**Better Business Bureau**
Serving Minnesota & North Dakota



# ANNUAL IMPACT REPORT

2023-2024



# John Owens

## CHAIR, BBB BOARD OF DIRECTORS

It is with great pride and immense satisfaction that we present to you the Better Business Bureau Annual Report for fiscal year 2024. As Chair of the Board of Directors, I am honored to reflect on what has been a remarkably successful year.

The BBB mission, as always, is to foster a marketplace of trust. As you will see demonstrated in this report, BBB Serving Minnesota & North Dakota has not only upheld that commitment but significantly advanced it through a variety of enhanced services and outreach programs.

The successful outcomes of this year are a testament to the tireless efforts of our Board of Directors and staff, the unwavering support of our stakeholders and strategic partners, the dedication of our volunteers and especially the commitment of nearly 7,000 Accredited Business members throughout the region.

As we look back on the achievements of the past year, we also look forward to fiscal year 2025 with optimism for a healthy economy and thriving marketplace. Our commitment to excellence and accountability remains steadfast, and we are delighted to continue our mission work throughout Minnesota & North Dakota.

Thank you for your ongoing loyalty and financial support.







# Susan Adams Loyd

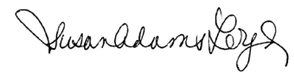
## CEO, BBB SERVING MINNESOTA AND NORTH DAKOTA

At Better Business Bureau, we believe a healthy marketplace begins with informed consumers and business leaders. BBB exists entirely to help businesses be the very best versions of themselves. That's right – we are here to serve you as a business owner or operator, and especially in the areas such as customer service, responsiveness, honest advertising, marketing and fraud prevention.

And the BBB team couldn't do the work without your support through membership dues, participation in events, sponsorships of programs, donations through BBB Foundation and purchase of advertising services.

As a membership-based non-profit, BBB holds itself accountable for properly administering money and resources. Throughout this Annual Report, you will see how your contributions last year yielded measurable outcomes and marketplace impact.

We are proud of the results and inspired by the work ahead.
Thanks for all you do to build a trustworthy marketplace in Minnesota & North Dakota.



# People are overwhelmed with choices

Consumers face a significant challenge in today's complex and crowded marketplace. With 33.3 million businesses operating across the United States and Canada, people have countless options for where to spend their money. Online shopping alone offers hundreds of thousands of sites, creating a vast digital landscape for consumers to navigate. Additionally, there are thousands of free and subscription-based websites providing reviews, reports, directories, listings, and gripe sites, each offering varied and sometimes conflicting information.

In this environment, 1.53 million charities in the U.S. and Canada are also vying for attention and support. Meanwhile, people are bombarded with up to 10,000 ad messages daily through TV, radio, online platforms, billboards, magazines, mobile phones, text messages and newspapers. This constant flood of information makes it challenging for businesses to stand out and for consumers to discern trustworthy and reliable information. The BBB mission is to help businesses build strong brands and professional reputations, cutting through the noise to connect with consumers effectively and ethically.

## Mission

To be the leader in advancing marketplace trust

## Vision

An ethical marketplace where buyers and sellers trust each other

## Better Business Bureau exemplifies this by:

- Setting standards for marketplace trust
- Encouraging and supporting best practices by engaging and educating consumers and businesses
- Celebrating marketplace role models
- Calling out and addressing substandard marketplace behavior
- Creating a community of trustworthy businesses and charities





# BBB partners with Hennepin County to elevate local businesses

BBB served as a proud consultant in the Elevate Hennepin initiative, offering expert advice in marketing and communications. Elevate Hennepin supports new and established businesses as they gain their footing, plan for their next steps and grow their business. In FY24, BBB helped more than 50 companies over approximately 500 hours. Deliverables include headshots, video promos, restored logos, website and logo reviews, on-camera and media training and social media skill building.

**View our work!**
Scan QR code to see the results










# Q & A With Renita Price

## Owner of Slayed Beauty LLC

**What specific marketing challenges do you face as an entrepreneur?**

The marketing challenges I face are lack of exposure and reliable resources. Before working with BBB, the hardest struggle was finding a team of experts that were charging an arm and a leg and that were all talk with minimal results.

**How did you come to learn about BBB's Marketing Solutions?**

At the top of 2024, I decided to say "yes" more when it concerns my business and goals — yes to new opportunities, yes to welcoming help when it's being offered to me and saying yes to a successful year! After that, I had remembered hearing about Elevate Hennepin and how they help small businesses develop and grow. I was done with doing things on my own and only being able to reach a certain point. Saying yes to partnering with BBB's Marketing Solutions team is one of the BEST choices I've ever made for Slayed Beauty LLC.

**Which marketing services did you receive from BBB? Which was the most valuable?**

I snapped new headshots in BBB's new studio. I worked with BBB's graphic designer to receive a brand consultation, which resulted in a delivery of print-ready business cards and a brand guideline document. The most valuable service was the opportunity to collaborate with the BBB's video producers and editors to record a commercial or "ad" to promote me and my services.

**As you learn more about the value of BBB and our Accredited Business membership, you applied, were vetted and earned the Seal of Accreditation. Congrats! How does this boost your reputation?**

I do have a better sense of business validity now than I have in the past. It's like the confidence boost Slayed Beauty needed. The trust my clients have in me has never been in short supply, however, my BBB Accreditation is the icing on the cake!

THE SIGN OF A BETTER BUSINESS℠

# The value of BBB Accreditation

Nearly 400,000 BBB Accredited Businesses across the U.S. and Canada, including 7,000 members in North Dakota and Minnesota, are at the core of our mission to advance marketplace trust. By undergoing a thorough evaluation against BBB's Eight Standards for Trust, these businesses earn the BBB Seal, The Sign of a Better Business, and become the cornerstone of a trustworthy marketplace for all. When consumers choose a BBB Accredited Business, they also choose reliability and assurance and invest in peace of mind.

## The top three reasons for being an Accredited Business:

1. Accreditation quickly identifies my business as reputable
2. Accreditation builds trust with my customers
3. Accreditation demonstrates integrity in our business practices

*2024 IABBB survey of BBB Accredited Businesses*




> "BBB Accreditation is worth the investment because there's a lot of free information on the backside. There's advertising opportunities with Google ads. When I got my Spark Award last year, I got tons of accolades from my peers."
>
> **MIKE HOEKSTRA**
> Auto Massage

**6,990**
Number of Accredited Businesses

**1,260**
Newly Accredited Businesses

**88.08%**
Annual Membership Retention Rate











# EXCLUSIVE BENEFITS

**STUDIO SERVICES - NEW**

Access BBB's state-of-the-art broadcast and production facility to elevate your brand. Our cutting-edge equipment and professional team are prepared to deliver high-quality content, including headshots, video promos and on-camera training. We ensure your message reaches your audience with maximum impact.

**ADVERTISING PROGRAM**

BBB offers an affordable, exclusive and effective advertising program to help Accredited Businesses promote their products and services by offering a variety of digital options – Google Display ads, YouTube video ads, and BBB.org ads.

**NETWORKING EVENTS**

Business leaders who attend BBB signature events such as the Torch Awards for Ethics, Annual Meeting and Integrity Golf Classic have the opportunity to enjoy networking, community building and the camraderie of like-minded businesses.

**COMMUNITY PARTNER PROGRAM**

Partners invest in an annual sponsorship to strengthen and sustain BBB's three signature events. Participants enjoy high visibility with top businesses and government leaders all aligned with BBB's reputable and trustworthy brand.

**FACILITY RENTAL**

BBB's Burnsville headquarters offers versatile and affordable meeting spaces, perfect for any occasion. Our spaces can accommodate groups of all sizes up to 100 people. Select rooms come fully equipped with modern amenities including projectors, laptop hook-ups, and Zoom Room capabilities.

**SPECIAL ACCESS TO SPORTING EVENTS**

BBB partners with Accredited Businesses and professional sports teams such as the Minnesota Wild and Minnesota Twins to offer special ticket pricing to members.




# Empowering consumers to spot, stop and report scams

Scams undermine trust in the marketplace, distort the level playing field and siphon money from legitimate transactions that could benefit both consumers and businesses, thus impeding economic growth. A healthy marketplace requires empowered and knowledgeable consumers and principled businesses that are proactively working to stop scammers and to foster trustworthy relationships.

BBB collaborates with partners to strategize about the best ways to help people spot, stop and report fraud in order to stay safe from scams and protect their hard-earned money and personal identity.



BBB Scam Tracker℠

## Scam Tracker

This online platform enables consumers and businesses to report scams and fraud. BBB reviews this information and works with law enforcement agencies to provide up-to-date information about fraudulent activities occuring in the marketplace. The public can check out Scam Tracker at BBB.org to report a scam and to prevent potential loss of money or personal information.

Each year, BBB analyzes aggregated data and publishes a comprehensive overview of known scam threats and helpful prevention tips in The Scam Tracker Risk Report.

## Top 5 riskiest scams reported

- Investment scams
- Employment scams
- Online purchases
- Home improvement
- Romance scams

**1.7 million**
**UNIQUE VISITORS TO BBB SCAM TRACKER**

**46,143**
**SCAMS REPORTED TO SCAM TRACKER**

**$24,259,931**
Estimated dollar amount people avoided losing thanks to BBB Scam Tracker in 2023

**37%** of visitors to BBB Scam Tracker did so to determine whether they were **experiencing a scam**

**$100** Median dollar **loss**

*2023 BBB Scam Tracker Risk Report*



## BBB's phone line verifies offers and exposes scams

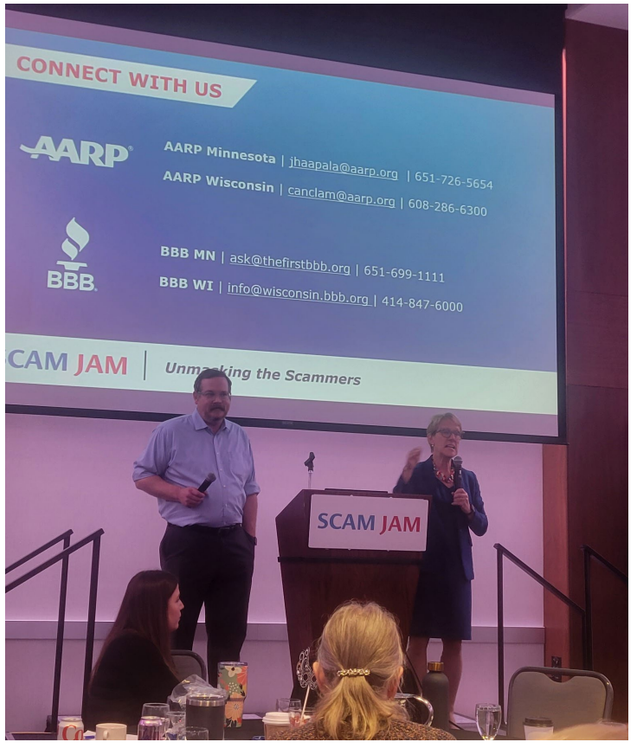
Periodically, BBB receives calls from consumers on the verge of sending large sums of money for an online purchase, or to claim a sweepstakes prize they've supposedly won. When consumers call BBB first, we can verify the legitimacy of the offer and warn against known scams. Last year, we answered 51 such calls, helping prevent $581,455 in potential losses.

## Scam Carnival turns fair-goers into fraud-fighting pros

BBB delighted thousands of fair-goers with the lively "Scam Carnival" exhibit, featuring interactive activities designed to raise awareness about the prevalence of scams and fraud. Visitors left feeling empowered with the knowledge to keep themselves and their loved ones safe.








## Shred it and forget it: Protecting your identity in Rochester

BBB and AARP hosted a Shred Event in the Rochester community, where participants gained peace of mind knowing their sensitive information was being disposed of securely, reducing the risk of it falling into the wrong hands. The event included handing out resources on identity theft prevention and document management, helping to educate the community on best practices for protecting personal information.

## BBB + Media unite to inform and protect the public

BBB partnered with strategic partners, government agencies and local media outlets to spread the word about trending scams to ensure vital information reaches a broad audience swiftly and effectively. Through press releases, interviews, and social media campaigns, BBB delivers expert insight on current scam activities, tactics used by scammers and practical tips for protecting oneself.

# BBB Foundation

Better Business Bureau Foundation is the charitable arm of the BBB Serving Minnesota and North Dakota. The mission of the 501(c)(3) organization is to serve as the community leader in scam prevention education.

## Listen to Learn Initiative

BBB received a generous grant from Allianz Life Insurance Company of North America to bolster financial security in the Twin Cities. Allianz Life supports nonprofit organizations through such grants toward helping individuals and communities achieve financial stability and security.

Through a $50,000 grant, BBB received funding for its third phase of the Listen to Learn project to better understand how targeted scams are impacting the Latine community throughout the region.

With the expertise of HACER | Hispanic Advocacy and Community Empowerment Through Research, data was compiled, personal stories were collected and a report in Spanish was generated to help frame the unique challenges in protecting people and businesses in the Latine Community.

BBB is now partnering with various strategic partners to disseminate this crucial information so it gets in the hands of the people and businesses who will benefit most.


### BBB Foundation Board of Directors

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*Triad Consulting LLC,* Independent Business Consultant, *Central Region Small Business Development Center*

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Fundraising Professional

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**Mark Hanson**
*M. Jeffrey Hanson & Co.*

**John Grant**
*Lemnos Advisory*

**Susan Adams Loyd**
CEO
*BBB of Minnesota and North Dakota*





## Students of Integrity Scholarship recipient

BBB Accredited Businesses demonstrate support of the next generation of community leaders through their donations to the annual Students of Integrity Scholarship Award. This program has been also strongly supported over the past 9 years by a generous endowment provided by North Star Resource Group.

This year, an independent panel of judges reviewed hundreds of applications and selected Savanna Loken, a Cotter High School senior, as the 2024 Student of Integrity Scholarship winner. Her application and essay described exemplary leadership skills and a commitment to inclusivity and integrity. This $2,500 scholarship will help fund her pursuit of a nursing career, inspired by her family’s legacy of health care professionals. She plans to attend the University of St. Thomas starting in fall 2024.

# A Celebration of Ethics

The BBB Torch Awards for Ethics is a standout celebration of integrity and excellence within the business community. Held on April 16 at the Golden Valley Country Club, this year's event was a testament to the profound impact of ethical practices, moving some attendees to tears with stories of growth and resilience.

The luncheon featured an electrifying panel discussion led by the dynamic local radio and TV host Roshini Rajkumar. Esteemed past winners, including John Erickson of IC System, Niki Frost of A Ran Music Service, and Dan Stoltz of Blaze Credit Union, shared their journeys and how the Torch Awards have become a cornerstone of their company cultures.

Finalists, the true marketplace role models, were showcased in captivating video vignettes, underscoring their extraordinary commitment to ethical excellence. Huge applauses rang out with the announcement of the four winners.

The event also celebrated the Hall of Flame, an inspiring exhibit honoring the enduring legacy of past awardees.

It was an unforgettable afternoon of recognition and celebration.

# 2024 BBB Torch Awards for Ethics Winners



## Mike Hoekstra
Auto Massage

“You don’t just get this, you earn it. It’s a matter of being recognized by your peers in the industry. [The Torch Awards crystal] will probably be displayed and all my customers will see it and know.”

## Melissa Klenck-Breen
Alliance Tree Care

“We want to be around other business owners who share our vision, and the same integrity, and the same core values. This is what’s going to last far beyond our years and our children and grandchildren and that’s what means the most to us.”

## Douglas Cossette
Super Siders

“BBB Accreditation is the badge we put on our chest because you guys [BBB] are the sheriffs in town. You guys are deciding who needs to stay and who needs to go, and you expose that to customers. And that’s wonderful.”

## Nancy Close
CKC Good Food

“Ethics is everything. I can’t imagine a better award to be nominated for and then to be awarded. It’s incredible. We want our clients to know our heart for them, but more than anything, I want every child to eat something every single day.”




## Financials: BBB & BBB Foundation

BBB's success is dependent on the success of our Accredited Businesses. Through the mutual support between BBB and Accredited Businesses, we are able to enhance our offerings, build stronger partnerships and create new income streams. Our revenue reflects increases in all categories when compared to last year as we have seen significant progress and development within existing categories as well as new revenue streams.

The primary sources of operating income for the organization are membership dues, along with advertising sales. Combined efforts show an increased total income of 8 percent from the previous year. BBB had inflation calibrated member dues increases. Accredited Business membership income was up 6 percent and Advertising sales was up 15%. The increased income for BBB enabled investments in ancillary business and advertising services, educational programs and member benefits such as the access to BBB's new production studio.

In conclusion, the BBB has demonstrated sound financial management and resilience over the past year. We remain dedicated to upholding the highest standards of accountability and transparency in our financial practices. Our strong financial performance enables us to continue providing essential services to our members and broader community. We look forward to another year of growth and innovation.



# Statement of Position

### Assets

| | |
|---|---|
| **CURRENT ASSETS** | |
| Cash and Cash Equivalents | $743,000 |
| Prepaids, receivables and current assets | $278,000 |
| **NON-CURRENT ASSETS** | |
| Investments | $2,373,000 |
| Property and Equipment (net) | $2,508,000 |
| **TOTAL ASSETS** | **$5,902,000** |

### Liabilities & Net Assets

| | |
|---|---|
| **CURRENT LIABILITIES** | |
| Accounts Payable | $52,000 |
| Accrued Liabilities | $159,000 |
| Unearned Income | $1,966,000 |
| **Total Liabilities** | **$2,177,000** |
| **TOTAL FUND BALANCE** | |
| Fund Balance | $3,725,000 |
| **TOTAL LIABILITIES & NET ASSETS** | **$5,902,000** |

# Statement of Activities

| | |
|---|---|
| **Operating Revenues** | **$6,628,000** |
| Non Dues Revenue | $1,653,000 |
| Other Revenue | $215,000 |
| Donations, Grant and Sponsorships | $135,000 |
| Dues Revenue | $4,626,000 |
| **Operating Expenses** | **$6,408,000** |
| Personnel | $4,018,000 |
| Member Programs & Projects | $204,000 |
| Office & Other Expenses | $2,186,000 |
| Operating Gross Profit | $220,000 |
| Other Income | $249,000 |
| Depreciation Expense | $97,000 |
| Income Taxes | $271,000 |
| **TOTAL REVENUE ABOVE EXPENSES** | **$102,000** |

**Preliminary last year financial information at time of printing.*

# Celebrating Our Members' Milestone Accreditation Achievement!

## 25 YEARS

A-1 Seamless Gutters, Inc.
Above All Flooring
ACR Homes, Inc.
Air Climate Control, Inc.
Allstar Construction
AMEK Design + Build
Arrowhead Promotion & Fulfillment Company, Inc.
Bears Home Solutions/Ben Franklin Plumbing
Beaver Roofing, Inc.
Bergerson Caswell, Inc.
Braun Built Corporation
C & S Supply Company, Inc.
C. Mogren, Inc.
Cityscape Contractors, Inc.
Clergy Financial Resources
Concrete Form Engineers, Inc.
Deluxe Corporation
Factory Home Center
Fieldwork Minneapolis
Flom Disposal, Inc.
Fuzzy Duck
G-Matic Systems, Inc.
Hair Club for Men
Hanson Tire Service of Austin, Inc.
Hanson-Runsvold Funeral Home
Harrison Electric, Inc.
Hartman Companies, Inc.
Just For Kix
M & H
McPhillips Bros. Roofing Company
Michael Utter - Registered Locksmiths
Midwest Exteriors MN
Midwest Maintenance & Mechanical, Inc.
NatureScape, Inc. - Plymouth
NatureScape, Inc. - South Saint Paul
Neil's Floor Covering Inc.
North American Banking Company
Pace International
PQT Company
Roger's Masonry, LLC
Roof Company NA, Inc.
Scandia Heating & Air Conditioning, Inc.
Skates & Sports
Streitz Heating & Cooling, Inc.
Twin Cities Siding Professionals, LLC.
Two Men and A Truck
Unique Auto Body & Sales, Inc.

## 30 YEARS

Ace Auto Parts
Carlson Toyota
Christian Builders & Remodelers
Complete Basement Systems
Dick's Sanitation Service, Inc.
Elk River Exteriors, Inc.
Hansen Bros Fence, Inc.
Holmlund Masonry, Inc.
Hudson Road Animal Hospital
International Dairy Queen, Inc.
Key Land Homes
Radius Global Solutions, LLC
S W Wold Construction, Inc.
Safety Solutions, Inc.
The Original Mattress Factory
Twin City Roofing Construction Specialists Inc.

## 35 YEARS

Gladstone's Window & Door Store
HearingLife
Larson Siding and Windows
Luther White Bear Acura Subaru
Maplewood Toyota
Metcalf Moving & Storage
Metropolitan Ford, LLC
Minneapolis Saint Paul Plumbing Heating & Air
Minneapolis Singles
Minnesota Rusco, LLC
Rick's Roofing & Siding, Inc.
Apple Auto
Walser Buick GMC Roseville
Wixon Jewelers

## 40 YEARS

Autoporter Leasing Services, Inc.
Garlock-French Roofing
Heins Valley Creek Nursery, Inc.
Jeff's Auto Service, Inc.
Northern Door Company, Inc.
Samaritan Tire Company
Sipe Bros, Inc.
Twin City Garage Door Company

## 45 YEARS

ADT, LLC
Duane's Floor Service, Inc.
Foley Exteriors, LLC
Giertsen Company of Minnesota, Inc.
Latuff Bros., Inc.
Midway Ford Company
Wagamon Bros., Inc.

## 50 YEARS

ADT, LLC
Key Cadillac, Inc.
RAO Manufacturing Company

## Thank you to our Community Partners

*A special thanks to our outstanding year long partners!*

Think Bank
Sovran

## Thank you to our Sponsors

*We appreciate your support for BBB's Torch Awards for Ethics, Integrity Golf Classic and Annual Meeting.*

### PREMIER

Luther
Wolf River Electric

### INTEGRITY

Blaze Credit Union
CenterPoint Energy
Star Tribune
Delta Dental

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*Owens Companies, Inc*

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

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**Andy Kocemba**
President & CEO
*Calhoun Companies*

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**Louis Berezovsky**
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*Eagle Infrastructure Services, Inc.*

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Chief Compliance Officer
*IC System*

**CHAIR SUCCESSION PLANNING TASK FORCE**
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President & Founder
*Catalyst Group ECR*

**CHAIR-BBB FOUNDATION**
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Independent Business Consultant,
*Central Region Small Business Development Center*

**CHAIR-MARKETING**
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Director of Digital
*Hubbard Radio/Podcasts/Digital*

**CHAIR-MEMBERSHIP**
**Traci Leffner**
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*Sovran*

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*Commers - The Water Store*

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*Renewal by Anderson*

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**Peter Gaetz**
Vice President/
Chief Compliance Officer
*Preferred Credit Inc.*

**Janie Hanson**
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*Best Buy*

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VP of Business Banking
*Think Bank*

**Tammylynne Jonas**
Global CIO
*Donaldson*

**Aaron Jones**
Director, Corporate &
Marketing Strategy
*Allianz Life*

**Lucas Kanavati**
Partner
*Tradition Mortgage*

**Monique Linder**
Founder/CEO
*OMG Digital Media Solutions*

**Dan Louismet**
Attorney
*Minnesota Dealer Law*

**Carlos Morales**
Digital Marketing Manager
*Viva Technology*

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Owner & Founder
*Inherited Stories*

**Nadia Rizk**
Director, Network Reliability
Engineering
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Chief Financial Officer
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**Carlos Ruiz**
Director of Business Geographics
and Insights
*Star Tribune*

**J.J. Slygh**
Director of GTM Strategy
*Total Expert*

**Chris Serritslev**
District Director of
MN Gas Operations
*CenterPoint Energy*

**Terry Stamman**
President
*Twin Cities Siding Professionals*

**Jeffrey Tate, Sr.**
Realtor
*Tate Group/Coldwell Banker Burnet*

**Ted Terp**
General Manager
*Jaguar Land Rover*

## Legal Counsel

**David Aafedt**
Shareholder & Board Member
*Winthrop & Weinstine, P.A.*

**Connect with us.**

Facebook followers
6,500

Instagram followers
5,013

LinkedIn followers
1,052


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