



## Message from the President

By Ida B. Brooker

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The 5<sup>th</sup> Annual WIPP (Women Impacting Public Policy) Conference was held in September. The timing was perfect for several reasons. I was not only able to attend the events of the WIPP conference, as well as visits to the hill, but was also able to attend the meeting of the National Women's Business Council (NWBC). For those of you who are not familiar with the NWBC it is a bi-partisan Federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations.

The reason that meetings of both these organizations are important is that I had the opportunity to hear from Steven Preston, the new SBA Administrator, at both of those meetings. I have been very disappointed with the performance of the SBA over the last several years, especially concerning Women's business issues. I appreciated the opportunity to hear from the person who was tasked with taking the SBA into the future. What I heard was exciting to me. One of the first things Administrator Preston did was to seek out two women in the Washington DC area who have the best focus on Women's business issues. That is Ann Sullivan, the WIPP lobbyist and Melanie Sabelhaus, the Republican Political Advisor for WIPP and a member of the Republican Senatorial Committee with Senator Elizabeth Dole specializing in women's issues. Then Admin. Preston sought NWBC and WIPP to provide feedback and input to make sure that the SBA is moving in the right direction. He also invited these organizations to report back to him in six months to verify that the SBA is, in fact, going in the right direction and doing the right things.

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## Quote of the Month

*“Those who don't know how to weep with their whole heart, don't know how to laugh either.”*

*Golda Meir*

## Message from the President

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Admin. Preston set out his approach as to how he planned to run the SBA. First of all, they needed to determine what they (the SBA) were providing and what outcome they expected and were they achieving that outcome. Next, they needed to identify the "customer base" or the list of people that they intended to assist and to identify the needs of those people and verify that they melded with the needs that they planned to meet. Third, he needed a motivated workforce. In doing this step, the first week on the job he sent a questionnaire to all the employees to determine where they were in their job satisfaction and what value they felt they contributed to the function of the SBA. To his delight he got an 87% return of the questionnaire which is almost unheard of (eat your heart out Fortune 500). What the survey told him was that not only did the employees of the SBA believe that their jobs were important but they were doing a good job. This indicated to him that he had a motivated workforce. The fourth thing that he needed to do was to run a tight ship. He would do this by doing the right job, doing a good job, being transparent and reporting statistically those things.

What I saw with this plan was that he was going to run the SBA like a business with goals that would be measurable and would get results. He would also seek feedback from organizations that represented some of the recipients of the efforts of his organization and would request that those organizations give honest and analytical feedback in order to improve the service of the SBA. How refreshing is that?

What's next?

First of all, membership and renewals. Have you sent in your membership or renewal information yet? If not, why not? Remember, you will not make it into the membership directory if you do not get it in by December 1<sup>st</sup>. 2006. If you have questions or need anything concerning membership, please contact Shannon Schaeffer (info@wcoeusa.org) and she will help you.

Annual Meeting. Our Annual meeting is set for February 25 – 27, 2007. We are exploring a new concept this year by teaming with NAWBO, National Association of Women Business Owners. Be sure to get this conference on your calendar. We will be posting the registration form to our website some time after our Mid year meeting in October, so look for it.

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## Entrepreneurs Will Help Rebuild the Gulf Coast

### *Conference Proceedings Detail Strategies, Initiatives*

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WASHINGTON, D.C. – "Small businesses can play a large role in the economic renewal taking place in the Gulf Coast Region," said speakers at a recent conference in New Orleans. The conference, titled Entrepreneurship: The Foundation for Economic Renewal in the Gulf Coast Region, was cosponsored by the Office of Advocacy, the Ewing Marion Kauffman Foundation, the Public Forum Institute, and the Urban Entrepreneur Partnership Gulf Coast (UEPGC). The conference proceedings were released in conjunction with the opening of the New Orleans office of the UEPGC, the first of three in the Gulf Coast Region.

Participants in the conference came from small and large businesses; think tanks and universities; business organizations and trade associations; financial institutions; nonprofits; and federal, state, and local government. A creative mix of ideas and views emerges from the pages of the proceedings. Included in footnotes to the conference transcript are the websites of more than 100 organizations with initiatives relevant to the Gulf Coast rebuilding effort (hotlinked at [www.sba.gov/advo/research/proceedings06.pdf](http://www.sba.gov/advo/research/proceedings06.pdf)).

"This conference brought together the best entrepreneurial thinkers and doers from across the region and the United States," said Dr. Chad Moutray, Chief Economist for the Office of Advocacy. "They were united on one major point; entrepreneurs will play a key role in rebuilding the Gulf Coast Region." According to Gulf Coast Rebuilding Federal Coordinator Donald Powell, "This is going to be a unique opportunity that only comes along not in a lifetime, not in a generation, but maybe once every hundred years."

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## Entrepreneurs Will Help Rebuild the Gulf Coast

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UEP National Director Daryl Williams spoke of opening three UEPGC offices in the Gulf Coast region that will provide training to those who choose entrepreneurship post-Katrina. While government has a key role, Williams said, "I really believe that the final version, the final chapter of the story, is going to be told by entrepreneurs."

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*The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit [www.sba.gov/advo](http://www.sba.gov/advo), or call (202) 205-6533.*

Visit <http://web.sba.gov/list/> to join email lists for:

- ADVOCACY NEWSLETTER
- ADVOCACY PRESS
- ADVOCACY REGULATORY NEWS
- ADVOCACY RESEARCH

For Advocacy RSS feeds:

[www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html)

To easily comment on important proposed regulations affecting small business, visit

[www.sba.gov/advo/laws/law\\_regalerts.html](http://www.sba.gov/advo/laws/law_regalerts.html)

## WCOE Renewal Time!

**Renewals were sent out in the mail last month. If you did not receive your renewal please contact Shannon Schaeffer at 800-788-3548 or email [info@wcoeusa.org](mailto:info@wcoeusa.org).**

**You must resubmit your renewal form by December 1<sup>st</sup>, 2006 to be included in the membership directory. Don't miss out!**

## Small Business Drives the U.S. Economy Represent 99.7 Percent Of All Businesses, Employ 57.4 Million

WASHINGTON, D.C. - Small business continues to drive the United States economy, according to a report issued today by the Office of Advocacy of the U.S. Small Business Administration. Newly released data show that in 2005, small businesses represented 99.7 percent of all the nation's employer businesses. Data also show that they employed 57.4 million Americans or 50.6 percent of the non-farm private sector workforce.

"Clearly small business is a major part of our economy," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Small businesses innovate and create new jobs at a faster rate than their larger competitors. They are nimble, creative, and a vital part of every community across the country. This report will help remind policymakers and others of the important role small business plays in the nation."

The *Small Business Profiles for the States and Territories* uses the latest federal government statistics to detail small business' contribution to the economy of the states, District of Columbia, the nation, Puerto Rico, and the U.S. territories. *Small Business Profiles for the States and Territories* from 2002 to present may be found at:

[www.sba.gov/advo/research/profiles/](http://www.sba.gov/advo/research/profiles/).

Citing a variety of sources, data is updated annually that documents the number and type of businesses, ownership demographics including minority and women-owned statistics, employment and financing data, and other business information.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues.

For more information, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

## Helpful Website Resources in Your Area

### Procurement Technical Assistance Centers:

PTA Centers are a local resource available at no or nominal cost that can provide assistance to business firms in marketing products and services to the federal, state and local governments.

Go to: <http://www.dla.mil/db/procurem.htm>  
Click on your state to find local resource centers.

### Reed Construction Data:

To find publications, events, and general information in your area, visit this website.

Go to: <http://www.acppubs.com/>

## WCOE Annual Meeting

**FEBRUARY 25-28, 2007**  
**Washington, DC**

Mark your calendar now for the WCOE 2007 Annual Meeting.

## World of Concrete

**JANUARY 23-26, 2007**  
**Las Vegas, NV**

Mark your Calendar now for the 2007 World of Concrete Conference and Exhibition to be held in Las Vegas, NV. WCOE will be attending with an exhibit booth. For more information and to register go to: <http://www.worldofconcrete.com/>

When you register be sure to use the Source Code: **WCO**. This will allow World of Concrete to know you are a member of WCOE.

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## South Africa: First Women in Construction International Conference

The South African Women in Construction Board and the Development Bank of Southern Africa will hold the First Women in Construction International Conference November 1-3, 2006. The event will be held close to the Johannesburg International Airport in Gauteng South Africa and the pre-conference tour October 26-31 2006. For details and online registration please follow the link below:

<http://www.dbsa.org/sawic/conference2006/index.htm>

## Small Business Administration Funded Through February 2007

By: Deborah E.G. Wilder

Congress passed a continuing resolution at the end of September to allow the interim funding of the Small Business Administration through February 2007. This is good news as Congress adjourned September 30<sup>th</sup>. However, Congress returns November 13<sup>th</sup> and all of our help is needed to pass the SBA's full Reauthorization Bill S 3778. This bill, introduced by Olympia Snowe (Chair of the Senate Small business Committee), authorizes funding for all SBA programs through September 2009. S 3778 has many provisions which WCOE has advocated for many years:

1. Reciprocal acceptance of comprehensive WBE certification
2. Rules strengthening subcontracting requirements
3. Stronger enforcement of de-bundling contracts
4. 90 day requirement to implement the Women-Owned Small Business Contracting program

It is very important that you write and/or visit your Senator and Member of Congress over the next few months to garner their support for this legislation. This legislation can easily affect your bottom line.

To find your local representative go to: <http://www.house.gov/writerep/>

To find your local senator go to: [http://www.senate.gov/general/contact\\_information/senators\\_cfm.cfm](http://www.senate.gov/general/contact_information/senators_cfm.cfm)

To find more information on the SBA go to: [www.sba.gov](http://www.sba.gov)

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## Surety Bond Visits

### ***What are surety underwriters really looking for when evaluating a construction company for bond coverage?***

*As published in the September 18, 2006, California Builder & Engineer magazine, an ACP/Reed Construction Data publication. Link: [www.acppubs.com](http://www.acppubs.com)*

Ever wondered what surety underwriters are thinking when they visit an office or job site? Underwriters take an in-depth look at the contractor's entire business operations. They must be satisfied that the contractor is capable of completing the project before approving the bond. Although it may seem as if surety underwriters focus on the contractor's finances and financial structure, they are also interested in other elements of the contractor's business. The contractor's organization, track record, office appearance, and approach to a job also are scrutinized. The following are the results of a survey of surety professionals on what they look for beyond the surface of the written information they analyze. Being proactively aware of what surety partners are looking for will allow contractors to improve the terms of the bond program.

#### **Contractor's Office**

Surety underwriters are analyzing a contractor's office the moment they drive up to the property. They look at the condition of the office building, the cars in the lot, whether the owner has his or her own parking space, and if the building is well kept. They note the location of the property, whether it is in a high-rent district and if the building has security measures in place. Underwriters look to see if the firm's services are advertised and if there is evidence of other companies in which the owner is involved.

After walking through the office front door, they pay attention to the greeting they are given if there is a receptionist, phone activity and how the phone is answered. They study the appearance of the office including the space and size, neatness, and the type of furniture. Are there safety hazards? Are there awards on the walls, and what types of magazines and reading materials are out? Underwriters even pay attention to any trophies in the office, which could be used as conversation openers.

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## Surety Bond Visits

### *What are surety underwriters really looking for when evaluating a construction company for bond coverage?*

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Underwriters pay attention to office morale and general attitude of workers. Observing the staff is another important component to the review process. What is the mix of people and do the employees look busy? Underwriters take note of any teamwork promotions or awards for employees, and look at any bulletins or job boards. They obtain background information on estimators and superintendents, and review employee turnover and tenure.

The underwriter scrutinizes owner appearance and attitude. Is the contractor stressed or confident? How prepared is the contractor for the meeting? Is the meeting interrupted by phone calls? Does the owner understand surety? While meeting with the owner or owners, the underwriter attempts to understand the business plan, the way the business works, how sub bids are handled, how adaptable the organization is to change, and the typical size of projects. They ask contractors how long they have been in the business and why they got into construction as a way to get to know the owner. Contractors also must explain their reason for looking for a new surety and the relationship with the current agent.

Underwriters are interested in the contractor's projects, so photos and descriptions of the jobs completed should be made available. Contractors should explain procedures and financing. In addition, other professional services are studied — including the company's CPA, attorney and bank — in order for the underwriter to get a complete picture of the business side of the contractor.

#### **Yard and Shop**

As part of the process, underwriters visit the contractor's yard and shop to look at the location's general appearance. The underwriter looks for cleanliness, organization and OSHC conformity. They check on the inventory, who controls it, and if there is a safety committee or safety engineer. Equipment also is looked over.

What is the condition of the equipment? Does the contractor lease or own? Underwriters look for how the equipment is protected and if a company has specialized equipment in their warehouse.

#### **Jobsite Visits**

Underwriters must visit job sites to gather a full picture of the contractor's business. When visiting a job site, underwriters check to see if they are handed a hard hat, if a project manager is available, if the overall appearance of the site is orderly, and if there is an office or trailer. They pay attention to worker and owner interaction, if they speak frequently, and if the owner calls them by name. Underwriters also look for any computers with wireless hookups.

Also at the job site, an underwriter will ask what records are kept at the field office, if there is a diary of job progress, what the change order procedures are, and if there is an owner representative at the job site. They will inquire about the communication between the job superintendent and estimator and how the relations are between owner and subcontractors. Information about handling environmental hazards, job schedule and specific job safety plans also should be shared with the underwriter. Underwriters also will check how tools, equipment and materials are secured on the job site, how design changes are handled, and if the job is profitable.

#### **Conclusion**

A contractor must keep in mind that they essentially are obtaining surety credit when requesting a surety bond. Underwriters must use the financial documentation provided, research obtained and personal relationships to decide the risk on a particular account. A contractor that is well organized and has a team of professionals assisting them is more apt to create confidence in a surety's underwriters.

*(Editor's Note: James P. Schabarum II, CPCU, AFSB, CWCA, is a principal of Cavnignac & Associates., San Diego-based commercial insurance brokerage firm.)*