Does MMSDC tell MBEs who they should hire or fire?
No specific structures are demanded by MMSDC as long as the structure meets the guidelines. But, MMSDC routinely assists MBEs by allowing them to present proposed structures prior to making changes to receive guidance on qualification. Ultimately, our goal is to help all qualified MBEs gain certification.

Guidelines require at least ONE person of color be actively involved in the key day-to-day management role. Yes, ONE person that can either be the founder or his/her executive designee.

Note: The second requirement of active daily involvement is NOT to be confused with ultimate control, which is the third requirement.

If an MBE insists that they qualify, who has the burden of proof?
The burden of proof is on the MBE to prove they qualify on paper and in practice. Likewise, any time there is a significant ownership, management or structural change, Minority Business Enterprises are required to notify MMSDC as that could impact certification. In fact, each year MBEs sign an affidavit attesting that no such changes have transpired.

Are certifications subjective or arbitrary?
Our process is fair and objective. No single person has control over certification. NMSDC's process includes interviews, site visits, and document reviews. The facts are that our leadership, staff, board, and committees have devoted considerable time to ensure that all MBEs understand and comply with certification requirements.

Neither our president nor any staff member has a vote in certification decisions. Such decisions are made by our corporate members.

Many personal arguments have been made about President Sourie Robinson having an “ax to grind” due to fundraising or talent disagreements. Is this true?
As you may know, our organizational balance sheet has grown 31% under Michelle Sourie Robinson's tenure, and she has leveraged these gains to improve our programmatic focus by shifting $.56 of every dollar MMSDC spends to more than $.83 of every dollar being spent directly on programming, not overhead.

In 2017-2018 to generate funding to improve MBE and corporate programs, she hired an outside consultant to design a corporate-focused fundraising campaign that raised millions of dollars to be paid over a three-year period for new programs like workforce development, corporate AND MBE education, women's programs, Native American programs and other opportunities. Several large MBEs were invited to support some of the programs. The MBE in question considered one program at $100,000 a year for three years, but declined and asked us instead to craft a special program for them as they were adjusting their entire giving focus at the time. They scheduled two meetings with our fundraising consultant and staff and after two scheduled meetings at the MBE's offices for which the MBE's CEO did not show up and did not provide notice, MMSDC chose not to reschedule a third meeting.

We met our goals for the fundraising campaign, and two large MBEs, Andra Rush and Shahid Khan have participated in the three-year campaign as donors. None of the more than 1,100 other MBEs that did not donate have ever been threatened for failure to participate in this campaign or other event sponsorships. In fact, our president is not even personally involved in most event sponsorships as programs like golf sell out two courses each year.

As for allegations that this is about a former employee, Michelle is known to openly encourage and celebrate employees that leave for more lucrative opportunities. The truth is that she contacted Piston about their lack of regard for the council's business continuity because of the timing and lack of notice impacting our annual MMPC and special program launches, but her message to them documented on paper and via phone was clear; she did NOT have any issue with them offering a council staffer a position so when the MBE executives offered to rescind the offer to the employee, Michelle declined.

The fact is that all of this occurred 3 years ago and our service and advocacy for the MBE in question, including business introductions, continued without interruption the entire time. Decertification was never mentioned until the MBE firm no longer qualified for certification in 2020. Rather than seek resolution, the MBE demanded exceptions to the rules, and then chose to litigate.

Do we believe there is a legal basis to defend certification?
Yes, we firmly believe there is sound legal footing to defend the case.

Why is the organization not responding to all of the media coverage?
We maintain confidentiality for all MBEs. The plaintiff MBE company threatened national and local council staff that they would “try this case in the court of public opinion”. The attacks have been personal instead of focusing on the facts. While we realize the resulting salacious personal attacks sell newspapers, it is unproductive as we must all focus on how to decrease the wealth gap to achieve parity in far less than 333 years. We respect all MBEs, whether certifiable or not, and will not engage in personal attacks.

We will present all facts on this case in court at the appropriate time and we are certain we will prevail on the merits of this case.

This type of litigation is expensive and distracting during a critical time for diversity and inclusion. How can I help?
Stay focused on taking steps to close the wealth gap. We must reduce the time to achieve parity from 333 years to 15 years as the entire nation will benefit from the $8 trillion GDP increase that will result from it. See our recommendations at https://minoritysupplier.org/333-years/ for how you can help as either an MBE or corporate member.

In addition, a group led by some of our most prominent MBEs approached us and asked for permission to raise funds to cover the council’s litigation costs so that council funds can remain devoted to development for all MBEs, not unnecessary litigation to benefit one MBE. We are grateful for our MBEs and their commitment to protect our mission. If you would like to participate, we encourage large and small MBEs to contribute any amount. Please contact us at 313-873-3200 or mmsdcsupport@minoritysupplier.org.

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CERTIFICATION FAQs

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What is required for NMSDC certification?
Certified Minority Business Enterprises must meet 3 criteria per our national guidelines:

• At least 51% minority ownership by a minority or minorities,
• Active, day-to-day management by a minority or minorities,
• Governance and control.

These requirements are designed to not simply create wealth for one, but to create generational wealth throughout minority communities through entrepreneurship and employment.

Are certification requirements ever updated?
Guidelines are updated by NMSDC on a regular basis. For example, one of the biggest areas in recent months has been ensuring the capitalization MBEs require for growth does not impact their ability to qualify for certification.

We routinely share feedback with NMSDC on areas to be enhanced, but we are careful not to request modifications in the middle of a certification process to benefit a single MBE.

Is the day-to-day management requirement different for large businesses?
No, the requirement remains the same. However, where the size of a business (or other factors) make it impractical for the minority owner to be actively involved in the day-to-day management of the company’s business, he or she may delegate such authority to one or more minority executives and the company will continue to qualify for certification. Many certified MBEs employ a diverse team of minorities and non-minorities.

Can you share more about ownership, control and our processes?
We are committed to ensuring all qualified MBEs are certified. In the past five years, we have seen an increase in the number of fraudulent entities attempting to gain certification. Many of these inquiries are intentional front companies. This is not to be confused with legitimate minority firms that simply fail to meet all certification criteria, making them an unqualified MBE.

This is why we have taken steps to protect certification with additional enhancements ranging from independent third-party audits, and a customer-centric approach to ensure MBEs understand the guidelines upfront.

We require majority ownership by a minority or group of minorities. In addition, we require minorities to have unfettered independence and control of the business.

Finally, our customer satisfaction scores from MBEs remain high; in particular, the large MBEs who have worked with our Certification Team, overwhelmingly state that the certification process created greater structures and opportunities for them. Overall, 90% of MMSDC MBEs renewed their certifications in 2020.

Are certifications subjective?
Our process is fair and objective. No single person has control over certification. The facts are that our leadership, staff, board, and committees have devoted considerable time to ensure that all MBEs understand and comply with certification requirements.

Neither our president nor any staff member has a vote in certification decisions. Such decisions are made by our corporate members.

Why is it important to follow certification guidelines?
Allowing exceptions undermines certification and is ultimately a disservice to all MBEs, not to mention the fact that it does not advance our mission. Over the past five years we have received an influx of inquiries from external fraudulent operations attempting to gain certification. So, it is more critical than ever to uphold certification.

We recently commissioned an analysis to determine how long it will take to achieve economic parity at the current growth rate of MBEs in the nation. The results are astonishing – it will literally take centuries, so we must all become more focused on our mission and follow our guidelines to drive sustainable growth in minority communities.