Fall 2008 Edition

From the Director

CHANGE...OR NOT TO CHANGE

The new mantra that seems to be permeating society these days is “change”. The recent national election won by President-elect Barack Obama was predicated on the fact that change was needed in Washington and that the old way of thinking and doing things had to be done differently. We must change the way we deal with other governments and we must change how people around the world view America.

The housing crisis here in the United States has caused a ripple in financial markets around the world and changes are evident in the way governments who profess “free market” theories are being forced to dip into overburdened treasuries to prop up those same financial markets. Ironically the financial markets have fought so vigorously in the past against government intrusion and have been some of the strongest proponents of allowing markets to correcting themselves without government intervention and oversight. That will change! Some change is inevitable and welcomed. However, operating a business, especially a small diverse business, in an environment of such rapid and catastrophic change presents sometime overwhelming obstacles for business owners. Businesses crave stability in order to grow and prosper.

Purdue University is not immune from change. In recent months we have welcomed a new President, Dr. France Cordova, a new Provost, Randy Woodson, we are currently conducting a search for the replacement for our Executive Vice President and Treasurer Dr. Morgan Olsen. These are the top three administrators at the university. We have changed our computer systems to allow better data collection and reporting and our basketball team is ranked #11 in preseason polls. All great changes!

However, there are many things that are not changing at Purdue and one is our commitment to diversity in general and supplier diversity specifically.

Two years ago, Joe Bennett who served as Vice President of University Relations, responded to a letter from an alumnus who was questioning why Purdue was devoting resources to a supplier diversity program. The author suggested that Purdue was attempting to be “politically correct” and should not be engaged in “preference” programs for one group of society. Joe’s response was thoughtful and address why the university felt this was critically important in fulfilling its role as premier institution. Here is Joe’s response.
Dear …..

Your letter concerning Purdue’s diversity initiatives was referred to me. Increasing the diversity of the university is an overarching goal of Purdue’s strategic plan. While at first glance, this may seem like an exercise in political correctness, the goal is an essential component of a much broader initiative to make Purdue a better university in all ways and specifically a more valuable resource for the state of Indiana. President Martin Jischke frequently tells audiences at his speaking engagements that Purdue belongs to the people of our state. “This is your university,” is one of his favorite statements, and we take those words to heart. In a perfect world, the various ethnic groups on campus would approximate their proportions in Indiana’s population, and they would achieve comparable academic success. However, this is not the case.

For example, the percentage of African American and Hispanic people in the student body, faculty and staff are significantly lower than their representation in the state and national populations. Women also are underrepresented in our enrollment.

While Purdue welcomes students from every background today, this was not always the case. Prior to the 1960s when you and I were students, the university accepted very few minority students and actually went out of its way to discourage their enrollment. We are not proud of this history, but we cannot deny it. Purdue’s past policies were consistent with discriminatory practices that were pervasive and considered acceptable in education, business, government and other areas of our society for most of our nation’s history. The passage of civil rights legislation and the shift in attitudes that has led most Americans to recognize that these practices were unfair have opened up many opportunities. But these changes have not eliminated the effects of decades of systematic discrimination. Many generations of people did not have a realistic chance to enroll at Purdue or universities like it, and we are still suffering the effects of that as a state and a nation.

Likewise, many generations did not have a fair chance to be successful in business, and that is the reason for the existence of the Office of Supplier Diversity Development. Many firms owned by minority individuals or women are relatively small, newly founded and have not had full access to the information needed to be successful in competing for Purdue contracts. Conversely, many people responsible for purchasing decisions within Purdue are unfamiliar with these firms. The Office of Supplier Diversity Development works to improve understanding at both ends of these potential transactions.

Ultimately, every Purdue contract is awarded to and every purchase is made from the lowest and best bidder — just as every student is admitted to the university under the same academic standards and every employee hired is the one considered most qualified for the position.

Purdue initiatives like the Office of Supplier Diversity Development and the many programs that are designed to promote academic success for minority students are not intended only to assist minority owned firms and minority students. They exist also to support the economic and social development of the state and nation. We know without question that students who graduate from Purdue will in overwhelmingly proportions become highly productive citizens, earn higher incomes, pay more taxes, be more involved in their communities and send their children to college, which will perpetuate their success in future generations. Similar benefits will accrue with minority- and female-owned firms that become successful. When these things happen, everyone benefits — not just the direct participants of these targeted programs.

You indicated in your communication that you would like Purdue to judge everyone on individual merit. I hope I have made it clear that the university does this, but that it also has a commitment to helping individuals and organizations overcome the lingering effects of a past era when a different reality was the norm.

Thank you for expressing your views and please let me know if you have additional questions or concerns.

Joe Bennett’s response signaled the commitment of the university and that commitment continues. Even though Joe is now retired and there have been changes in top officials here at Purdue University, the commitment to supplier diversity is as strong as ever. President Cordova and the Board of Trustees continue to search for more diversity in staff, faculty, students and suppliers and vendors throughout the campuses.
So as society forges ahead with its change agenda, be assured that diversity shall remain a constant here at Purdue University. Be prosperous and we will talk again soon.

Jesse L. Moore
Purdue University
Director of Supplier Diversity Development

Supplying the global economy

Written by Deann D. Holcomb  Minority Business News 2008
August 28, 2008

How does minority supplier development fit into strategic planning process of corporations?

That was the topic of a workshop held at the National Minority Supplier Development Council Conference and Business Opportunity Fair last October in Miami. With the theme, “Building the Global Economy of Tomorrow Today,” the NMSDC held a number of workshops targeted at minority business enterprises and corporate supplier diversity professionals.

The moderator of this strategic planning process workshop was Robert McCormes-Ballou, CPM, director, merchandising, Office Depot. Presenting were Pam Eason, vice president, worldwide procurement, Pfizer, Inc. and Paula S. Carter, manager, procurement diversity, Honda North America.

Pfizer’s personal account

The commitment to diversity and inclusion has long been an integral part of Pfizer’s overall strategy and mission, from both an internal and external perspective. Since the year 2000, according to Eason, Pfizer has been especially active in supplier diversity and working with MBEs and WBEs, with a current annual spend of about $500 million.

“Something we’re very proud of,” Eason continued, “is that our [diversity] program has continued to improve since 2000. At the end of 2005 we created an additional focus on expansion of our activities around diversity and inclusion.” This strategic approach was two-pronged, “concentrating on both colleagues that we hire and the suppliers we do business with.”

From an internal standpoint, the company has adapted some of their human resources processes “to make sure that we really are becoming a more diverse and inclusive group,” Eason said.

From an external perspective, working with national advocacy groups is a move towards a more progressive diversity strategy. The company has partnered with NMSDC and the Women’s Business Enterprise National Council to offer more diversity opportunities to both MBEs and WBEs, including providing financial contributions and scholarships, participating in annual conferences, and more.

Pfizer has also extended its diversity efforts abroad. In the United Kingdom, they participated in the NMSDC program and area charter member of WBENC. In April 2007 Pfizer kicked off an initiative in Canada, where they have a strong partnership with NMSDC, focusing on “the visible minorities that are certified.” A year later, they are seeing real progress.
Supplying the global economy (continued)

“We are committed to staying on the leading edge of what’s happening [in supplier diversity],” Eason said.

Furthermore, Pfizer’s commitment to forefront diversity took them on an NMSDC-sponsored trade mission to South Africa, where company procurement leadership was able to meet with government officials as well as black-owned businesses, giving those BEEs the opportunity to partner with key suppliers of the pharmaceutical company.

“We’re committed to NMSDC and WBENC,” Eason said. “We are strongly encouraging [suppliers] to become members of NMSDC or WBENC.”

Honda breaks down the process

While Eason offered a glimpse into Pfizer’s supplier development strategies, Carter shared several key elements of a strategic supplier development plan.

“First and foremost, there must be long-term upper management commitment. Otherwise, you really can’t do anything,” she said. “The upper management must agree, must understand and must want to go through the process and make sure it’s a win, not only for their corporation, but also for the suppliers as well,” Carter explained.

The corporation must understand that money and/or resources may need to be invested and that ways of measuring performance and quality must be put in place. Minority supplier development must be part of the company’s business plan, Carter said.

“That is like your bible. It must be in your business plan throughout your organization. A corporation must focus on best practices and ensure that matrixes are in place,” Carter said and added that the supplier must be involved in the new product and process development.

She continued, “A successful strategic plan must include internal and external training. [Your organization should] set targets and implement those targets and set expectations within the business process,” Carter said and expressed the importance of setting goals.

“There must be a consensus between the corporation and the supplier so that both parties understand what needs to happen and the processes they need to be successful,” Carter said. “When gathering information, learn the suppliers’ capabilities. What are some of your musts and wants? What is it that the supplier needs in order to be successful?”

Carter added that the plan should also include a gap analysis, “to determine where the supplier is and where the supplier needs to be. [Ask yourself] ‘What are the plans we need to put in place in order to get the supplier to the point of the must meet area to meet the requirements?’” Carter said.

She also looked at cross-functional teams that include representatives of the various business units, various facilities, engineers and people from planning and administration. She explained how the team approach can assist with the implementation process.

Carter then turned attention to reporting within the supplier management team, an exercise she said must-be done on a quarterly and annual basis.

“This is key. There must be supplier feedback. If the purchasing team is looking at a supplier and there are some issues, then they need to get back to that supplier and express what those issues are so that they can be counter-measured and worked on [so the purchaser and the supplier] can go further,” Carter said.
Carter concluded her talk, reiterating that focusing on minority supplier development in strategic planning can contribute to the bottom line.

“We have to work together as a team. We now realize that the consumer out there could very well be a business owner. We want to recognize that. Yes, we feel we have a very good product, but we also know that we need you. We need each other in order to grow.’

Keeping small business up, while trends head down
Helping independent businesses through tough economic times

Written by Joseph R. Cardamone
Indiana Minority Business Magazine, Fourth Quarter ‘08

For small business owners, everything is amplified. For instance, the landing of a large new account is not only a professional success, it’s a personal success that can mean long-term financial security for your family. At the same time, every setback, small or large, hits even harder. When times are tough for the overall economy, they are exceptionally tough for small business owners.

Recently Discover® Small Business Watch found that economic confidence among small business owners dropped to a record low. Nearly 80 percent of small business owners throughout the U.S. economy was getting worse. With the prices of most goods rising, especially gas and food, nearly every participant in the American economy is feeling the pinch. It’s unavoidably trickled down – your customers are probably looking to change behaviors and cut back. The result for you and your small business: reduced opportunities, stagnant cash flow and slimmer profit margins.

Therefore, in times like these, it’s important that a small business do all it can to survive. A little bit of innovative thinking and belt tightening can go a long way – and for entrepreneurs, this should come naturally.

Here are some tips that can have a big impact on your bottom line.

Show me the money:
An important aspect of getting paid on time is clearly articulating expectations with your customers. Boldly, but respectfully, emphasize what work was done, how much should be paid and when the money is due. Consider offering a pre-payment discount or incentive.

Tech-savvy:
Use technology efficiently. Technology and frugality can go hand in hand. Consider Web-based accounting software and video conferencing. Embracing the Web can save money while simultaneously providing education on important tech advance in the business world. Similarly, use multi-tasking tech products like the DYMO LabelWriter Twin Turbo, a printer that prints both labels and online U.S. Poster Service-approved postage.

Boost sales (while maintaining costs):
Charge for products or services currently given away for free or consider raising prices. At the same time, focus on selling more to existing customers instead of prospecting for new ones.

Market smart:
Save on time, phone bills and aggravation. Try using targeted email sales pitches. Additionally, spruce up the company Web site. The virtual address of a business has become more important than the physical address.
Keeping small business up, while trends head down (continued)

Stay visible and helpful:
Keep in touch with customers. Ask how their business is going. Confirm that you have been a helpful partner for them and then for referrals. Contact dormant customers and inquire about current business needs.

Inventory in motion:
Is inventory producing or just taking up space? Have a sale to move slow or obsolete inventory. Examine customer purchase patterns to determine if it is possible to shorten the overall holding cycle.

Keep workers working:
Cut down on unnecessary employee trips outside of the office. Purchase a coffee make or buy soda for employees; it saves them $4 at Starbucks and the business 20 minutes of lost productivity time. Also consider streamlining common business errands; order office supplies online and take advantage of online shipping solutions, where the postal worker can pick up packages from your business instead of your workers having to take them to the Post Office. Additionally, there are now discounts available on USPS shipping costs for using online services like Endicia Internet Postage™.

Don’t cut the perks:
As tempting as it may be, cutting little employee perks (free coffee and bagels, holiday parties, etc.) can make people feel undervalued and potentially lead to employees leaving. The small extras tend to be taken personally. Keeping perks maintains employee confidence in your business’ strength and can inspire them to go the extra mile. In the end, it’s up to each small business owner to decide what his or her priorities are when it comes to braving tough economic times. These ideas are just a few of the many available. Thinking outside the box is part of the entrepreneurial lifestyle, when first starting a business and furthermore when guiding its growth. Adapting and overcoming the challenges of today will make your business even stronger in the years to come.

Joseph R. Cardamone is president of the United States Federation of Small Business (USFSB), Founded in 1983 by small business owners. USFSB advocates for the rights and interests of small businesses and the self-employed. Their mission is to help their members grow and prosper by joining together and effectively promote small businesses interests before local, state and federal lawmakers.

CVM Informer
Spend Matters-- The Business Blog for Spend Management

http://www.cvmsolutions.com/CVMInformer/May2008.htm#Analysis

How Small Businesses Can Benefit From the Economic Stimulus Act

By Michael Pappas

August 04, 2008

Keywords: business, small business, economy, economic stimulus, IRS, Small Business Administration, tax, taxes, SBA, stimulus

Michael Pappas is the regional administrator for the U.S. Small Business Administration.

Many of us have either already received or are expecting soon our economic stimulus checks from the IRS. Those checks are an important part of the Economic Stimulus Act of 2008, but for small businesses, there are other provisions in the law with the potential for far greater benefit.
Small Businesses Can Benefit From the Economic Stimulus Act (continued)

The most important thing to remember about the act's small business benefits is that the special bonus depreciation provision expires at the end of 2008 and the Section 179 expensing provision expires at the end of your business tax year that begins in 2008. Time is definitely of the essence to take advantage of these opportunities.

The act allows far more depreciation deductions on purchases of most types of tangible property and computer software bought this year. These deductions reduce the taxable income of the business or its owners, with the potential to dramatically reduce your 2007 or 2008 business tax year liability. This means you will recover a far larger portion of the price of property placed in service this year through tax savings than you normally would. Your business will benefit from the additional productivity from the new machinery or equipment, you will benefit from the tax savings, and the economy will benefit from the additional economic activity your investment generates. Talk about have your cake and eat it too!

The additional deductions fall in two categories: Section 179 expensing and a Special Depreciation Allowance. Section 179 of the tax code allows businesses to write off investments in eligible property immediately instead of depreciating it over time.

The normal limit for the Section 179 write-off is $128,000 total for your business tax year, but for eligible property purchased and placed in service in your business tax year beginning in 2008, the limitation is almost doubled to $250,000. The $250,000 deduction amount is reduced only when a business purchases more than $800,000 of eligible property.

Let me repeat that: for an eligible company and property, you will be able to write off completely against your taxable income up to $250,000 of investment in property you place in service in the 2008 tax year so long as you do not purchase more than $800,000 of eligible property that year. This can create a tremendous cash flow advantage to you and your business.

The second provision of the act is the Special Depreciation Allowance. This allowance is in addition to the Section 179 write off and allows the business to take depreciation of 50 percent of the cost of the property after taking the 179 expense. Then on the 50 percent that is left, you still get to take your full first year depreciation. To qualify for the Special Depreciation Allowance, the original use of the property must begin with the taxpayer after December 31, 2007. In other words, the property must be "new" property.

For the eligible equipment that you buy before the end of this calendar year and after the beginning of your 2008 tax year, you can get up to three deductions in your 2008 tax year. For example, if you purchase and place into service eligible property that costs you $450,000 on August 1, 2008, and your 2008 business tax year starts July 1, 2008, you can have the 179 expense of $250,000, the Special Depreciation Allowance of 50 percent of the remainder, $100,000 and still take the regular first year depreciation on the remaining $100,000 of basis. On property with a 5-year tax life, that could mean a write-off of $370,000 in your 2008 business tax year for an investment of $450,000. If you purchase and place into service this same property after December 31, 2008, but still in your 2008 business tax year, you can still take a 179 expense up to a total of $250,000 on all eligible property purchased in your 2008 tax year.

If you want to really leverage the tax savings, the U.S. Small Business Administration's loan programs are designed to help small businesses grow. Because of the long-term nature of both the 7a and 504 loan programs, your payment on an SBA loan this year could easily be less than the tax savings you receive so you could actually generate cash for your business in 2008 by financing the equipment purchase with an SBA guaranteed loan. Contact your nearest SBA office by visiting www.sba.gov to find a participating lender in SBA's 7a or 504 loan programs.
The Special Depreciation Allowance also helps with vehicle purchases, increasing the allowable first year depreciation on trucks and vans weighing less than 6,000 pounds to 350 percent of the normal maximum (from $3,160 to $11,160) and on automobiles to 370 percent of the normal maximum (from $2,960 to $10,960).

As always, there are exceptions. You will need to consult your tax advisor before making any decisions based on the 2008 Economic Stimulus Act. The Section 179 write-off is only available to companies that purchase less than $800,000 of eligible assets in the tax year and the Section 179 expensing limit for SUVs remains $25,000. Also, since these allowances are deductions from taxable income, they will only benefit companies that have profits to offset.

The SBA provides a Depreciation Calculator, fact sheet, on-line seminar and links to additional information on the act at http://www.sba.gov/stimulus/. The Internal Revenues Service provides additional in-depth information about the Act at:


2008 Economic Stimulus Act Provides Tax Benefits to Businesses

The Small Business provisions of the Economic Stimulus Act of 2008 are an excellent opportunity for you to invest in the equipment you need to take your business to new levels of productivity while providing great cash flow benefits from the tax savings you will experience this year.

DiversityInc. August 2008

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WELCOME:
Our office has a new employee - Lynnise Smith is our new Supplier Diversity Specialist. She comes to us from Case Western Reserve University in Cleveland, Ohio. Lynnise is a 2009 candidate for a Masters Degree in Psychology with a specialization in Diversity Management. Her area of interest is in Supplier Diversity. Lynnise can be reached by phone at 765.496.6606 or via email at lynnise@purdue.edu.

GOOD BYE:
Many of you may already be aware that Anthony "Tony" Sharpe is no longer with The Office Supplier Diversity and Development. Tony was awarded a full scholarship to pursue his Masters in Business Administration at Purdue University. Tony started with OSDD as an intern in January 2007 and with the expansion of the OSDD he was hired on fulltime as the Supplier Diversity Specialist in January 2008. We wish him well.
In The Spot Light

Diverse Business Partners:


Garcia Construction Group, Inc. (GCG) is an incomparable general contracting and construction management company leading with compelling impact for over 19 years. GCG has come to be recognized, respected and trusted as a result of the company’s efforts and achievements in the construction industry.

Our team of experienced diverse professionals strives to exceed our client’s goals no matter the size of the project. GCG utilizes a collaborative approach with our clients to the construction process. GCG is serving Indiana and Georgia and their surrounding counties with quality general contracting and construction management services in commercial, institutional, and industrial projects.

Our Mission:

“Achieving Success Through Knowledge, Talent, And Relationships:

- Profitability
- Leadership
- Safety

Governed By And Committed To Integrity.”


Doing business since 1992, Davis & Associates, Inc. is a minority-owned and operated General Contracting and Construction Management firm, with offices in Indianapolis, Indiana and Atlanta, Georgia.

Specializing in commercial, industrial and institutional construction, Fortune 500 clients include Eli Lilly and Company, Clarian Health Networks, SBC/Ameritech, Indiana Housing Authority, Indianapolis International Airport and Indiana University Purdue University at Indianapolis.

Professional services provided by Davis & Associates, Inc. for, Purdue University Mackey Renovation and Addition shall include, a Project Executive to assist in selecting the proper personnel to staff the project. We shall also provide a Purchasing Engineer to lead the MBE/WBE outreach efforts. The MEP Superintendent and Site Superintendent position for this project shall also be filled by Davis personnel. They will be held responsible for the coordination of the day to day construction activities for their respective trades. The Project Administration, also provided by Davis, will support the engineers, superintendents and the overall project team.

Global Orientations - http://globalorientations.com/

Global Orientations provides personalized tours, area orientations, and relocation management services for employment candidates and new hires. As an extension of recruitment and relocation process, both domestic and international employees on the move receive a personalized tour and orientation during pre-decision or home finding trips. Customized around the specific needs of the family, the personalized city tour and orientation connects candidates and new hires with information on schools, neighborhoods, real estate, temporary housing, social amenities, child-care, entertainment, hobbies, social networking, community, daily essentials, demographics and much more.
Diverse Business Partners (continued):

While this proven recruiting and on-boarding service is effective for all employee ranks as employment candidates or new hires, it has particular application for high-level positions and minority recruitment and retention.

Headquartered in Indianapolis, Indiana, G.O. provides orientation and relocation management services throughout the nation to universities, corporations, bio-tech firms, hospitals, and various other industries. The company was founded in 1998 by John Merriweather, Owner and President. More information about the company can be found at www.globalorientations.com.

Total Team Solutions - http://www.totalteamsolutions.com/Lalita_Amos.htm

Lalita started her company, Total Team Solutions, a global business and leadership development firm, over a dozen years ago after 15 years in Team and Leadership Development, Training and Human Resources in Fortune 500 companies and an international non-profit organization.

Lalita’s strategic planning, coaching, and training strategies aid entrepreneurs and entrepreneurial executives in building creative, collaborative, profitable enterprises.

She earned a Master’s degree with highest honors in Human Resources Management from the Keller Graduate School of Management, having received a Baccalaureate in Arts in psychology with honors from Purdue University.

In addition to being an internationally certified coach through organizations like New York University’s School of Management, Lalita has served on the faculty of two leading coach educational organizations. She was an adjunct faculty at New York University teaching the Historical Precursors to Coaching course, which she helped create and she lead intensive training coursework for business, career, executive and life coaches around the world for Results Coaching Systems, the foremost coach training company in Europe, Africa and Australasia.

Lalita serves her community on the Dean's Advisory Board for Purdue's College of Liberal Arts, the American Values Alliance and the Indianapolis Race Relations Leadership Network. Lalita's a member of the International Coach Federation, a lifetime member of CoachVille and a member of Purdue’s Order of Iron Key Leadership Honorary Society.

Lalita’s podcast, Like Nobody’s Business, has received national recognition and she’s a blogger, speaker and author.

She and husband, Garland Borden, an international IT Department Manager, reside in Indianapolis.

Staff Kudos:

Go West Young Man!

Dr. Morgan Olsen, Executive Vice President & Treasurer of Purdue University, is bidding us farewell and heading to his new post at Arizona State University. He will take a similar position as top administrator of business functions of the university. Dr. Olsen will be sorely missed. He led Purdue’s efforts in diversity with his Diversity Task Force which provided leadership in diverse hiring and retention, benchmarking against other universities and celebrating diversity initiatives with the Catalyst Awards. He initiated an internship program that targeted diverse seniors and recent graduates to the career opportunities at Purdue. He was also responsible for the award winning supplier diversity development program which germinated and matured during his tenure at Purdue. We all wish him well and much continued success at ASU.