



BE MORE.

A COMMUNITY OF TRUSTWORTHY BUSINESSES

ANNUAL IMPACT REPORT | 2019-2020

# | BE MORE *Visible*

## VISION

An ethical marketplace where buyers and sellers trust each other.

## MISSION

BBB's mission is to be the leader in advancing marketplace trust.

## CORE VALUES

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

## ABOUT US

Better Business Bureau of Minnesota and North Dakota is a non-profit organization founded by local business and civic leaders to create an **ETHICAL MARKETPLACE** where buyers and sellers **TRUST** each other. The nearly 7,000 local Accredited Businesses that support BBB are tasked with operating at a high level of **INTEGRITY** to display our Seal of Accreditation. There are more than 110 Better Business Bureaus throughout North America that all believe in our mission.

## BBB IS:

Honest and Fair

Accessible and Credible

Ethical and Responsible

Unbiased and Impartial

Knowledgeable and Responsive

Respectful of Individual and Cultural Differences

## BUSINESS INTEGRITY



### BBB ACCREDITED BUSINESSES

**6,678**

In MN/ND

**385,377**

In North America



### BRAND ENGAGEMENT

**7,194,884**

Website Page Views



### CONSUMER CONFIDENCE

**4,618,121**

Instances of Service

Source: Better Business Bureau of Minnesota and North Dakota

## BOARD OFFICERS

### CHAIR

#### David Aafedt

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

### VICE CHAIR

#### Jessica Monson

General Counsel  
Caribou Coffee

### SECRETARY

#### Andy Kocemba

President & CEO  
Calhoun Companies

### CHAIR-FINANCE

#### Louis Berezovsky

Chief Financial Officer  
Eagle Infrastructure Services, Inc.

### CHAIR-GOVERNANCE

#### John Owens

President and CEO  
Owens Companies, Inc.

### CHAIR-MEMBERSHIP

#### Lori Moen

President  
Catalyst Group ECR

### CHAIR-BBB FOUNDATION

#### Barry Kirchoff

Director, Central Region  
Small Business Development Center

### CHAIR-MARKETING

#### Steve Yaeger

Chief Marketing Officer  
Star Tribune Media Company

## BOARD MEMBERS

#### RC Colvin

Director of Business Development  
Highmark Builders

#### Julianna Copeland

Associate Marketing Manager  
Renewal by Anderson

#### Michelle Dove

General Counsel/Chief Compliance Officer  
IC System, Inc.

#### Peter Gaetz

Vice President/Chief Compliance Officer  
Preferred Credit

#### Brent V. Hanson

District Manager - MT, ND and N. MN  
CHS Transportation

#### Tammy Hartman

Network Outreach Manager  
Verizon Wireless

#### Marcus Hill

Senior Business Relationship Manager  
Best Buy

#### Tammylynne Jonas

CIO  
Self Esteem Brands

#### Lucas Kanavati

Partner  
Tradition Mortgage

#### Bernie Laur

Director of Digital  
Hubbard Radio/Interactive - Twin Cities

#### Monique Linder

Founder/CEO  
OMG Digital Media Solutions

#### Kirk Muhlenbruck

Vice President of Business Banking  
Think Bank

#### David Muller

Director of HSP Sales  
CenterPoint Energy

#### Julie Nelson

South Central MN Ambassador

#### Tamera K. Robinson

Executive Vice President & Chief Financial Officer  
Delta Dental of Minnesota

#### Josh Savage

Owner  
Hero Plumbing, Heating and Cooling

#### J.J. Slygh

Marketing & Creative Professional

#### Terry Stamman

President  
Twin Cities Siding Professionals

#### Jeffrey Tate, Sr.

Realtor  
Tate Group/Coldwell Banker Burnet

#### Kate Uding

General Counsel  
Luther & Landers Automotive Groups

## LEGAL COUNSEL

#### Michael P. Sullivan, Jr.

Partner in Charge, Minneapolis  
Lathrop GPM

# BE MORE *Credible* |



Better Business Bureau has served the community through some of the best and worst of times. This past year has presented both. At the start of our fiscal year, the economy was humming, and the local marketplace was thriving. None of us could have predicted the unique challenges that the COVID-19 pandemic and civil unrest presented. Throughout this ordeal, BBB's experienced team has supported businesses and consumers with a wide range of services, resources, and information. We helped Accredited Businesses in sustaining their superior, ethical customer service and communication even when supply chains and operations were limited. Likewise, we aided consumers in resolving issues when products or services fell short of expectations. Such trust will be foundational to economic recovery and beyond. As we stand by you, thanks for supporting BBB!



**Susan Adams Loyd**

CEO, BBB of Minnesota and North Dakota



It is my honor to serve as Chairman of the BBB Board of Directors which represents Accredited Businesses and industries, and enthusiastically supports the organization's mission of building marketplace trust. As the largest professional association in the upper Midwest, the Better Business Bureau continues its century-long commitment to fostering honest relationships between companies and consumers. Through education, the gathering of marketplace information, and the assessment of business practices, the Better Business Bureau is here to help businesses and consumers navigate these uncharted waters. Now, more than ever, instilling consumer confidence is key to generating marketplace activity, and BBB lights the way!



**David Aafedt**

Chairman, BBB Board of Directors

## The **VALUE** of Accreditation

Trust **MATTERS**. In a market saturated with companies vying for customers, BBB Accreditation gives consumers confidence they're dealing with an **ETHICAL** and **VETTED BUSINESS**.

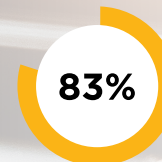


An **A+ rating** with BBB is the **NUMBER ONE** way consumers experience a positive first impression about a business.

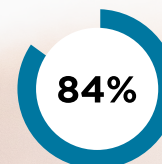
Source: IronMonk Solutions, 2020



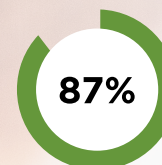
Accredited Businesses are inquired **163 TIMES** per year on BBB.org compared to non-Accredited Businesses at only 24 per year, on average.\*



Accredited Businesses say Accreditation increases the **CREDIBILITY** of their business.\*



Accredited Businesses said BBB Accreditation **BUILDS TRUST** with consumers.\*



Consumers **CHOOSE** a BBB Accredited Business over a non-BBB Accredited business when comparing the two.\*


\*SOURCE: IABBB 2016 - 2020

 **6,678**  
Number of Accredited  
Businesses in MN & ND

 **83.7%**  
Overall Retention

 **964**  
Newly Accredited  
Businesses

 **14,947**  
Get-a-Quote Stats

 **87**  
AB Field Visits

Source: Better Business Bureau of Minnesota and North Dakota



## What It Takes To Be A **TRUSTED** Brand

- ✓ 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

SOCIAL STATS



E-Newsletter Capable Consumer Subscribers

**20,154**



Facebook Likes

**5,764**



Twitter Followers

**3,847**



Instagram Followers

**2,733**



LinkedIn Followers

**686**



## PROTECTING CONSUMERS

- Nearly **7.2 MILLION** local BBB.org page views.
- **3 MILLION** unique consumers visited BBB.org/Minnesota.
- Consumers aged 25-34 made up our largest website demographic at **23% OF TOTAL VISITORS**.
- Website traffic **INCREASED 21.7%** over last year.



## INFORMING CONSUMERS

- Local BBB Search visits jumped to **64,549** (vs. 1,397 previous year) – a **4,520% INCREASE**.
- **95,218** website visitors went to our “Get Consumer Help” page.
- **12,154** visits to Student of Integrity Scholarship Information page.



## EMPOWERING CONSUMERS

- **907,500+** complaints handled by BBBs across North America in 2019.
- **MORE THAN 90%** of handled complaints were resolved in MN & ND.

# FINANCIALS BBB & BBB FOUNDATION

## STATEMENT OF POSITION

### Current Assets

Cash and Cash Equivalents	\$1,065,000
Accounts Receivable	\$31,000
Prepays and Other	\$62,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$1,158,000</b>
Investments	\$1,679,000
Property and Equipment (net)	\$2,515,000

**TOTAL ASSETS \$5,352,000**

### Current Liabilities

Accounts Payable	\$40,000
Accrued Liabilities	\$406,000
Unearned Income	\$1,716,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$2,162,000</b>

### Non-Current Liabilities

Economic Injury Disaster Loan	\$150,000
<b>TOTAL LIABILITIES</b>	<b>\$2,312,000</b>

### Net Assets

Without Donor Restriction	\$2,887,000
With Donor Restriction	\$154,000
<b>TOTAL NET ASSETS</b>	<b>\$3,040,000</b>

**TOTAL LIABILITIES AND NET ASSETS \$5,352,000**

## STATEMENT OF ACTIVITIES

Dues Revenue	\$4,064,000
Non Dues Revenue	\$788,000
Donations/Grants/Sponsorships	\$146,000
Other Revenue	\$205,000

**TOTAL REVENUE \$5,232,000**

Personnel	\$3,656,000
Office & Other Expenses	\$492,000
Member Programs/Projects	\$985,500

**TOTAL EXPENSES \$5,133,000**

**REVENUE OVER (UNDER) EXPENSE \$99,000**  
*(before depreciation)*

Depreciation Expense	\$129,000
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**REVENUE OVER (UNDER) EXPENSE -\$30,000**  
*(after depreciation)*



of publicly raised funds were spent on foundation programs.



“

Whenever a company asks me if they should be Accredited with the Better Business Bureau, my answer is always the same. If a client is trying to choose between two companies - one company has an A+ rating with the Better Business Bureau and the other company isn't Accredited, they're **ALWAYS** going to pick the Accredited Business. It's as **SIMPLE AS THAT.**

- Rhett Trotter, Owner, *Green Clean Restoration & Carpet Care*



## BBB Top 5 Types of Business

(July 1, 2019 - June 30, 2020)



**4,539,638**

Inquiries



**19,948**

Customer Reviews



**17,454**

Complaints

### By **INQUIRY:**

- 1 General Contractor
- 2 Construction Services
- 3 Online Shopping
- 4 Roofing Contractors
- 5 Plumbers

### By **REVIEWS:**

- 1 Bed Sales
- 2 Plumber
- 3 Roofing Contractors
- 4 Property Management
- 5 Electronic Equipment Dealers

### By **COMPLAINTS:**

- 1 Electronic Equipment Dealers
- 2 Banks
- 3 Department Stores
- 4 Online Shopping
- 5 Collection Agencies

# BE MORE *Distinguished*

## COMMUNITY PARTNERS



Delta Dental of Minnesota





# 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

## FOUNDATION BOARD MEMBERS

### CHAIR

**Barry Kirchoff**  
Director, Central Region  
Small Business Development Center

### VICE CHAIR

**Tara Broker Lashley**  
Development Officer,  
Girl Scouts of MN and WI 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 of Minnesota and North Dakota

### EXECUTIVE DIRECTOR

**Lisa Jemtrud**  
VP Community Relations  
BBB of Minnesota and North Dakota

# Better Business Bureau **Foundation**

# BE MORE.

We **ADVANCE** Marketplace Trust By:

- ✓ Providing resources and trainings on ethics
- ✓ Celebrating marketplace role models
- ✓ Increasing skills for consumers of all ages
- ✓ Serving as a community leader in scam prevention education

We believe a healthy marketplace requires **INFORMED** consumers and **ETHICAL** business leaders.

Thank you!

Allianz    
**\$50,000** GRANT



Allianz Life has been a **PROUD PARTNER** of the BBB of Minnesota and North Dakota for many years. Through this partnership, we have been able to support the Safeguarding Our Seniors program with a common goal of helping manage the ongoing risk of elder financial abuse.

- **Laura Juergens**, Community Relations Manager, Allianz Life Insurance Company of North America

We **EMPOWER** our community by serving over **23,000 CONSUMERS** annually:



**111 TRAININGS** in ethics and scam prevention reaching **3,343 ATTENDEES**



**31 EXPOS** and **EVENTS** directly reaching **20,065**

| BE MORE *Celebrated*



Recognizing companies that demonstrate **INTEGRITY** and a **STRONG COMMITMENT** to **ETHICS** in all aspects of business.



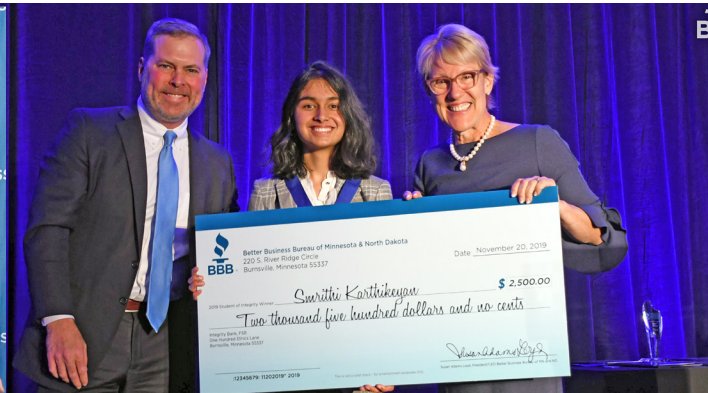
# *Student of Integrity* SCHOLARSHIP

We support a future generation of leaders who lead with an ethical mindset. BBB's annual Student of Integrity Scholarships recognize high school seniors who have demonstrated their understanding of the importance of ethics.

Better Business Bureau was able to award **\$9,000** thanks to our sponsors:



*Thank you to our event sponsors!*



Making a **DIFFERENCE** with Program Partners



TRANSPARENCY

TRUST VISIBLE

TRANSPARENCY

INTEGRITY GROWTH TRUST VISIBLE

RELIABLE ETHICAL INTEGRITY GROWTH

TRANSPARENCY RELIABLE ETHICAL

TRUST VISIBLE TRANSPARENCY

INTEGRITY GROWTH

ETHICAL INTEGRITY



A Community of **Trustworthy Businesses**

Connect with us.



800.646.6222 | [BBB.org/Minnesota](http://BBB.org/Minnesota)