

# 2011 Diversity Workplace Webinar Series

Brought to you by the Greater Des Moines Partnership's Diversity Council and the Diversity Committee of the Central Iowa Society for Human Resource Management (CISHRM).



# Welcome and Introductions

## Lu Spaine

Owner, Zumi Collections  
Chairperson, Supplier Diversity Sub Committee

Email: [luspaine@aol.com](mailto:luspaine@aol.com)



# PURPOSE OF WEBINAR

Supplier Diversity sub-committee's purpose is to promote supplier diversity in the DM metropolitan area.

Efforts must address both diverse suppliers and those businesses with which they might do business

This webinar is addressing businesses that are interested in beginning or improving their SD program.

Our panel will share policies, practices, experiences and resources to help in that effort.



# OVERVIEW OF WEBINAR

## Outline of Webinar

- Business Case for Supplier Diversity
- Best Practices
- Self-Assessment Tool
- Local and national resources
- Supplier Diversity Section of the Partnership's Diversity Award

## Learning Objectives

- How you can see the business case for supplier diversity
- Policies and programs developed by other companies
- What policies and programs can be considered “best practices”
- Resources available to help with developing your policies and programs
- Guidelines to help you assess your company's progress, practices, experiences and resources to help in that effort.



# WEBINAR PARTICIPANTS

**Lu Spaine**, Owner of Zumi Collection and Chair of Supplier Diversity sub-committee

**Dave Furman**, Executive Vice President – Human Resources, Wells Fargo

**Steve Curran**, Plant Manager, General Mills

**Dr. Floyd Rose**, President, Wisconsin Iowa and Central Illinois Minority Supplier Development Council

**Lisa Sandos**, Manager of Supplier Diversity, Principal Financial Group

**Lori Young**, Marketing & Compliance Manager, Targeted Small Business Program, Iowa Department of Economic Development

**Victoria Nwasike**, Attorney, Davis Brown Law Firm



# Business Case

**Dave Furman**

Executive Vice President  
Wells Fargo

Email: [David.M.Furman@wellsfargo.com](mailto:David.M.Furman@wellsfargo.com)



# Supplier Diversity

## What is it?

Supplier diversity is a proactive process that seeks to identify diverse supply partners and systemically integrate inclusive practices.

Supplier diversity creates policies and practices to include and develop historically underutilized businesses as part of the supply chain-these are typically women or minority owned operations and includes disabled, veterans and Gay, Lesbian, Bisexual and Transgender owned business enterprises.



# Business Case for Supplier Diversity

- American women and minority-owned businesses account for more than \$3 trillion in revenue and employ over 25 million workers
- The National Minority Supplier Development Council reports that Fortune 500 companies spend more than \$80 billion a year in goods and services from diverse suppliers. Minority purchasing power in 2000 was projected at around \$1.3 trillion. Keeping the IDF constant throughout the projection period, Minority purchasing power may surpass \$2 trillion by 2015, \$3 trillion by 2030
- The U.S. Census Bureau reports that minorities of all types are starting businesses at a faster rate than the overall increases in new companies. Between 2002 and 2007, the number of Black owned companies rose by 60.5%, and the number of Asian and Hispanic owned businesses each rose more than 40%
- The Minority population will grow rapidly in the 21st century. According to the U.S. Census Bureau's middle series of the national population projections released in January 2000, the combined race and ethnic minority population will grow from 79 million in 2000 to 178 million in 2045





# Business Case for Supplier Diversity

- There are essentially five pillars supporting the practice of supplier diversity.
  - To transform a supply chain to better reflect the demographics of a particular area in an effort to increase revenue and loyalty in that marketplace. Multi-cultural people might be more inclined to buy goods and services from a company that they know is doing business with diverse suppliers.
  - Drives innovation and creativity in the supply chain by getting input from different kinds of suppliers. Minority suppliers are on the cutting edge of developments in products, operations, marketing/advertising, and diverse consumer markets. Companies should be engaged with minority companies in order to identify new products and markets
  - Internally, the workforce benefits by seeing the company execute the concept of inclusion
  - For certain industries, the government and customers may require supplier diversity programs
  - Diverse suppliers often offer greater flexibility, more customer focus and lower cost structures



# Statements about Supplier Diversity from two international companies with a large local presence



## Goal is 10% of all spending

By establishing and supporting partnerships with the diverse business community, Wells Fargo increases opportunities for minority-, women-, LGBT-, disabled-, veteran-, and disabled veteran-owned enterprises to participate as partners and suppliers.

When suppliers have different experiences, perspectives, cultures and backgrounds, we know we will receive the most innovative and cost-effective products and services.

Wells Fargo recognizes that these diverse firms enhance our competitive advantage in the marketplace and contribute to the sustainability of the communities we serve



## Goal is 9.5% of total supplier spend

Heart, Head and Wallet are the pillars of our supplier diversity efforts.

**Heart** recognizes that we believe engaging diverse suppliers is the right thing to do.

**Head** recognizes that our future growth objectives are tied to our ability to market to emerging consumer franchises; we engage the diverse supplier community in the same manner.

**Wallet** signifies putting our money where our mouth is; we hold ourselves accountable for measurable progress in developing diverse supplier relationships.



# Best Practices

**Steve Curran**

Plant Manager  
General Mills

Email: [Steve.Curran@genmills.com](mailto:Steve.Curran@genmills.com)



# Supplier Diversity Best Practice Program Characteristics

- Institutionalized through formal corporate policy
- Built into compensation and performance goals for executives
- Supplier diversity goals set annually, and then tracked and reported regularly
- Formal training on supplier diversity for all new leaders
- Formal support to help MBE organizations get certified



# Major Buying Categories for Supplier Diversity

- Information Systems
- Direct Materials
- Facilities
- Transportation
- Staffing
- Travel Services
- Professional Services
- Marketing Services
- Engineering
- Office Supplies



# Self-Assessment Tools

**Lisa Sandos**

Supplier Diversity Manager  
Principal Financial Group

Email: Sandos.Lisa@principal.com



# Evaluate Supplier Diversity Efforts

- Compare year over year growth metrics
- Compare against established best practices
- Benchmark with other companies



# Metrics

- Spending with diverse businesses
  - Total dollars spent with diverse businesses
  - Percent of spend base
    - (few exclusions: taxes, salary)
- Inclusion in sourcing opportunities
  - Were diverse suppliers included – if not, why
  - Did they win the bid – if not, why
  - Value of the contract





# Established Best Practices

- NMSDC Best Practice Guidelines
- Five Levels of Supplier Diversity
  - Ralph G. Moore & Associates
- Dr. Melvin Gravely
  - Center for Entrepreneurial Thinking



# NMSDC Best Practice Guidelines

1. Establish corporate policy and top corporate management support
2. Develop a corporate minority supplier development plan
3. Establish comprehensive internal and external communications
4. Identify opportunities for MBEs in strategic sourcing and supply chain management
5. Establish comprehensive supplier development process
6. Establish tracking, reporting and goal-setting mechanisms
7. Establish continuous improvement plan
8. Establish a second tier program



# Benchmark with Others

- Peers in similar location
- Peers in same industry
- Peers across industries
  - [www.comsda.com](http://www.comsda.com)



# Targeted Small Business

**Lori Young**

Marketing and Compliance Manager  
Targeted Small Business Program  
Iowa Department of Economic Development

Email: [Lori.Young@iowa.gov](mailto:Lori.Young@iowa.gov)



The Targeted Small Business Program of Iowa helps women, minorities, and the disabled ***start or expand a small business in Iowa.***



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# What is a targeted small business?

A targeted small business (TSB) is one which meets the following minimum criteria:

- ✓ For profit business in Iowa
- ✓ Annual gross income < \$4 million
- ✓ Majority ownership and management by a woman, minority or a disabled person
- ✓ Majority Owner is a State resident

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# What's In A Number?

635

Certified TSBs  
in Iowa.

\$37, 295,405.00

TSB spending by  
State agencies -  
FY10!

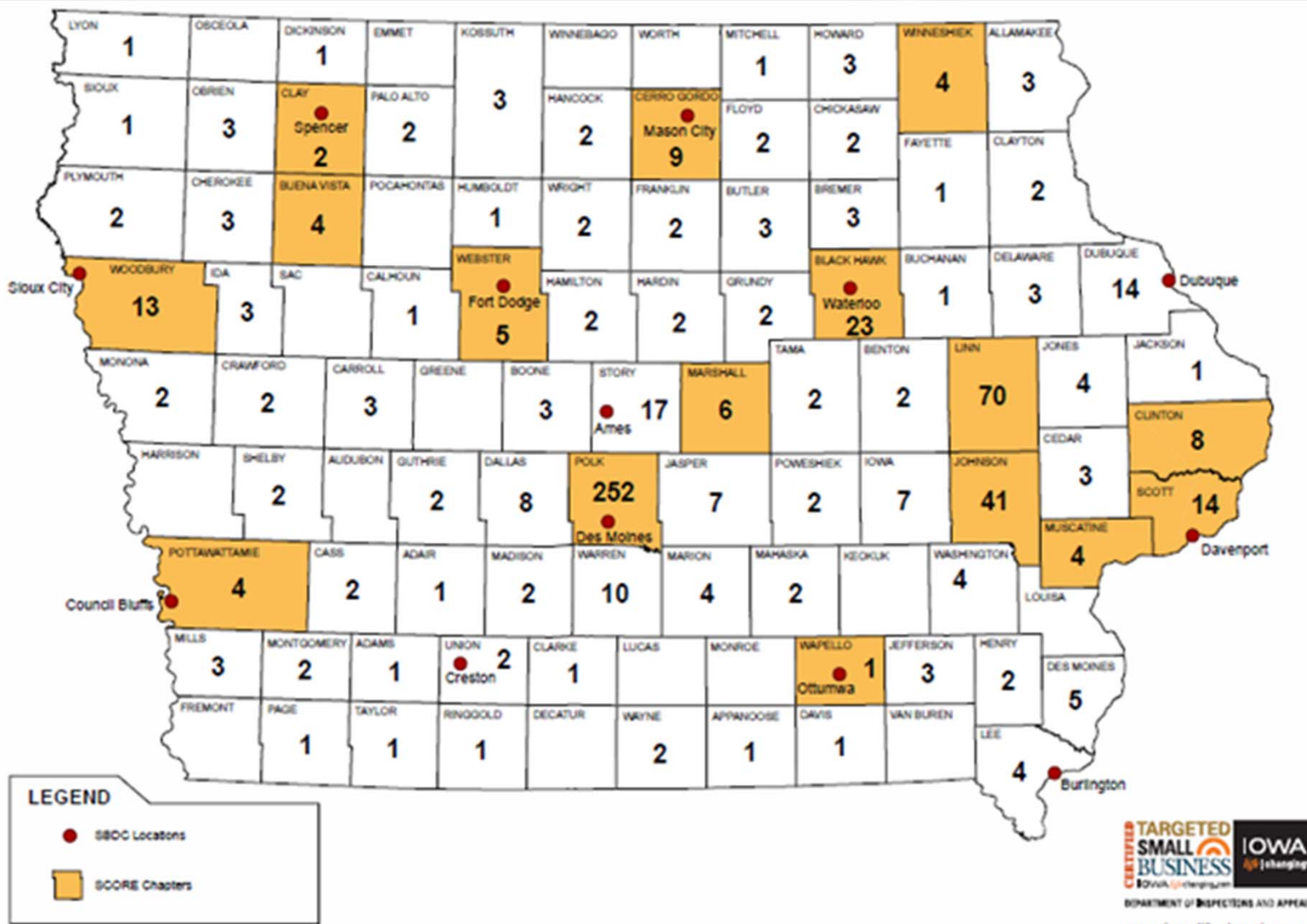
\$343,000.00

Loans awarded  
in FY10!

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# Where the TSBs are...



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# What Types of Businesses do TSBs Have?

- Computer Programming/IT
- Marketing/PR
- Architects
- Construction (from carpentry to electrical, mechanical, to concrete, demolition)
- Data processing
- HR Placement/Recruitment

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# What Types of Businesses do TSBs Have?

- Printing
- Graphic Designers
- Engineers
- Office Supplies/Equipment
- Maintenance/janitorial
- Caterers
- Florists

***And much more!***

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# The TSB Online Directory

- Find it at...

<https://dia.iowa.gov/tsb/index.php/search>

All TSBs have a business profile that details

- Business description
- Address, phone, fax, and email
- Website

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# The TSB Online Directory

## The Directory is Searchable

- By type (female-owned, Latino, Asian, etc.)
- By county or city
- By service category (construction, printing, IT, etc.)
- The Directory is downloadable
- Download the entire directory or just a particular search abstract (Landscapers in Polk County, for example)

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# Don't Let the word "Small" Fool You!

Targeted Small Business owners are:

- Capable
- Responsible
- Flexible and nimble
- Professional
- Experienced

*And they are ready and waiting to hear from YOU!*

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# To Learn More....

Lori A. Young  
Marketing & Compliance Manager  
Targeted Small Business Program of Iowa  
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*Call me! I'd be glad to help!*

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# Wisconsin Iowa and Central Illinois Minority Supplier Development Council

*An Affiliate of the National Minority Supplier  
Development Council*

**Dr. Floyd Rose, President**

floydrose@suppliercouncil.org



# Background

Council Enterprises, Inc. (d/b/a Wisconsin Iowa and Central Illinois Minority Supplier Development Council) is a 501(c)(3) nonprofit organization consisting of companies and public agencies from throughout the three-state region.

Members work together to increase the amount and quality of business transacted with minority-owned firms.

Membership in the Council is a voluntary effort that demonstrates the initiative of the private sector concerning minority business opportunities.





# Background

The Council's role is to support and develop minority-owned businesses by facilitating important connections between corporations and minority suppliers.

Our regional Council operates under the umbrella of the National Minority Supplier Development Council, (NMSDC) one of the country's leading business membership organizations. It was chartered in 1972 to provide increased procurement and business opportunities for minority businesses of all sizes.





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photo by Victor Powell

**Joset B. Wright, President**  
**National Minority Supplier Development Council**



The NMSDC network includes a national office in New York and 37 regional Council's across the country. There are 3,500 corporate members throughout the network, including most of America's largest publicly-owned, privately-owned and foreign-owned companies, as well as universities, hospitals and other buying institutions.

- 90% of the Fortune 500 are members of the NMSDC



# Results

- Nationally ... during 2010 \$81 billion dollars was spent with minority-owned businesses associated with the National Minority Supplier Development Council.
- Locally ... \$2.7 billion was spent with Wisconsin Council minority-owned businesses (MBEs) during 2010.



# Services

The Council shares its collective knowledge through an online newsletter, monthly general membership meetings, ongoing membership mailings and events.

Activities and programs of the Council are designed to bring buyers and sellers together to discuss business problems and share knowledge.



# Heart of Illinois Business to Business Symposium



11 October 2011  
The Gateway Building  
Peoria, Illinois



# Partners for Profit Business to Business Symposium



27 March 2012

Country Springs Hotel & Conference Center  
Pewaukee, Wisconsin



# Iowa Minority Business Exchange



May 2012  
Wells Fargo, Inc.  
Des Moines, Iowa





# Programs & Services

- Certify and match minority-owned businesses (Asian, Black, Hispanic and Native American) with member corporations that want to purchase goods and services



# Newsletters



The Wisconsin, Iowa and Central Illinois Minority Supplier Development Council issues a monthly electronic newsletter, entitled *The Least Traveled Road*, outlining events, services and special notices.



# Programs & Services

- Educational seminars, training and technical assistance for buyers and suppliers to assist in personal and professional growth
- Networking opportunities and organized purchasing categories at which vendors speak directly to appropriate purchasing agents
- Corporate or vendor directories and other publications



# Programs & Services

- Working capital loans to certified minority businesses that have contracts with NMSDC national and regional corporate members, through the Business Consortium Fund (BCF), as well as longer-term financing through the BCF's Specialized Small Business Investment Company (SSBIC)
- Dissemination through the Minority Business Information Center of vital statistics and information pertinent to the changing picture of minority-business development



# Challenges

- Growing disparity between MBE expectations and corporate/buying entity opportunities
- Growing number of new supplier diversity programs nationally
- Coping with the increasingly complex contracting/sourcing environment due to strategic purchasing and corporate outsourcing

# Establishing a Process

- Drive the use of minority business development best practices of Wisconsin Iowa Central Illinois Supplier Development Council (WSDC) corporate members through a structured program of process improvement and best business practice sharing
- Standardize minority business participation metrics and reporting methodologies among participants
- Substantially expand the impact of WSDC on minority sourcing in the council's service area by increasing the number of corporations with mature minority business development initiatives
- Enhance the Council's corporate membership experience

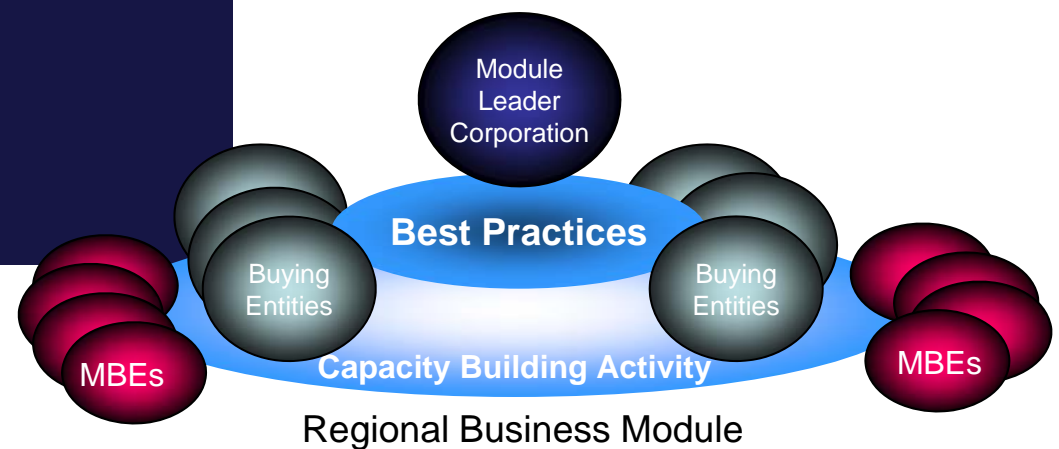
# Supplier Diversity Training Module

A Training module is composed of 8-10 corporations/buying entities that have committed to significantly increase procurement from minority firms by implementing minority business development best practices

**Topics**

CEO/Senior Management Involvement and Policy Statement

- Dedicated Resource Deployment
- Procurement Professional/Key Management Training
- Advanced Program Tracking
- Linked into Corporate Procurement and Sales/Marketing Processes
- Required Certification
- Innovative Supplier Development Initiatives
- Communications Strategy
- Outreach Activity
- Second Tier Initiative



# Supplier Diversity Training Module

- Each corporate business module participant will offer technical assistance and capacity building in at least one developmental area
- Module performance data will be tracked including corporate purchases from MBEs, MBE purchases from MBEs; and corporate best practice scores from a supplier diversity best practices assessment

## Technical Assistance and Capacity Building Activity

- Six Sigma
- Lean Manufacturing
- Executive Education
- Proposal Development
- Financial Analysis
- Bonding Support
- Project Estimating
- Project Management
- Strategic Selling
- Human Resource Management





# Benefits

- Modules provide structured environment for corporations to strengthen minority business activity
- Modules provide MBEs to stay current with industry standards



# Corporate Partners

Alcoa, Inc.  
Alliant Energy  
Altria Group  
Ameren Corporation  
American Family Insurance  
American Packaging Corp.  
Archer Daniels Midland Co.  
AT&T  
Auto Club Group, The  
Ball Corporation  
BIS Frucon Industrial Svcs.  
Boyd Gaming Corporation  
Cardinal Health  
Cargill, Inc.  
Case-New Holland Corp.  
Caterpillar, Inc.  
CDW Corporation  
CenturyLink (Embarq)  
Chrysler Group LLC  
Citgo Petroleum Corp.  
Cooper Power Systems  
Cummins, Inc.  
Deere & Company

DuPont Company  
Eaton Corporation  
Enterprise Holdings  
Federal-Mogul Corp.  
General Electric Company  
General Mills, Inc.  
GMR Marketing, LLC  
Goodyear Tire & Rubber  
Harley-Davidson Motor Co.  
Harris Bankcorp, Inc.  
Hershey Foods Corp.  
Honda of America Mfg. Inc.  
Illinois Tool Works  
Johnson Controls, Inc.  
JohnsonDiversey, Inc.  
JPMorganChase & Company  
Kimberly-Clark Corporation  
Kohl's Department Stores  
Kraft Foods, Inc.  
Madison Gas & Electric Co.  
Major League Baseball  
Manpower, Inc.  
Marshall & Ilsley Corp.  
Mattel, Inc.  
McCain Foods USA, Inc.  
Michels Corporation  
MillerCoors, LLC  
Milwaukee Metro Sewerage Dist.

Milwaukee Public Schools  
Mitsubishi Motors N.A., Inc.  
Monsanto Company  
Motion Industries, Inc.  
Navistar Truck Group  
Nestlé USA, Inc.  
Northrup Grumman NN  
Northwestern Mutual Co.  
Office Depot, Inc.  
OfficeMax, Inc.  
Principal Financial Group, The  
Procter & Gamble Co., The  
Prof. Golfer's Assoc. of America  
Quarles & Brady LLP  
Rockwell Automation, Inc.  
S.C. Johnson & Son, Inc.  
Schneider National  
Schreiber Foods, Inc.  
Sears Holdings Corporation  
Siemens Corporation  
State Farm Insurance Cos.  
Strattec Security Corporation  
Telephone & Data Systems  
Temple-Inland  
Tenneco, Inc.  
Terex Corporation  
Time Warner, Inc.  
Tyco International Ltd.

U.S. Bank  
United Parcel Service, Inc.  
United Technologies Corp.  
VA Central IA Healthcare System  
Veolia Water Milwaukee  
W.W. Grainger, Inc.  
Walmart Stores, Inc.  
Wells Fargo & Company  
WHEDA  
Wisconsin Energy Corporation  
Wisconsin Physicians Service  
Xcel Energy



# Local and National Resources

- National Minority Supplier Development Council
- Targeted Small Business Program of Iowa Economic Development
- African American Business Association
- Iowa Asian Alliance
- Alianza Latino Business Association
- Small Business Administration
- US Hispanic Chamber of Commerce
- National Association for Women Business Owners
- Minority Business Development Agency



# The Greater Des Moines Partnership Diversity Award Supplier Diversity Section

The Greater Des Moines Partnership's Diversity Award is a distinct recognition honoring employers who have made significant achievements in championing diversity at their businesses and organizations.

The award also showcases the efforts of these employers in the community and is presented at the Greater Des Moines Partnership's Annual Dinner.

This year 10% of the points are for Supplier Diversity efforts.

You must be a regional member or investor in the GDMP. Applications are available now and due by 10/7/2011.

For more information go to [DSMpartnership.com](http://DSMpartnership.com)

