



Better Business Bureau HAWAII

SUMMER 2007

2007 Annual Report

Aloha,

The Better Business Bureau's (BBB) purpose is to help sustain a marketplace where buyers and sellers can trust each other. We define success in business as much by integrity and ethical practices as by profits.

In Hawaii it's our fortune that the vast majority of for profit and nonprofit companies aspire to this high standard with our 3,000 plus members leading the way. Those members come from a diverse range of industries; wedding planners to construction companies, trade associations to auto dealers; insurance companies to legal firms. And they're committed to practice by a set of demanding standards. Our thanks to BBB's members for supporting the BBB's efforts to advance marketplace trust.

The BBB is an international system founded in 1912 to serve business members and consumers. Today it consists of approximately 128 BBB's across the nation, Canada and Puerto Rico. The BBB of Hawaii grew out of the Chamber of Commerce in 1945 with a handful of founding members; today we have 3,000 plus members and celebrating our 62nd anniversary this year.

And what a year it promises to be. We will be unveiling a new look and feel in October that better services our business members and consumers. That will be followed by a new method for rating both members and non-members that will give renewed emphasis to the value of membership in the BBB.

As we close out a successful year we give special thanks to our Board of Directors of the BBB and the BBB Foundation for their support and service.

FRED BADUA
Chair
BOARD OF
DIRECTORS

DWIGHT KEALOHA
CEO
BETTER BUSINESS
BUREAU OF HAWAII

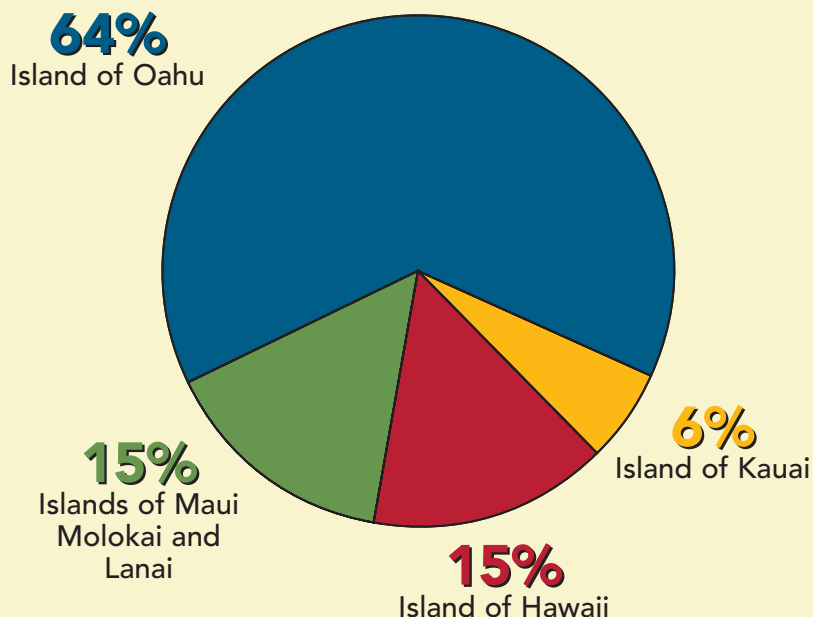
BETTER BUSINESS BUREAU OF HAWAII MEMBERSHIP GROWTH

From 1998 Fiscal Year to 2007 Fiscal Year



MEMBERSHIP BY ISLAND

Fiscal Year End June 30, 2007



2007 Torch Award Winners

FROM LEFT TO RIGHT: Dwight Kealoha, BBB; Mike Stollar, HMSA (title sponsor); Ron Brandvold, Easter Seals; Nancy Bottelo, Special Olympics; John Howell, Easter Seals; Dr. Cecile Sebastian; Charlotte Graham, Graham Builders; Danny Graham, Graham Builders; Steve Tabussi, First Insurance; and General Eric Shinseki, Keynote Speaker.



Financial Overview

The fiscal year ended June 30, 2007 has been a favorable one despite the challenges that we faced. We ended the year with a \$47,700 net income - just \$25,400 short of the budget.

Two of the challenges that contributed greatly to this under performance were (1) new member recruitment and (2) retention. We plan on strengthening our new member recruitment by adding one additional staff member by August 2007. On the retention side we found that we were losing 54% of our first year members and 31% of our second year members. To address this problem we implemented a new retention program in January 2007 to include multiple touches to the members throughout the fiscal year by phone calls, emails, faxes and postcards reminding the members of the services the Bureau offers and encouraging them to take advantage of such services.

One of our strengths is being able to manage and control our expenses which resulted in a savings of \$47,600 under budget. Another positive point for us this fiscal year 2007 was increasing our cash reserves from 1 1/2 months in June 2006 to 4 1/2 months in June 2007, which is well above the 2 month cash reserve required by the Council of Better Business Bureau. As of fiscal year end June 30, 2007 we had a total cash balance of \$324,378.

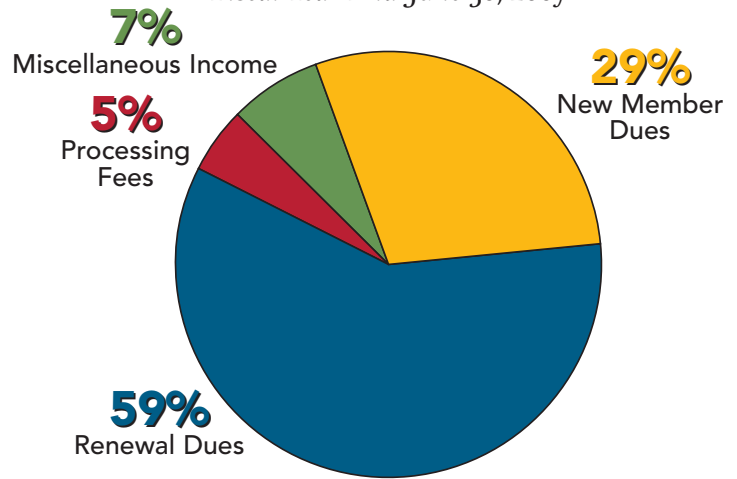
In the upcoming fiscal year we are faced with rolling out a new branding, accreditation and rating system and we look forward to the exciting challenges these changes will bring to the Bureau. Additionally, we look forward to seeing the positive results of our new member retention program and our new member recruitment program. Our 2007-2008 fiscal year should prove to be very challenging, but potentially very rewarding as well.

AL COTTRAL
Treasurer
BOARD OF
DIRECTORS

KEHAU ABE
Controller
BETTER BUSINESS
BUREAU OF HAWAII

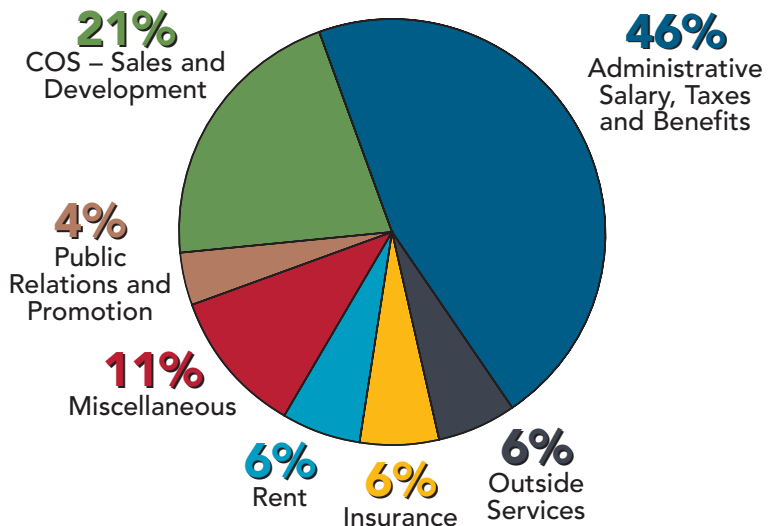
TOTAL INCOME

Fiscal Year End June 30, 2007



TOTAL EXPENSES

Fiscal Year End June 30, 2007



Consumer Instances of Services

BBB BBB provided over 126,532 instances of service that includes general business advice, agency & other BBB referrals, business & non-profit inquiries, complaints, & advertising and industry-related inquiries.

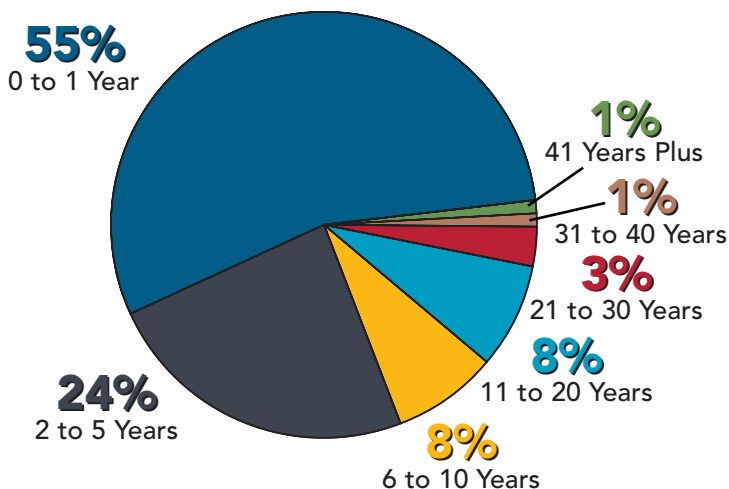
BBB Consumers asked for more than 111,038 BBB business reports.

BBB Consumers asked for more than 48,709 BBB "Member" business and non-profit reports.

BBB Consumers asked the BBB to help resolve 3,126 marketplace disputes, and over 70% closed as resolved and the consumer and business were satisfied with the resolution of their dispute.

BBB BBB reports on 134 soliciting Non-Profit organizations in Hawaii, of which 55% meet all 20 BBB Wise Giving Alliance (WGA) standards. For information on WGA standards visit www.give.org.

LONGEVITY OF BBB MEMBERSHIP



Who Are Customers Asking About Top-20 Industry Inquiries

1. Wedding Consultants	5857 Reports Read
2. Travel Agencies & Bureaus	3997 Reports Read
3. Mortgage Services	2934 Reports Read
4. Roofing Contractors	2506 Reports Read
5. Pest Control Services	2137 Reports Read
6. Auto Dealers – New Cars	2034 Reports Read
7. Real Estate Companies	1690 Reports Read
8. Internet Marketing Services	1469 Reports Read
9. Plumbing Contractors	1452 Reports Read
10. Contractors – General	1345 Reports Read
11. Construction & Remodeling Services	1341 Reports Read
12. Insurance Services	1328 Reports Read
13. Movers	1318 Reports Read
14. Work-At-Home-Companies	1296 Reports Read
15. Modeling & Talent Agencies	1214 Reports Read
16. Property Management Companies	1200 Reports Read
17. Hotels	1144 Reports Read
18. Auto Body Repair & Painting	1133 Reports Read
19. Tours – Operators & Promoters	1094 Reports Read
20. Timeshare Companies	1074 Reports Read

Who Consumers Complaint About Most Top-20 Industry

INDUSTRY	SETTLEMENT %
1. Telephone Companies	44%
2. Auto Dealers – New Cars	97%
3. Internet Marketing Services	10%
4. Toys – Retail	89%
5. Airlines	86%
6. Furniture – Retail	66%
7. Restaurants	72%
8. Jewelers – Retail	66%
9. Cellular Telephone Services	100%
10. Florist – Retail	80%
11. Photographers – Portrait	33%
12. Travel Agencies & Bureaus	83%
13. Hotels	88%
14. Towing – Automotive	56%
15. Auto Renting & Leasing	75%
16. Property Management	55%
17. Wedding Consultants	91%
18. Plumbing Contractors	95%
19. Banks	100%
20. Movers	79%

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Bank of Hawaii

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E Noa Corporation

KRISTIN KNOUS
Aloha Airlines

DEAN OTA
H2O Transportation

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Enterprise Rent-A-Car

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Finance Factors

HOYT ZIA
Hawaiian Airlines

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Estate of James Campbell
Kapolei Development LLC

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Kamehameha Schools

ANN SIMPSON

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CEO

BONNIE HORIBATA
VP/Operations

KEHAU ABE
Controller

VANGIE PONTIOUS
Team Leader, New Member Division

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SANDRA YOUKERS

HOWARD SHORE

LIZ RAMOS

MARI'A RUSSELL

CHERYL AGULLANA

JOANNE BAUTISTA

PEARL MALALIS

MELANIE SAULS