report serves as an opportunity to reflect on the Better Business Bureau's priorities and performance.

Over the past twelve months, our team's rallying cry has been "Quest for the Best" and this document illustrates stated targets and measured results. As BBB shines light on ideal business practices for all, we maintain the most responsible care of organizational finances, resources, services, and employees.

We also believe that the bedrock of a healthy marketplace begins with trust. Think of Better Business Bureau as a business-led movement where owners and operators stand shoulder to shoulder to champion best practices for smooth and safe business transactions. As a 501(c)(6) non-profit organization, BBB exists entirely to help businesses be the best versions of themselves and to point consumers to companies that maintain the highest ethical standards. The following report will show how resources were deployed in pursuit of this mission.

Thanks to the many people throughout Minnesota and North Dakota who contributed to this Better Business Bureau's success, including our Board Directors, volunteers, strategic partners, employees, and member Accredited Businesses. It has been a joy to observe the collaboration and particularly satisfying to take stock of what has been delivered.



Mission

To be the leader in advancing marketplace trust

Vision

An ethical marketplace where buyers and sellers trust each other

Better Business Bureau Exemplifies this by:

- Setting standards for marketplace trust
- Encouraging and supporting best practices by engaging and educating consumers and businesses
- Celebrating marketplace role models
- Calling out and addressing substandard marketplace behavior
- Creating a community of trustworthy businesses and charities

Who Do We Trust?

Thirty-four million businesses operate in the U.S. and Canada, offering hundreds of thousands of sites where people can shop online. Here, people are exposed to as many as 10,000 advertising messages a day and there are thousands of free and subscription websites with reviews, reports, directories, and listings that offer a range of information.

Scams and dishonest business practices are rampant undermining trust in the marketplace, distorting the level playing field, and siphoning money from legitimate transactions. This may leave businesses and consumers with few reliable sources of information.

BBB is Built on Trust

BBB was founded right here in Minnesota. Throughout our 110 year history, BBB has been the trusted “go to” source for businesses and consumers alike. BBB advances its mission of championing best practices for trusted and safe transactions by setting standards for ethical business behavior and monitoring compliance. Now with more than 90 BBBs across North America, collectively, we scrutinize data quality on more than 5.3 million businesses.

Four hundred thousand BBB Accredited Businesses place trust at the center of their customer engagement. These firms consistently demonstrate integral business practices. Their investment in BBB helps build a healthy marketplace where both buyers and sellers benefit, and consequently, communities thrive economically.

The Value of BBB Accreditation

Last year, BBB logged more than 150 million website visits across North America. Now, more than ever, consumers seek prior-to-purchase information about products and services as well as the company they choose. Consumers recognize, respect, and value a company's BBB Accreditation because they know that recognition is deserved. For the member companies that earn the Seal of Accreditation, it means they are one step ahead toward customer engagement, service and satisfaction.

In Minnesota and North Dakota, nearly 7,000 Accredited Businesses have aligned their company values with BBB because they care about their reputation, customer satisfaction and a thriving marketplace. They adhere to the BBB Accreditation Standards because it is part of the fabric of their individual businesses and their commitment to the community.



THE BBB SEAL SAYS THIS ABOUT YOUR BUSINESS:

- Reputable
- Trustworthy
- Advertises honestly

Consumers would choose a BBB Accredited Business over a non-Accredited Business

80%

IABBB, 2022



6,935

Number of Accredited Businesses



1,345

Newly Accredited Businesses



87.77%

Annual Membership Retention Rate



HOW BBB ACCREDITATION BENEFITS YOUR BUSINESS

1. Increases the credibility of your business
2. Shows integrity in your business practices
3. Builds customer trust
4. Increases your visibility as a reputable business
5. Shows you care about your customers



Accredited Business Benefits

The BBB Seal can be displayed on a website, front door, or company vehicle as assurance to potential customers they are dealing with a reputable business. BBB.org includes a comprehensive business profile for all companies as a one-stop resource for consumers. Accredited Businesses may customize their profile, adding their company logo and personalized messaging to further align with the marketing plan.

EXCLUSIVE BENEFITS

ADVERTISING PROGRAM

BBB offers an affordable, exclusive and effective advertising program to help Accredited Businesses promote their products and services by offering a variety of digital options – Google Display ads, YouTube video ads, and BBB.org ads.

NETWORKING EVENTS

Business leaders who attend BBB signature events like the Torch Awards for Ethics, Annual Meeting and Integrity Golf Classic have the opportunity to enjoy networking, community building and the camaraderie of like-minded businesses.

COMMUNITY PARTNER PROGRAM

Partners invest in an annual sponsorship to strengthen and sustain BBB's three signature events. Participants enjoy high visibility with top businesses and government leaders all aligned with BBB's reputable and trustworthy brand.

SPECIAL ACCESS TO SPORTING EVENTS

BBB partners with Accredited Businesses and professional sports teams such as the Minnesota Wild and Minnesota Twins to offer special ticket pricing to members.



Scam Tracker

The free online tool offers consumers and businesses information about suspected scams. When suspicious activity is reported on Scam Tracker, it warns others so they can avoid similar cons or acts of fraud.

\$21,300,000

ESTIMATED DOLLAR AMOUNT PEOPLE AVOIDED LOSING THANKS TO BBB SCAM TRACKER IN 2022

Each year, BBB conducts research analyzing the data individuals and businesses submit to BBB Scam Tracker. This data sheds a light on how scams are perpetrated, who is being targeted, which scams have the greatest impact, and behaviors and factors that may impact a person's susceptibility.

The Community Leader in Scam Prevention Education

Scams. They are at an all-time high from which no one is spared. Businesses and consumers are bombarded with urgent email, texts and robocalls, and it is often difficult to sort truth from trouble. Some fraudsters are real pros, and use sophisticated tactics to extort money or information, even from the savviest among us.

That is why BBB offers free, expert advice to help prevent, mitigate, and report fraud. As a central part of our mission in advancing marketplace trust, BBB partners with a variety of educational and law enforcement agencies to combat such crimes in our region. Let us empower you with scam prevention skills that bolster your defense and eliminate worry of falling victim to plays.

Top 3 Riskiest Scams Reported

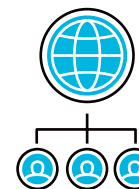
- Online Purchase Scams
- Employment Scams
- Cryptocurrency Scams

40%

of visitors to BBB Scam Tracker did so to determine whether they were **experiencing a scam**

\$171

Median dollar **loss**



1.4 million
UNIQUE VISITORS
TO BBB SCAM TRACKER



46,143
SCAMS REPORTED
TO SCAM TRACKER

2022 BBB Scam Tracker Risk Report



The power of actual conversation

BBB's Resource Specialists provide real-time, support to consumers regarding marketplace issues or concerns, such as scams or bad business operations. Last year, our team handled more than 11,000 calls. At least 84 of these calls were people who smartly called BBB for guidance before pressing "send", and thereby prevented their personal data or money from being absconded by scammers. An estimated \$648,543 was spared in these transactions.

Scam education is engaging and fun

BBB's Scam Carnival provided a hands-on experience for visitors at the Minnesota State Fair. More than 11,000 Fairgoers visited the BBB booth in the Education Building and learned to better identify and mitigate scams. Activities included interesting challenges like the "Are You Smarter Than a Scammer?" quiz which tested participants' knowledge of scams. Everyone left with a prize and a feeling of empowerment and connection to BBB.

A trusted source for media outlets

BBB partners with local media to shine a spotlight on current scam trends and educate the public in scam prevention. Last year, an estimated 60 million consumers received BBB's fraud-prevention information through print, broadcast and digital outlets.

BBB's Cyber Monday and Holiday Shopping Tips was distributed by multiple news organizations as timely reminders about online fraud and safety.

Scam awareness can be a highly emotional topic for consumers who are targeted or afraid of being scammed. BBB educates audiences with empathy. Our team offers handy tips for spotting scams that everyone can use.



**LIGHTS, CAMERA,
ACTION**

Video & Audio Production: A New Benefit to Accredited Businesses

The evolution of digital technology and the rise of online platforms requires companies to transform the way they communicate and advertise in the marketplace. As a result, businesses are recognizing the value of content creation as integral parts of their marketing strategies.

Towards the investment in business service offerings, BBB has built a state-of-the-art, in-house broadcast and production facility, which opened its doors in June of 2023. The studio includes video, photo and audio production capabilities enabling BBB and Accredited Business members exclusive opportunities to reach target audiences, build brand loyalty and drive business growth.

“The studio is absolutely amazing! The vision to develop this space and make it available to members really speaks to the core of helping our business community grow and flourish.”

JAKE HINES
Business Advisor, Think Bank

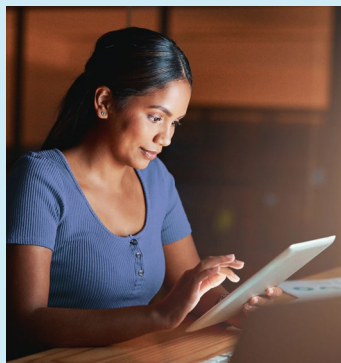
Imagine, a modular space with special LED lighting that can be easily adapted to compliment and showcase any company brand, image and style. Professional grade cameras, lens, teleprompters and monitors capture high quality video, photographs and sound. Businesses have access to BBB’s production experts - behind and in front of the camera. We help our members navigate on-camera training, commercial shoots, PSAs, podcasts, training videos, voiceovers, headshots and more!

To learn more about the rental of the BBB Studio, and schedule a tour, send a note to studio@thefirstbbb.org.



BBB Foundation

Better Business Bureau Foundation is the charitable arm of the BBB Serving Minnesota and North Dakota. The mission of the 501(c)(3) organization is to serve as the community leader in scam prevention education.



BBB STUDIES SCAMS IMPACTING MINORITY COMMUNITIES

BBB Foundation and long-time strategic partner Allianz supported a research project to uncover scams targeting the Latine Community in Minnesota and North Dakota.

The research project was conducted by St. Paul based Hispanic Advocacy and Community Empowerment Through Research (HACER), helping to further identify what types of scams are targeting this community; what barriers prevent the Latine community from accessing scam prevention education; and what BBB could do to better inform this community about scam prevention. Over 320 people who identify as Hispanic/Latine shared their experiences and views on scams through focus groups, interviews and a survey.

BBB FOUNDATION OUTREACH INCLUDED::

- 18** major events & expos
- 44** Consumer & Business presentations
- 16,250** consumer participation
- 9,520** business leaders engaged
- 114** partner organizations served



BBB Accredited Businesses support the next generation of business and community leaders by investing in four \$2,500 scholarships for Students of Integrity. A panel of outside judges selected these high school students from more than 350 applications, all demonstrating a superior understanding of ethics, character and leadership.

2023 STUDENTS OF INTEGRITY AWARD RECIPIENTS

- Annika Organ**
Pine Island High School
- Cassie Atkinson**
Mounds Park Academy
- Heera Adhikari**
Roseville Area High School
- Toby Hagen**
Harbor City International School

BBB Foundation Board of Directors

CHAIR

Barry Kirchoff

Triad Consulting LLC, Independent Business Consultant, Central Region Small Business Development Center

VICE CHAIR

Tara Broker Lashley, CFRE

Fundraising Professional

SECRETARY

Rand Park

Dept. of Strategic Management & Entrepreneurship, Carlson School of Management, University of Minnesota

TREASURER

Kristin Stamman

Vice President, Twin Cities Siding Professionals

Mark Hanson

M. Jeffrey Hanson & Co.

John Grant

Lemnos Advisory

Nancy Korsah

Black Business Enterprises

Susan Adams Loyd

CEO, BBB of Minnesota and North Dakota

Lisa Jemtrud

Foundation Executive Director, BBB of Minnesota and North Dakota

“**INTEGRITY AND TRUST ARE
BAKED RIGHT INTO THEIR
RECIPE FOR SUCCESS.**”

SUSAN ADAMS LOYD
BBB President and CEO



BBB TORCH AWARDS FOR ETHICS Celebrating marketplace role models

Excellence in business ethics took center stage at the Nicollet Island Pavilion on June 1 for the 2023 BBB Torch Awards for Ethics. Nearly 300 people attended this annual event set alongside the Mississippi River, with a beautiful view of the downtown landscape. The luncheon kicked off with an outdoor social where guests sipped lemonade and indulged in conversation. The crowd then joined emcee and KSTP-TV news anchor Paul Folger inside for lunch and the much-anticipated awards program.

Tony Sanneh, retired professional soccer player and founder of The Sanneh Foundation, provided an inspiring keynote speech about how the game of soccer helped him build character ethics that lead him to create and grow one of the most successful youth organizations in Minnesota.

It was a celebratory day of BBB's mission in advancing marketplace trust among business and government leaders, community partners, BBB Board members and staff.

The Five Torch Award for Ethics winners were revealed and recognized on stage at this year's spectacular event. Each winner received the coveted BBB Torch Award crystal, engraved with their company name.

2023 TORCH AWARDS FOR ETHICS WINNERS

A Ran Music Service, Minneapolis, MN

Chuck Eckberg Group, Woodbury, MN

Murphy Bros. Design | Build | Remodel, Blaine, MN

Lakes Area Realty of Mpls, Minneapolis, MN

Lakeshirts, Inc., Detroit Lakes, MN

Financials: BBB & BBB Foundation

BBB's success is dependent on the success of our Accredited Businesses. Through the mutual support between BBB and Accredited Businesses, we are able to enhance our offerings, build stronger partnerships and create new income streams. Our revenue reflects increases in all categories when compared to last year.

The primary sources of operating income for the organization are membership dues and donations, along with advertising sales. Combined efforts show an increased total income of 10 percent from the previous year. BBB had inflation calibrated member dues increases. New Accredited Business membership was up 25 percent, and thus increased income for BBB to invest in ancillary business and advertising services, educational programs and member benefits (such as the access to BBB's new production studio).

Statement of Position

Assets

CURRENT ASSETS

Cash and Cash Equivalents	\$826,000
Prepays, receivables and current assets	\$122,000

NON-CURRENT ASSETS

Investments	\$2,072,000
Property and Equipment (net)	\$2,407,000

TOTAL ASSETS \$ 5,427,000

Liabilities & Net Assets

CURRENT LIABILITIES

Accounts Payable	\$109,000
Accrued Liabilities	\$137,000
Unearned Income	\$1,706,000

Total Liabilities \$1,952,000

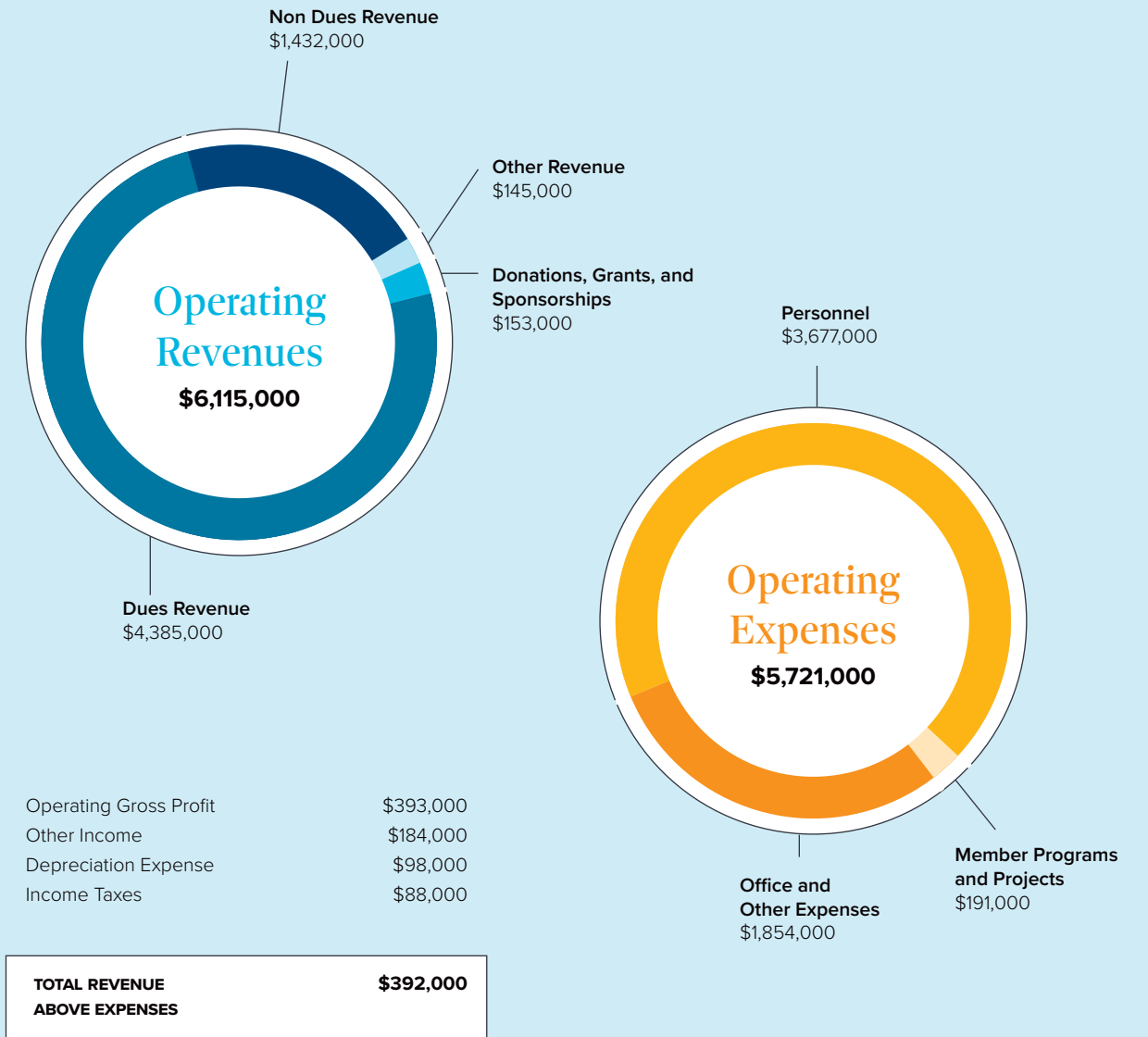
NET ASSETS

Without Donor Restriction	\$3,072,000
With Donor Restriction	\$403,000

Total Net Assets \$3,474,000

TOTAL LIABILITIES & NET ASSETS \$5,427,000

Statement of Activities



*Preliminary last year financial information at time of printing.

Board Officers

CHAIR

David Aafedt
Shareholder & Board Member
Winthrop & Weinstine, P.A.

VICE CHAIR

John Owens
President & CEO
Owens Companies, Inc.

SECRETARY

Andy Kocemba
President & CEO
Calhoun Companies

CHAIR-FINANCE

Louis Berezovsky
Chief Financial Officer
Eagle Infrastructure Services, Inc.

CHAIR-GOVERNANCE

Michelle Dove
General Counsel and Chief
Compliance Officer
IC System

CHAIR-MEMBERSHIP

Lori Moen
President & Founder
Catalyst Group ECR

CHAIR-BBB FOUNDATION

Barry Kirchoff
Triad Consulting LLC
Independent Business Consultant,
*Central Region Small Business
Development Center*

CHAIR-MARKETING

Bernie Laur
Director of Digital
*Hubbard Interactive/Radio/Podcasts
- Twin Cities*

Board Members

Chris Barnick
SVP Consumer Banking
Think Mutual Bank

RC Colvin
Director of Business Development
Highmark Builders

Julianna Copeland
Associate Marketing Manager
Renewal by Anderson

Osni Ferreira Filho
Financial Advisor
Wealth Squared

Peter Gaetz
Vice President/Chief
Compliance Officer
Preferred Credit Inc.

Brent V. Hanson
District Manager –
MT, ND and N. MN
CHS Transportation

Janie Hanson
Founder
Croptimize

Tammy Hartman
Real Estate Regulatory Manager
Verizon Wireless

Marcus Hill
Senior Product Manager -
Customer Relationship Management
Best Buy

Tammylynne Jonas
Global CIO
Donaldson

Lucas Kanavati
Partner
Tradition Mortgage

Ryan Larson
Chief Financial Officer
Golden Valley Supply Company

Traci Leffner
President
Sovran

Monique Linder
Founder/CEO
OMG Digital Media Solutions

Jessica Monson
General Counsel
Coffee & Bagel Brands

Carlos Morales
Digital Marketing Strategist
Viva Technology

Tamera K. Robinson
Executive Vice President &
Chief Financial Officer
Delta Dental of Minnesota

Nadia Rizk
Director, Network Reliability
Engineering
Target

Carlos Ruiz
Director of Business Geographics
and Insights
Star Tribune

J.J. Slygh
Principal Product Marketer
Total Expert

Chris Serritslev
District Director of
MN Gas Operations
CenterPoint Energy

Terry Stamman
President
Twin Cities Siding Professionals

Jeffrey Tate, Sr.
Realtor
Tate Group/Coldwell Banker Burnet

Kate Nilan Uding
General Counsel
*Luther & Landers
Automotive Groups*

Legal Counsel

Minneapolis Lathrop GPM





Connect with us.



Facebook likes

7,022



Instagram followers

5,086



LinkedIn followers

990

Phone

800.646.6222

Email

ask@thefirstbbb.org

Site

BBB.org/minnesota
