ID # (assigned by CSG): 12-S-12-NC

Please provide the following information, adding space as necessary:

State: ___ North Carolina _________________

Assign Program Category (applicant): Infrastructure and Economic Development (Use list at end of application)

Program Name: Project Legacy
Administering Agency: North Carolina Department of Transportation
Contact (Name and Title): Shelton A. Russell, Director of Business Opportunity and Workforce Development
Address: 1511 Mail Service Center, Raleigh, NC 27699-1511
Telephone Number: 919.508.1808
E-mail Address: sarussell@ncdot.gov
Web Address: www.ncbowd.com

1. How long has this program operated (month and year)? Note: the program must be between 9 months and 5 years old as of April 5, 2012 to be eligible for this year's award: Program started June 2009

2. Describe the program:
   • Why was it created? This program was created to increase the business capacity of a selected group of small disadvantaged business participating in the NCDOT Disadvantaged Business Enterprise Program. The program provides intensive business training, coaching, and technical assistance to businesses in the program. This program arose from a need to increase the number of small disadvantaged business available to perform work on large-scale transportation projects that require bonding, significant staffing resources, and detailed cash management expertise.
   • Why is it a new and creative approach or method? This is a new approach because it focusses the effort on a selected cohort of businesses that move through the program together. This strategy fosters strategic partnering, networking, and collaboration that increases the success of the businesses.
   • What are the specific activities and operations of the program in chronological order?
     a. Recruitment of DBE Firms for the program
     b. Orientation Meeting for Firms selected to participate in the program
     c. Quarterly entrepreneurial development conference
     d. Quarterly business coaching and goal setting meeting with business coach
     e. Annual reporting of financial performance, goal achievement, and contracting success
   • Is it effective? Provide tangible results and examples. This program has been extremely effective in helping DBE firms to grow and increase their capacity in the construction industry. Key examples include the following accomplishments:
     a. Employment growth in the twenty firms reporting demonstrated a 16% growth in total employment during the economic recession of 2011. These results created fifty-one (51) new jobs, with aggregate employment in the 20 firms growing from 319 employees in 2010, to 370 employees in 2011.
     b. Total revenue growth in eighteen (18) firms reporting 2011 results grew 42% from an aggregate amount of $43.4 million in 2010, to $61.7 million in 2011, over $18.3 million in growth in 2011 despite the down economy.
c. Sales revenue per employee, a key metric in the construction industry, grew 26% even with the increase in total employment. This key indicator grew from sales per employee of $138,805 in 2010, to $174,801 in 2011.

d. All firms participating in the program were evaluated quarterly on nine (9) key areas needed for capacity growth including: Business Strategy, Finance and Accounting, Marketing, Customer Mix, Human Resources, Operations, Technology, Bid Conversion Ratio, and Business Performance. These areas were evaluated each quarter and participating firms demonstrated a 22% improvement in these key areas during 2011.

e. Many firms in the program have achieved record sales revenue numbers, and have performed their largest contracts ever. Some key individual accomplishments of firms in the program include the following “Success Stories”:
   i. Three firms that previously operated as a subcontractor only have become NCDOT prequalified prime contractors with surety bonding and a highway GC license.
   ii. One firm has purchased an asphalt plant and is now has an approved asphalt mix for NCDOT use.
   iii. A hauling contracting firm has grown from $4 million per year in revenue to over $6 million in revenue based on successful completion of over $11 million in subcontracting work on NCDOT’s first turnpike project.
   iv. Several firms in the program have developed strategic partnerships. Two of the firms successfully combined to win the dump truck hauling contract on the Gastonia Bypass Turnpike Project.

3. Did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number, and e-mail address. Yes. Shelton A. Russell, Director, NCDOT-BOWD, 1511 Mail Service Center, Raleigh, NC 27699; 919.508.1808; sarussell@ncdot.gov

4. Are you aware of similar programs in other states? If YES, which ones and how does this program differ? Similar DBE Supportive Services programs in other states existed as a part of FHWA’s Business Opportunity and Workforce Development Program. However, Project Legacy is the first program to create a systematic methodology to increase the business capacity of small disadvantaged business by creating measurable outcomes, accountability measures, and intensive ongoing engagement with the firms to actually track and replicate the results of the program.

5. What limitations or obstacles might other states expect to encounter when attempting to adopt this program? Budgetary constraints could pose an issue as the program requires a full-time business coach, executive-level training, and funding to assist firms with business improvement projects (website development, financial accounting, human resources consulting, bidding software, etc.) Other challenges include getting small DBE firms to commit to the intensive nature of the program while still successfully running a business.

CSG reserves the right to use or publish in other CSG products the information provided in this application. If your agency objects to this policy, please advise us in a separate attachment.
Use these as guidelines to determine the appropriate Program Category for your state’s submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development
• Business/Commerce
• Economic Development
• Transportation

Government Operations and Technology
• Administration
• Elections
• Information Systems
• Public Information
• Revenue
• Telecommunications

Health & Human Services
• Aging
• Children & Families
• Health Services
• Housing
• Human Services

Human Resources/Education
• Education
• Labor
• Management
• Personnel
• Training and Development
• Workforce Development

Natural Resources
• Agriculture
• Energy
• Environment
• Environmental Protection
• Natural Resources
• Parks & Recreation
• Water Resources

Public Safety/Corrections
• Corrections
• Courts
• Criminal Justice
• Drugs
• Emergency Management
• Public Safety

Save in .doc or rtf. Return completed application AND video (if applicable) electronically to innovations@csg.org or mail to:

CSG Innovations Awards
The Council of State Governments
2760 Research Park Drive
Lexington, KY 40511

Contact:
Nancy J. Vickers, National Program Administrator
Phone: 859.244.8105
Fax: 859.244.8001 – Attn: Innovations Awards Program
The Council of State Governments
E-mail: nvickers@csg.org

This application is also available at www.csg.org.