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**ANNUAL  
IMPACT  
REPORT**

2020-2021

Better Business Bureau Serving  
Minnesota and North Dakota

## Board Officers

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#### David Aafedt

Shareholder and Board Member  
*Winthrop & Weinstine, P.A.*

### VICE CHAIR

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General Counsel  
*Coffee & Bagel Brands*

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President and CEO  
*Calhoun Companies*

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*Eagle Infrastructure Services, Inc.*

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*Owens Companies, Inc.*

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*Catalyst Group ECR*

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#### Barry Kirchoff

Director, Central Region  
*Small Business  
Development Center*

### MARKETING CHAIR

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*Hubbard Radio/Interactive,  
Twin Cities*

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*Think Mutual Bank*

#### RC Colvin

Director of Business  
Development  
*Highmark Builders*

#### Julianna Copeland

Associate Marketing Manager  
*Renewal by Andersen*

#### Michelle Kreidler Dove

General Counsel and  
Chief Compliance Officer  
*IC System*

#### Peter Gaetz

Vice President and  
Chief Compliance Officer  
*Preferred Credit*

#### Brent V. Hanson

District Manager —  
MT, ND and N. MN  
*CHS Transportation*

#### Marcus Hill

Senior Manager,  
Customer Insights Unit  
*Best Buy*

#### Tammylynne Jonas

Global CIO  
*Self Esteem Brands*

#### Lucas Kanavati

Partner  
*Tradition Mortgage*

#### Monique Linder

Founder and CEO  
*OMG Digital Media Solutions*

#### Kirk Muhlenbruck

Vice President of  
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*Think Bank*

#### David Muller

Director of HSP Sales  
*CenterPoint Energy*

#### Julie Nelson

South Central  
MN Ambassador

#### Tamera K. Robinson

Executive Vice President  
and Chief Financial Officer  
*Delta Dental of Minnesota*

#### Josh Savage

Owner  
*Hero Plumbing,  
Heating and Cooling*

#### J.J. Slygh

Customer Experience  
Consultant  
*Total Expert*

#### 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

#### Michael P. Sullivan, Jr.

Partner in Charge  
*Minneapolis Lathrop GPM*



## David Aafedt

CHAIRMAN,  
BBB BOARD  
OF DIRECTORS

**Better Business Bureau remains faithful to a singular vision — to create an ethical marketplace where buyers and sellers trust each other.**

In a year of unprecedented challenges, daunting disruptions and transformational change, this moment is making it harder than ever to know what and whom to trust. BBB's eight Standards for Trust hold our Accredited members accountable for maintaining trust in business. And consumers rely on us to educate them about reputable companies and scam artists who are looking to steal our money or identity.

Being a part of that work as Chairman of the BBB Board of Directors is an honor. Together we have emerged from this chapter as relevant, humble servants and enthusiastic to continue to navigate the evolving challenges of a changing world.



## Susan Adams Loyd

CEO, BBB SERVING MINNESOTA  
AND NORTH DAKOTA

**It has been a remarkable year at Better Business Bureau. Reflecting, I am most proud of how BBB leaned into the unprecedented challenges of the pandemic.**

Top of mind was concern for our various stakeholders and the rapid implementation of an existing crisis management plan. Despite kids and cats in the background, our team transitioned to remote working and online services without missing a beat. We immediately discovered new, meaningful ways to engage with businesses and consumers and to redefine our mission of advancing marketplace trust.

Then, in a flash, riots and protests ensued following the death of George Floyd. The heart of our service area became the epicenter of this secondary crisis. More than 1,000 businesses were shattered overnight within a community already hurting from mandated COVID-related shutdowns. So, BBB leaned in further. We linked arms with partners, business associations and government agencies to provide information, live webinars, and immediate access to resources. Thousands of small business owners and operators reached out for help and many acknowledged BBB for making a difference.

This unprecedented demand for BBB services has fostered renewed purpose. It makes our team and Board energized and eager to serve despite many unknowns. Together with you, our 6,700 Accredited Business partners, BBB comfortably assumes its leadership role as the marketplace recovers strength and rebuilds trust. Thank you for your ongoing financial and intrinsic support.

# ABOUT US

Better Business Bureau of Minnesota and North Dakota is a 108-year-old not-for-profit organization. Through education, the gathering of marketplace information and the assessment of business practices, BBB helps companies to be better at what they do. Nearly 7,000 Accredited Businesses in our region, and 400,000 members across North America, stand with BBB in its commitment to creating a trustworthy marketplace. More than 100 BBBs are supported by the International Association of Better Business Bureaus (IABBB).

## Vision

**An ethical marketplace where buyers and sellers trust each other.**

## Mission

**To be the leader in advancing marketplace trust.**

### We do this by:

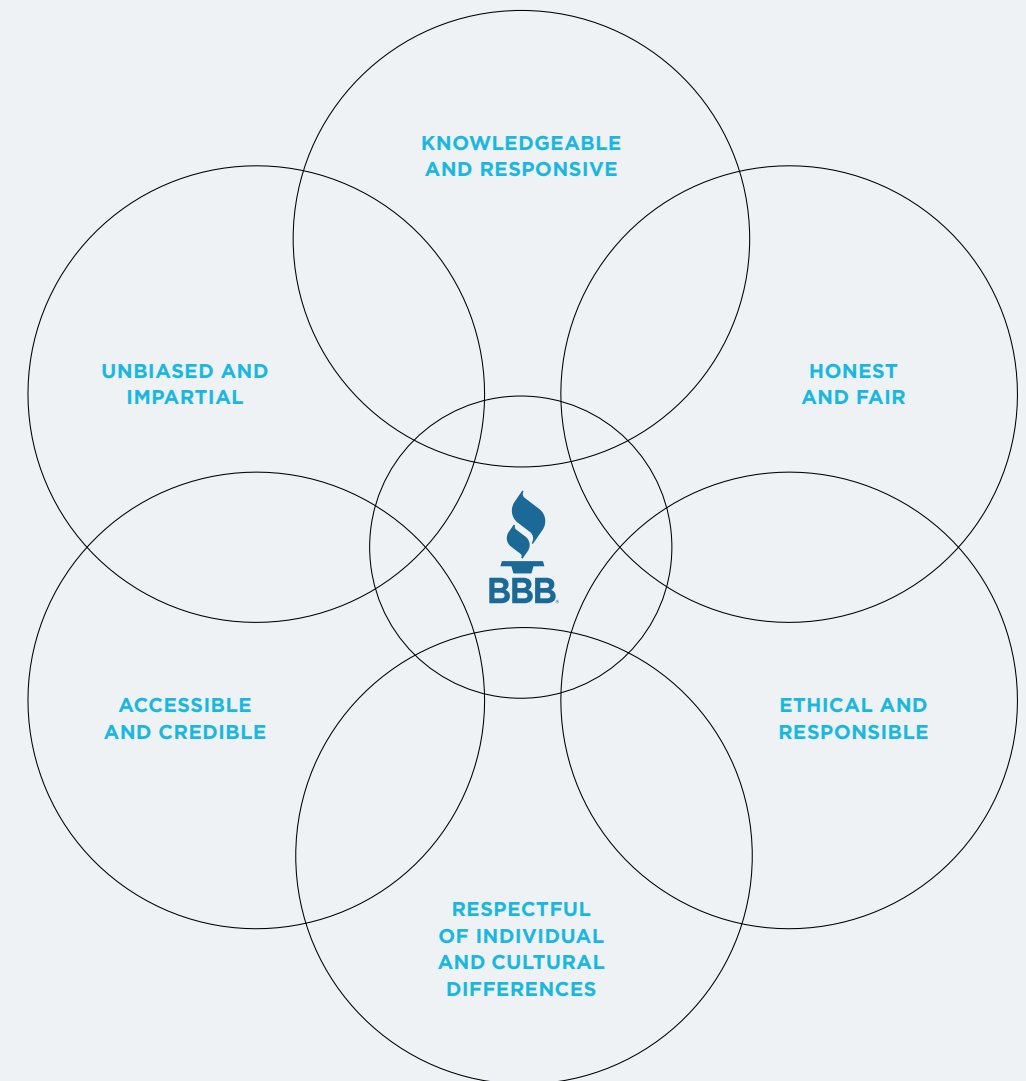
- Setting standards for marketplace trust
- Encouraging and supporting best practices by engaging with and educating consumers and businesses
- Celebrating marketplace role models
- Calling out and addressing substandard marketplace behavior
- Creating a community of trustworthy businesses and charities

### **BBB sees trust as a function of two primary factors — integrity and performance.**

- Integrity includes respect, ethics, intent, and working toward a diverse, inclusive and equitable marketplace.
- Performance speaks to a business's track record of delivering results in accordance with BBB standards and/or addressing customer concerns in a timely, satisfactory manner.

## Core Values

**Our core values shape how we behave with our stakeholders in business and the community.**





# Why BBB?

Better Business Bureau is more relevant than ever. Consumers want a trusted source to find verified, unbiased information. There are more than 32 million businesses in North America alone, and hundreds of thousands of sites around the world where people shop online. Thousands of free and subscription websites offer a range of information, including reviews, reports, directories and listings. Where can consumers turn?

**Start with Trust. Start with BBB.**



### BBB ACCREDITED BUSINESSES

**6,602** Businesses in Minnesota and North Dakota

**400,000** Businesses in North America

### BRAND ENGAGEMENT

**140 million** Visitors to [BBB.org](http://BBB.org)

### CONSUMER CONFIDENCE

**4,719,597** Local instances of service



*BBB Team Picnic, August 2020*



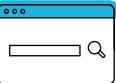
### OUR DIGITAL REACH



**7.6 million**  
Local website page views



**4.6 million**  
Business profiles accessed



**70%**  
Of those who visited BBB.org to look for a Business Profile said the information helped them decide whether or not to engage with the business.



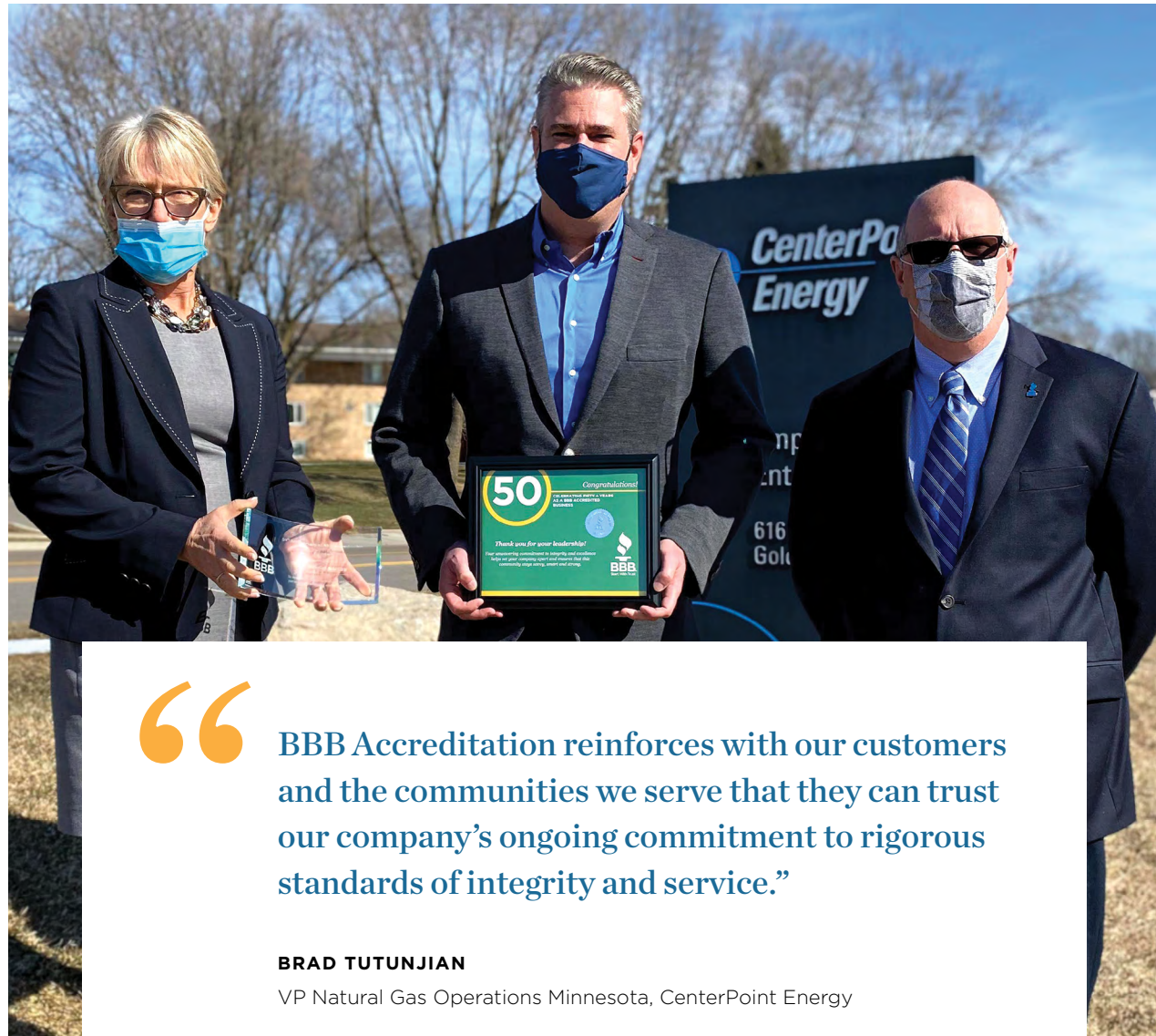
**25-34**  
Consumers aged 25-34 made up our largest website demographic at 22% of total visitors.



TRUST MATTERS

# The Value of Accreditation

Choosing to be BBB Accredited is a testament to a business' commitment to higher business standards. And, having earned the BBB Seal of Accreditation, invites companies to join the nearly 7,000 marketplace role models in Minnesota and North Dakota that serve as shining examples of integrity and trust.



“BBB Accreditation reinforces with our customers and the communities we serve that they can trust our company’s ongoing commitment to rigorous standards of integrity and service.”

**BRAD TUTUNJIAN**  
VP Natural Gas Operations Minnesota, CenterPoint Energy

# A+

An A+ rating with BBB is the number one way consumers experience a **positive first impression** about a business.

Source: IronMonk Solutions, 2020

## ACCREDITED VS. NON-ACCREDITED

# 163

Times per year (on average) **Accredited Businesses** are inquired about on BBB.org.

# 24

Times per year (on average) **non-accredited businesses** are inquired about on BBB.org.

Source: Stats from IABBB regarding the value of a prospective Accreditation

## RETURN ON MISSION

The fees associated with Accreditation enable BBB to provide free programs and services easily accessible on BBB.org and through our regional local office.

# Every \$1

Accredited Businesses invest in BBB **generates**

# \$4.08

(estimated) in **direct benefit** to the public as our return on mission.

## 50 YEARS OF ACCREDITATION

BBB is proud to support businesses in all stages of growth, from their first years to their 150th and beyond. We congratulate all Accredited Businesses who reached a milestone year with BBB, in particular, this group of exemplary companies for celebrating 50 years of BBB Accreditation.

- Bachman's
- Best Buy
- Borton Volvo
- Builders & Remodelers, Inc.
- CenterPoint Energy
- Culligan Water
- Emerson
- Hubbard Broadcasting
- Land O' Lakes
- Lathrop GPM, LLP
- Lupient Chevrolet of Bloomington
- Luther Auto Group
- Martin Williams Advertising
- Northeast Bank
- Scherer Bros Lumber Company
- Scherer Window & Door Consultants
- Star Tribune
- Suburban Chevrolet
- U.S. Bank
- Walser Chrysler Jeep Dodge Ram

A PARTNERSHIP ROOTED IN TRUST

# The Power of the Seal

Better Business Bureau helps companies grow and stand out among their competitors. Accredited Businesses receive co-branding, business tools, news and events, advertising exclusives and sponsorship and partnership opportunities.

IN A LATE 2020 STUDY OF CONSUMER PERCEPTIONS OF THE BBB SEAL OF ACCREDITATION:

70%

of respondents said the seal symbolizes the business was **reputable**.

66%

said the company is **honest and ethical**.

57%

said the seal means the business was **legitimate**.

AN IABBB SURVEY OF AMERICAN ADULTS IN JANUARY 2021 SHOWS OF OVER 1,000 TOTAL RESPONSES:

Consumers who are familiar with the BBB Seal of Accreditation and who are more likely to trust the business is honest/ethical when they display the seal.

81%

Consumers who are familiar with the BBB Seal of Accreditation and who are more likely to do business with them if they need a product or service they can provide.

77%

Consumers said they were more likely to purchase from a business if it displayed the BBB Seal of Accreditation.

78%

“

Being a BBB Accredited member truly shows that we are a credible and reliable company, and we're proud to advertise that to customers.”

**STEVE BRELAND**

Owner, American Waterworks  
Winner of 2021 Torch Award, Category II



85.5%

Overall retention rate



1,010

Newly Accredited Businesses



BBB reached a wider and more diverse consumer group with its Scam Awareness video series in Hmong, English, Spanish and Somali.



## A Community of Integrity

BBB is proud to launch **Safeguarding Our Seniors educational pamphlets and Scam Awareness videos, both available in four languages: Hmong, English, Spanish and Somali. The initiatives are sponsored by Allianz Life Insurance Company of North America.**

BBB was one of seven organizations to receive a senior services grant to address long-term disparities in senior care and support in the Twin Cities, and to combat the risks being faced by seniors. The program will focus on three critical risks: combating social isolation, fighting elder financial abuse, and enhancing caregiver support.

*The Scam Awareness videos can be accessed at [YouTube.com/TheFirstBBB](https://www.youtube.com/TheFirstBBB). Free print copies of the pamphlets are available by emailing [ask@thefirstbbb.org](mailto:ask@thefirstbbb.org).*

## Empowering Consumers

BBB Scam Tracker<sup>SM</sup> is an online tool that enables consumers and businesses to report scams in an effort to prevent others from falling prey to similar cons. The easy-to-use tool collects and presents scam data in a searchable online “heat map,” showing users the number and types of scams and hoaxes reported in their communities.

Spot a business or offer that sounds like an illegal scheme or fraud? Tell us about it at [BBB.org/ScamTracker](https://www.bbb.org/ScamTracker).



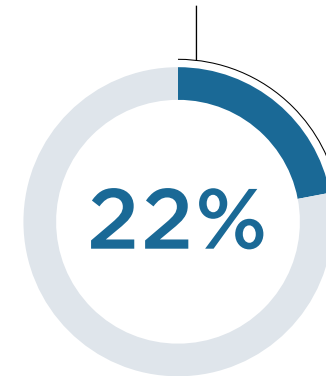
46,575

Scams reported to Scam Tracker

1,383,427

Unique visitors to Scam Tracker

22% of those who checked Scam Tracker said BBB Scam Tracker helped them **save money**.



\$115

Median amount **saved**

\$21,367,929

Estimated amount that BBB Scam Tracker **helped prevent** consumers and businesses from losing to fraudsters in 2020.

START WITH TRUST

# BBB Top Five Industries

Every day, consumers are searching [BBB.org](https://www.bbb.org) for trustworthy and Accredited Businesses. BBB hosts more than 1 million business profiles, which provide a wealth of information to help customers make a positive purchasing decision. Profiles include the company's rating, reviews, complaints and more. Accredited Businesses maintain their directory listing to provide the most up-to-date information for consumers to learn about and connect with their company.



RANKING	 <b>By Inquiries</b> TOTAL: 4.6 MILLION	 <b>By Reviews</b> TOTAL: 21,481	 <b>By Complaints</b> TOTAL: 36,698
	1.	General Contractor	Bed Sales
2.	Collection Agencies	Social Security Services	Bank
3.	Roofing Contractors	Roofing Contractors	Collections Agencies
4.	Construction Services	Clothing	Online Shopping
5.	Online Shopping	Electronic Equipment Dealers	Department Stores



**In November 2020, BBB Serving Minnesota and North Dakota and the U.S. Small Business Administration entered into a new partnership to strengthen and expand small business development in our area.**



# Statement of Position

BBB's success is dependent on the success of our Accredited Businesses. The COVID-19 pandemic presented unique challenges for every business. Through mutual support between BBB and Accredited Businesses, we have been able to maintain positive financial performance throughout FY21.

The primary source of operating income for BBB and its Foundation is membership dues and donations respectively. Accredited Businesses increased their voluntary donations to the Foundation by over 35% from the previous fiscal year. In appreciation of that support, BBB continues to commit these funds directly into programs that support a healthy marketplace.

## Assets

### CURRENT ASSETS

Cash and Cash Equivalents	\$1,480,000
Accounts Receivable	\$25,000
Prepays and Other	\$83,000

### NON-CURRENT ASSETS

Investments	\$2,143,000
Property and Equipment (net)	\$2,459,000

<b>TOTAL ASSETS</b>	<b>\$6,190,000</b>
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## Liabilities & Net Assets

### CURRENT LIABILITIES

Accounts Payable	\$85,000
Accrued Liabilities	\$405,000
Unearned Income	\$1,686,000

### NON-CURRENT LIABILITIES

Payroll Protection Program	\$559,000
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<b>Total Liabilities</b>	<b>\$2,735,000</b>
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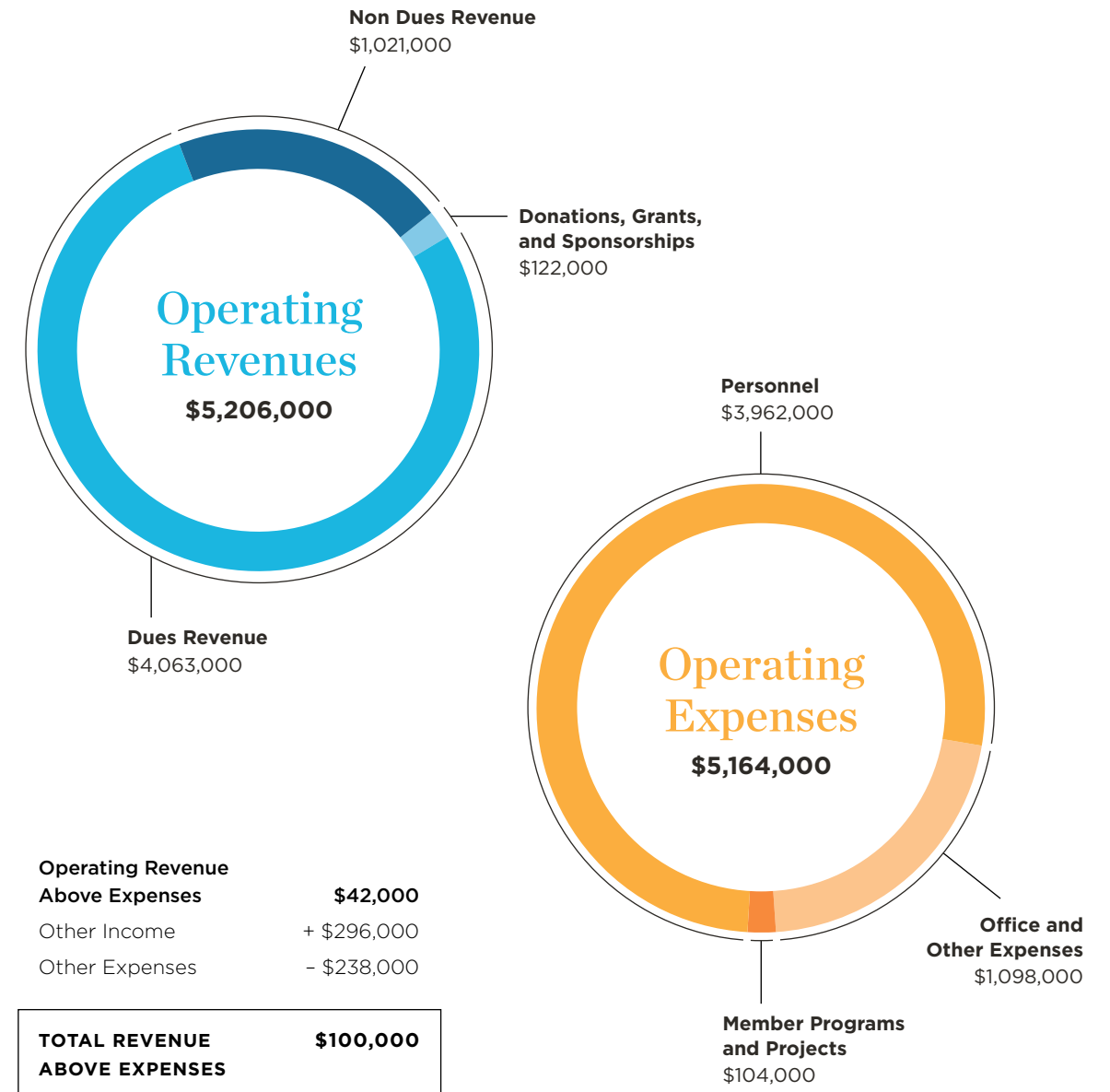
### NET ASSETS

Without Donor Restriction	\$3,396,000
With Donor Restriction	\$59,000

<b>Total Net Assets</b>	<b>\$3,455,000</b>
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<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$6,190,000</b>
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# Statement of Activities



# Better Business Bureau Foundation

The Better Business Bureau Foundation is the charitable arm of the BBB Serving Minnesota and North Dakota. The BBB Foundation is a 501(c)(3) organization whose mission is to provide education, resources and training on ethics, as well as prevent marketplace scams targeting at risk consumers.

## WE ADVANCE MARKETPLACE TRUST BY:

1. Providing resources and trainings on ethics
2. Celebrating marketplace role models
3. Increasing skills for consumers of all ages
4. Serving as a community leader in scam prevention education

Consumer education is critical to empowering people to safely and effectively navigate the marketplace. Knowing about scams and scammer tactics can be a person's best defense in successfully reducing the impact of scams.

## IN FY21, OUR CONSUMER OUTREACH INCLUDED:

59

Total activities, including 31 virtual presentations



3,635

Attendees

133.5M

Consumers in our region received BBB's fraud-prevention messaging through print, broadcast and digital outlets in FY21

19,963

Subscribers of the Capable Consumer, BBB's monthly newsletter

# THANK YOU

The BBB Foundation programs and initiatives are possible through the strategic partnerships with AARP Minnesota, Burnsville Chamber of Commerce, Federal Trade Commission, the Minnesota Department of Corrections, Minneapolis Regional Chamber of Commerce, Small Business Administration and Small Business Development Center among others.

## Foundation Board Members

### CHAIR

#### Barry Kirchoff

Director, Central Region  
Small Business  
Development Center

### VICE CHAIR

#### Tara Broker Lashley

Development Officer  
Girl Scouts of Minnesota  
and Wisconsin River Valleys

### TREASURER

#### Karl Battle

Owner  
Battle & Company, LLC

### SECRETARY

#### Rand Park

Senior Lecturer  
Carlson School of Management,  
University of Minnesota

#### Kristen Stamman

Vice President  
Twin Cities Siding Professionals

#### Susan Adams Loyd

CEO  
BBB Serving Minnesota  
and North Dakota

### EXECUTIVE DIRECTOR

#### Lisa Jemtrud

VP Community Relations  
BBB Serving Minnesota  
and North Dakota



Clockwise from right: BBB visited marketplace role models to award them a Torch Awards for Ethics crystal trophy including Kroubetz Lakeside Campers, IC System and Sound Hearing Instruments, Inc.



#### 2021 TORCH AWARD WINNERS

##### Sound Hearing Instruments, Inc.

Category I: 1-10 Employees

FINALISTS

A Ran Music Service, Inc.

All American Roofing & Restoration, LLC

##### American Waterworks

Category II: 11-50 Employees

FINALISTS

McCormick Construction Company, Inc.

Climate Makers, Inc.

##### Kroubetz Lakeside Campers

Category III: 51-175 Employees

FINALISTS

Ungerma, Inc.

Advantage Seamless, Inc.

Purpose Driven Restoration & Remodeling

Dabbert Custom Homes

##### IC System

Category IV: 175+ Employees

FINALISTS

CenterPoint Energy

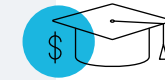
Genz-Ryan Heating, Cooling, Plumbing and Electrical



For the 20th year, the BBB Torch Awards for Ethics recognize marketplace role models that demonstrate an outstanding commitment to ethics and integrity in all aspects of their operations.

This year, BBB received more Torch Awards entry applications than any year in recent history. These exemplary companies have earned this prestigious recognition.

Total  
scholarships  
awarded  
in 2021



\$5,000

## Student of Integrity Award

BBB recognizes that ethics and integrity are founded on principles we learn young — at home, at school and in dealings with our peers. This year, we are proud to award \$2,500 each to two Students of Integrity. Congratulations to the recipients!

#### 2021 STUDENT OF INTEGRITY AWARD RECIPIENTS

##### Crystal Kaczmarczyk

Duluth East High School, Duluth

##### Ford Brueggeman

Edison High School, Minneapolis

#### Thank you to our sponsors and partners

##### Torch Award Sponsors

Hubbard Broadcasting

Hubbard Radio

Hubbard Interactive

Owens Companies

Renewal by Andersen

Spire Credit Union

##### Scholarship Sponsors

CenterPoint Energy

North Star Resource Group



Connect with us.


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 Facebook likes  
**5,670**

---

 Twitter followers  
**3,764**

---

 Instagram followers  
**3,754**

---

 LinkedIn followers  
**742**

---

 YouTube subscribers  
**513**

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CONTACT US  
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