



OHIO DEPARTMENT OF TRANSPORTATION

MENTOR/PROTÉGÉ PROGRAM

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INTRODUCTION AND OVERVIEW

The Ohio Department of Transportation (ODOT) Mentor Protégé Program was created in 1999 to foster a more competitive environment for ODOT projects by building a broader base of Disadvantaged Business Enterprises (DBEs) able to perform work on highway construction projects.

The Program's immediate objective is to strengthen the long-term stability of DBE firms by focusing the resources on those critical business skills that contractors need to compete successfully in the open market. The program's goals are:

- To enhance the business skills of DBE firms;
- Broaden the base of DBE firms' construction activity;
- Build long-term stability of DBE firms.

In addition to the above goals, it is the intent that the Program assist in overcoming the following common barriers for DBE firms:

- Inability to accommodate size or volume of work;
- Inability to secure adequate financing;
- Inability to secure adequate bonding.

Involving larger and more established firms in the development of growing DBEs is crucial to the success of the Mentor Protégé Program. In partnership with the *Ohio Contractor Association* and the *American Council of Engineering Companies*, ODOT is committed to fostering a climate which allows DBE firms to benefit from the knowledge and experience of the established firms.

DEFINITIONS

Mentor/Protégé – Two year partnership involving existing businesses that agree to work together to address matters necessary to help enhance the protégé business's success.

Disadvantaged Business Enterprise (DBE) – Firm 51% owned and controlled by a socially and economically *disadvantaged* individual(s) and can meet the certification requirements of the State of Ohio and the Code of Federal regulations (49 CFR Part 26).

American Council of Engineering Companies (ACEC) - National organization devoted exclusively to the business and advocacy interests of engineering companies.

Ohio Contractors Association (OCA) - Statewide business and trade association that provides support, unity, and leadership to Ohio's heavy highway and utility industry.

MEASURABLE OBJECTIVES

- Higher than average survival rate for the Program's Protégés;
- Continuous improvement in the financial strength and bonding capacity of those firms;
- Consistent success in meeting the objectives included in each protégé's individual business plan;
- High rate of successful transition out of the program.

ROLES & RESPONSIBILITIES

Those most deeply involved in the program will be the ODOT as well as those firms that are selected as Protégés and those firms that agree to become mentors.

OHIO DEPARTMENT OF TRANSPORTATION

ODOT is the sponsor/program administrator. ODOT's duties include:

1. Advertising and promoting the program;
2. Organizing related business events;
3. Collecting enrollment information from potential Protégés;
4. Informing and reminding Mentors and Protégés of their roles and responsibilities;
5. Collecting status reports;
6. Maintaining program records;
7. Identifying the necessary sources of Supportive Services funding; and
8. Evaluating the progress of the Mentors' and Protégés' partnership through the submission of quarterly progress reports. These quarterly reports will allow ODOT to monitor the Mentor/Protégé relationship and the achievement of the goals identified in the Mentor/Protégé Developmental Action Plan.

MENTORS

The quality of the Mentor is the key to the success of any Mentor-Protégé program. Mentors will represent well-established firms, who have the knowledge and experience to help DBEs refine and implement sound operating plans.

The Mentor firm will be required to meet with the Protégé on a regular basis. Mentors should help their Protégés accomplish the following:

1. Set targets for improvement;
2. Set time table for meeting those targets;
3. Assist with protégé's business strategies;

4. Assist in evaluating the outcomes;
5. Assist in development of the Protégé's Business Plan;
6. Regularly review their Protégé's business and action plans; and
7. Monitor their Protégés' key business indicators, including their cash flow, work in progress and recent bids.

PROTÉGÉ

The Protégé is a DBE firm that has been in business a minimum of one year and has demonstrated reasonable business acumen. The responsibilities of the Protégé's include, but not limited to:

1. Identify operational weaknesses;
2. Attend meetings scheduled by Mentors;
3. Share financial and other proprietary information with Mentor;
4. Provide Mentor with company's business profile (accomplishments, certifications, current work-in-progress, current capacity and location);
5. Make every reasonable effort to implement the business decisions that the meetings produce; and
6. Take the initiative to request whatever additional assistance they may need to address significant business issues.

STANDARD OPERATING PROCEDURES

Admission to the ODOT Mentor/Protégé Program is by application. Once accepted, each Protégé is paired with a Mentor. Working together, the Mentor focuses on assisting the Protégé in developing a business plan, developing marketing strategies, understanding financial statements, and identifying and implementing other action items needed to meet the Protégé firm's goals.

This Program is neither designed nor intended to meet any legal standards set by federal, state, local or other public agencies. The Mentor/Protégé program goal is to pair companies in a relationship that each finds acceptable. The Mentor/Protégé partnership may be dissolved upon written request by either party within 30 days. ODOT will review all circumstances on a case by case basis.

APPLICATION PROCESS

Selection for the ODOT Mentor/Protégé Program is conducted through an application process. In addition to the application deadline being posted on the ODOT website, solicitation to DBE firms is made via letter and e-mail. To apply for participation, businesses must meet the following criteria:

1. Participants must be current on all taxes and applicable licenses;
2. Current business must have been in continuous operation for the last 12 months;
3. Participants must be certified as a DBE in the State of Ohio and be headquartered in the State of Ohio; and
4. Participants must be involved in the highway construction industry;
5. Deadline for Applications is July 30th for the current year.

Participants must be committed to following program rules, guidelines, and processes so that incremental growth and business success can be achieved. In addition, ODOT will conduct a class each year for the mentors and protégées to provide further guidance as listed below:

SELECTION OF MENTORS

With assistance with representatives from the OCA and the ACEC, ODOT solicits individuals to participate as Mentors. To facilitate a successful working relationship between the Mentor and Protégé, ODOT will attempt not to pair industry competitors, unless a request is made by the Mentor or Protégé.

The potential Mentor is advised of the Program parameters and its purpose. Emphasis is placed on the commitment necessary in making the program work.

The Mentors' experience can be expected to help Protégés:

1. Identify any weaknesses in the Protégé's general or financial management;
2. Identify the professional services that could help address those areas;
3. Identify any seminars or other educational programs that Protégés should take; and
4. Directly impact protégés' engineering, project and construction management.

SELECTION OF PROTÉGÉS

The ODOT solicits DBE firms performing work in the highway construction industry to make application to the Program. In addition to the application deadline being posted on the ODOT website, solicitation to DBE firms is made via letter and e-mail.

All applicants must complete and submit a Program application. ODOT reviews all information contained in the application prior to interviewing an applicant.

ODOT will not accept application from new, start-up DBE firms. To be considered for selection into the ODOT Mentor/Protégé program, the DBE firm must be in operation for at least one year.

Mentors and Protégés will be invited to meet and determine if they are compatible. If one party or both decide not to go forward, ODOT will restart the matching process.

PROTÉGÉ PERFORMANCE STANDARDS

If the Mentor/Protégé program is successful, Protégés will achieve measurable success against a sound business plan. The Program expects Protégés to demonstrate continuous improvement -- from quarter to quarter and from year to year -- in the following areas:

1. Capital base, including:
 - Working capital;
 - Depreciated value of equipment owned or leased;
 - Payroll;
 - Material expensed;
 - Overhead expensed;
 - Net profit;
 - Available credit;
2. Bonding limits, per job and in the aggregate;
3. Value of Current and Future Work;
4. Success in getting profitable work outside any government or other procurement program for small, minority, women or disadvantaged business enterprises;
5. Retention of reliable and productive employees; and
6. Customer loyalty resulting in repeat business.

MEETINGS

The first meeting associated with the Mentor/Protégé partnership will be an orientation that will be conducted by ODOT with representatives from OCA and ACEC present.

Once paired, Mentors and their Protégés should conduct regularly scheduled meetings. Additional regular contact via telephone or e-mail is also required. The Mentor and Protégé, at the onset of their relationship, should establish which party will be responsible for arranging these meetings, creating an agenda and a recap of the meeting.

At these meetings, the Mentor and Protégé should also review the items on the Developmental Action Plan established at the beginning of the relationship and make any appropriate changes. They should, for example:

1. Review and identify any new barriers to the Protégé's success;
2. Identify any management, accounting or other professional services that the Protégé still needs;
3. Set specific targets for further improvement; and
4. Set a deadline for hitting each target.

In the Developmental Action Plan itself, the Mentor and Protégé should record the steps necessary, and results required, for the Protégés to improve their prospects for success.

In addition to reviewing the Developmental Action Plan, the Mentor and Protégé should review the Protégé's business plan. Together, Mentors and their Protégés should identify the steps necessary to implement that Plan, and should agree on a set of specific actions for the Protégé to take by the time of the next meeting. Mentors and their Protégés should also review and discuss the latter's recent performance, and see how it compares with earlier decisions and the Protégé's overall business plan.

PROGRESS REPORTS

Progress reports are intended to help everyone assess the actual results of the mentor-protégé program. They should also help the various players clarify and strengthen their individual roles. Recognizing that the relationships among the players are all voluntary, the reports should also help strengthen the program as a whole.

Quarterly reports are to be submitted to ODOT by the Mentor and Protégé, both jointly and separately. These reports will advise of the Protégé's most recent efforts to implement its business plan and the results of those efforts. The report will also detail the Protégé's current needs. Mentors and Protégés are to use this report to guide their next steps.

PROTÉGÉ RESPONSIBILITIES

Protégés have certain responsibilities. They are required to attend all regularly scheduled meetings and to help complete the agenda for those meetings. Between such meetings, Protégés are required to make every reasonable effort to implement the business decisions that the meetings produce. Depending on the circumstances, they may, for example, need to:

1. Work with an accountant;
2. Attend seminars and/or other educational programs; or
3. Implement specific changes in the management or operation of their businesses.

On a continuing basis, and for as long as they are enrolled in the program, Protégés must also:

1. Provide complete and up-to-date information on their businesses, including their business and action plans, their cash flow, their latest bids, and their work in progress; and
2. Take the initiative to request whatever additional assistance they may need to address significant business issues.

GRADUATION

Pending the attainment of the goals and objectives outlined in the Developmental Action Plan, a formal graduation acknowledgement will be conducted at the end of the two year pairing.

Many variables will affect the pace with which each Mentor/Protégé team will realize their goals. At the close of two years, if a Mentor/Protégé team has not met all of the goals, an exit strategy will be established with the ODOT's guidance.