

BOC minutes  
Teleconference meeting  
August 8, 2008

BOC members Sheryl Bilbrey (Chair), Kevin Sanders, Beverly Baskin, Rick Brinkley, and Linda Carmody were joined by Bill Mitchell, BBB Colton, and Jerry Shipman, BBB Albuquerque for a teleconference on the TrustLink program. Steve Salter of CBBB participated as recorder.

The BOC had earlier sent a list of questions about TrustLink to Mr. Mitchell and Mr. Shipman, along with the other three "Caliber BBB" CEOs. (Questions appended at the end of these minutes.)

Mr. Mitchell responded to the first few questions collectively, i.e. why was TrustLink a separate, for-profit corporation and who owned the shares? He described TrustLink as a collaborative effort among five BBBs (Colton, Albuquerque, Asheville, Santa Barbara, and West Palm Beach, collectively "the Caliber BBBs"). The collaboration included financial contributions from Colton, Albuquerque, and Asheville, and the others could contribute in future. A social networking site is large, requires a lot of coding and business rules, uses a back end database and is expensive. Mr. Mitchell stated that a corporation seemed the simplest way to pool resources and return investments to the partners. TrustLink is owned by the BBBs involved, not individuals. It has no directors or officers yet.

The BOC asked why the TrustLink service wasn't included within the BBB.org web site and brand. Mr. Mitchell explained that for 1.5 years the BBB tried to include consumer feedback/reviews in its Caliber reports. It found conflicts in two areas: a. between customer ratings and BBB ratings (e.g. customers may give two stars out of five while the BBB gives an AA rating) and b. explaining negative customer comments within a generally positive BBB report. Unable to reconcile these problems, the Caliber BBBs turned to an outside brand consultant, who recommended separating the two approaches. Thus customer reviews were taken out of BBB reports and TrustLink was born. Mitchell stated that customers view BBB as the place to complain, and in the BBBs were unable to change that perception by inviting consumer comments both positive and negative. He also noted that consumers often wished to both post a negative comment and file a complaint against a company over the same incident, creating a kind of double jeopardy for the business involved. Businesses reacted negatively. Mr. Shipman noted that the BBBs created rules against customers both filing a complaint and posting a comment, but couldn't stop it from happening altogether.

Mr. Sanders returned to the question of the need for a for-profit corporation, asking what expectations existed for return on investment? Mr. Mitchell answered that ROI is traditional when one has equity in a project. TrustLink has no revenue today but may down the road, through upselling of TrustLink services to BBB Accredited Businesses or through advertising. In that case the contributing BBBs would be entitled to return on their initial investment.

Mr. Brinkley asked what is the goal of TrustLink, what would success look like? Mr. Mitchell responded that it could pay dividends to its stockholders, which would be BBBs. Mr. Shipman stated that a primary goal was to attract internet users that are being lost today to sites like RatePoint and Angie's List. The initial TrustLink web site was designed to "train" users to access BBB services, by creating a social networking

site that also provided links to BBB services like complaint forms and company reports. That effort has stopped while the brand questions raised by the BOC are sorted out and BBB links from the TrustLink site have been stripped out. Mr. Shipman noted that the TrustLink program also envisioned more contacts with businesses, by allowing them to create their own profiles on the site in a way that BBB reports don't.

On the question of BBBs operating for-profit arms, Mr. Shipman noted that it is not unusual for BBBs to do so. When asked he cited Akron, OH as offering insurance services to Accredited Businesses.

Ms. Bilbrey asked whether the Caliber BBBs would be willing to sign a non-compete agreement, to address the concern that TrustLink could provide BBB services under another brand. Mr. Shipman stated that he wished to assure the BOC that the BBB comes first. He stated that his Executive Committee, when informed that a Special Committee would be invoked if the TrustLink site stayed in its original form, made it clear that the BBB would cease ties with TrustLink before any such committee met.

Returning to the question of the for-profit model, Mr. Sanders noted that investment in a project by BBBs doesn't necessitate a dollar return to them. Ms. Bilbrey noted that associations usually make investments on behalf of the whole body of membership. Mr. Sanders asked why the Caliber BBBs had not chosen to use a vendor approach, giving the example of Adeptis BBBs funding development of software on behalf of the group, without expectation of a dollar return. Mr. Shipman said such an approach could have been used, and Mr. Mitchell noted that Adeptis was a separate corporation. Mr. Mitchell suggested that if BBBs were to get together today to build a new MIS system, it would probably be a for-profit model like TrustLink.

Returning to the issue of branding the site, Mr. Sanders said he really had two concerns – that the site be within the BBB brand, and the presence of a separate corporation owned by five BBBs. He hoped these two issues could be resolved, and asked why a site like [www.bbb.org/trustlink](http://www.bbb.org/trustlink) couldn't be used. Mr. Shipman responded that the cost to reorganize the site at this point, e.g. to change all the internal links and otherwise re-order the site, would be very high. BBB-branding the product also re-creates the problem of the BBB being perceived as "the complaint place". Mr. Shipman observed that any BBB or group of BBBs that wished to create a BBB-branded social networking site was free to do so. Ms. Bilbrey commented that she gets the need to separate TrustLink from BBB, at this point. Mr. Sanders did not, saying he didn't see the "taint" of the BBB being insurmountable. Mr. Mitchell confirmed his view that social networking as on TrustLink doesn't fit in the context of current BBB web sites.

Ms. Bilbrey asked what was the cost for businesses to join TrustLink. Mr. Mitchell said there was no cost, that companies don't join TrustLink alone but that BBB Accredited Businesses were able to build a presence on the TrustLink site. There may be an add-on fee for TrustLink at a later point.

Mr. Sanders noted several places where the terms "join" and "member" were still on the TrustLink pages, which Mr. Shipman confirmed would be removed. Mr. Mitchell noted that all users register to use the site, but there is no fee.

Ms. Carmody wondered whether a consumer could post a picture of work done, for example, and Mr. Mitchell confirmed that they could.

Ms. Bilbrey asked for confirmation that any test of TrustLink is separate from the Caliber ratings test. Mr. Shipman confirmed that it is separate from ratings, but is intertwined with the Caliber system. He explained that the implementation of TrustLink as envisioned may require changes within the Caliber system, e.g. to provide a link from a BBB reliability report to a TrustLink page. Ms. Bilbrey conveyed her discomfort with one large ongoing test including ratings, Caliber and now TrustLink. She asked that the Caliber BBBs submit a new distinct request for an innovative test for TrustLink to the extent possible, even if keeping some elements of the old test in the new.

Regarding ratings, Mr. Mitchell indicated that he had no concerns with the BBB system deciding which form of ratings to use, and that the Caliber BBBs would adopt whichever system results. But he feels very strongly that we, the BBB, must get involved in social networking and consumer feedback, in order to stay current and relevant with consumers.

As the BBB with Angie's List HQ in her service area and noting the problems they've had, Ms. Carmody asked whether the TrustLink BBBs had implemented guidelines for complaints being filed. Yes, Mr. Mitchell stated there are business rules in place, e.g. a user can't post a review on a company if they have filed a complaint against a company within a year. He stated that the rules were posted at the point where consumers file review. The BBBs also have editorial ability to remove postings. Yet Mr. Mitchell agreed that customer review systems could be gamed. In the end, he said, one had to reconcile taking the good (a robust customer feedback forum) with the bad (some number of bogus reviews).

A benefit of customer reviews that the Caliber BBBs had seen to date was that services like restaurants and hotels tended to receive a lot of reviews. These businesses don't tend to be BBB members, and TrustLink could build our ties with the hospitality/service industries.

In response to a question about how succession would be handled within the TrustLink corporation, Mr. Shipman stated the BBBs' Boards of Directors would be responsible for succession.

Ms. Bilbrey stated that she had three objectives:

- clear assurance that TrustLink would not compete with BBB services
- an innovative test proposal that gave specifics on what was being tested
- clear measures of test results and frequency of communication of test results

Mr. Sanders asked whether BBB branding of TrustLink would be a deal breaker. Both Mitchell and Shipman said yes, they had tried that approach and didn't believe it would work at this time. Mr. Brinkley asked what the end game was, then, and Mr. Shipman said that over time they would try to bring TrustLink users over to BBB services. But immediate BBB branding of TrustLink wouldn't work.

Mr. Sanders asked how many reviews had been submitted, and how many consumers and businesses had registered. Mr. Mitchell estimated about 25,000 reviews, maybe 17-18,000 businesses registered, and was not sure how many customers had registered.

Mr. Sanders also asked about plans or efforts to market TrustLink. Mr. Shipman indicated there had been emails to member businesses and customers in the Caliber system, and a little co-op advertising. There has been no paid advertising yet, as there has been no revenue generated. Marketing activities have been on hold since BOC raised concerns six weeks ago.

In closing, Ms. Bilbrey asked the BOC for any final questions or concerns. Ms. Baskin stated she had a concern with any for-profit entity relying on BBB data, such as linking back to BBB reports. Ms. Bilbrey restated her main concerns that any innovative test parameters be clearly spelled out, and that measurable results be put in place. She concluded by thanking Mr. Mitchell and Mr. Shipman for participating, and for the innovative spirit and investment they have put into TrustLink.

The BOC will next meet on August 19, by teleconference.

Steve Salter, CBBB  
Recorder  
August 12, 2008

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#### BOC pre-meeting questions re TrustLink

1. Why a separate corporation?
2. Why a for profit?
3. Who owns the shares?
4. Why not move TrustLink application/services into the BBB Branded web site?
5. Why not be part of the BBB system and test this concept?
6. I see the TrustLink widget is still in place. Just modified.
  - a. What profile is displayed? What does that mean to a business?
7. When will [www.trustlink.org](http://www.trustlink.org) be offline?
8. When a business "joins" TrustLink, is there any expense?
9. Do we agree that this is a separate test, not part of the ratings/caliber test?
10. Three years is long for a test, are there criteria that could be measured at the end of the first year to determine moving forward?
11. If any TrustLink services are successful, will there be a charge for other BBB's to deploy the concept? What would it be?
12. How could you best communicate the progress of the test to the BOC/system?
13. How do you protect the BBB's neutrality with unverified information being entered on the TrustLink website?
14. What process will be used to verify that the negative comments are truthful and not from a competitor?
15. If the business wants to know who put the information on the Trustlink website, will they be able to find out complete name, phone number, address of the consumer?
16. Are there guidelines for consumers complaining or complimenting? For example, does the situation need to have occurred in the last 3 years? 10 years? If there are guidelines, Where do they appear on the Trustlink website?
17. What is the eventual end result of all of this going to be?
18. What are your goals with this company?

19. If something should happen to Bill, who would take over the leadership of Trustlink and what is their commitment/relationship to the BBB?
20. Is there anything in writing with each of the Boards of these BBBs in case something should happen to their CEO? If the 5 BBBs "own" trustlink, who are the decision makers on their board related to this?
21. What assurances can you provide that Trustlink will not break off and become a competitor? What would cause you to change your mind on those issues (19,20 and 21)? Is that something or are those things you would be willing to commit to in writing?
22. If Trustlink grows and you choose to build that brand in the future, would you sell Trustlink memberships outside of your service area? What are those guarantees if something should happen to you? What would prevent other Trustlink leaders in the future from doing such things?
23. If this is a for-profit company what is the revenue model for this company? When you are able to achieve implementation of that revenue model, how will the revenues be divided?
24. What assurances can you provide that Trustlink will not break off and become a competitor? What would cause you to change your mind on those issues? Is that something or are those things you would be willing to commit to in writing?
25. If Trustlink grows and you choose to build that brand in the future, would you sell Trustlink memberships outside of your service area? What are those guarantees if something should happen to you? What would prevent other Trustlink leaders in the future from doing such things?
26. If this is a for-profit company what is the revenue model for this company? When you are able to achieve implementation of that revenue model, how will the revenues be divided?

The following is not a question, but a significant item of comment from a BOC member that seems to resonate throughout the system. Perhaps you could address this issue or we may get at this in the "why for profit" question. In any case, we'd like you to be aware.

*Bill, I hope you understand that the BOC's concerns are not directed at you or the other Caliber BBBs. If any other third party company was doing what Trustlink was doing with the BBB name, membership lists, Brand, Reports, ODR, etc., the system would be asking CBBB to get it legally shut down because of using the BBB's resources for someone else's for-profit company. Because a BBB is doing this, it comes under the domain of the BOC. The biggest concern for some of us is that this decision to use BBB resources on an innovative project was done in order to create a separate corporation that could easily compete with the BBB.*