From the Director

Looking Forward and Backward at the Same Time

No, this isn’t a subtitle for a 1950s low-budget sci-fi feature film. Neither is it a reference to Mrs. Davis, my 7th-grade homeroom teacher who had an uncanny knack of turning around while supposedly engrossed in writing on the chalky, dusty blackboard to catch me in the throes of whispering some hysterically funny story to friends sitting close by or stinging another classmate with a paper wad projected by a #2 wide rubber band. It doesn’t even describe my mother, who even though she was sitting 4 rows in front of me in church, would more times than I care to remember, distinguish my quiet giggle from that of one of my loud-mouthed brothers and would give me one of her patented glares that automatically drew from me my best, “It was him, not me,” look in response.

No, this is the exercise that we all engage in as the calendars change from one year to the next. Each New Year brings with it an opportunity to celebrate our accomplishments of the past 12 months and to evaluate our strengths and weaknesses while creating a plan for a successful future. It is a time for us to reflect on the effectiveness of our past strategies and assess how close we have adhered to our well thought-out plans. It is one of the interesting dichotomies of life; the best way to control the future, which holds vast opportunities with infinite options, is to know and understand the past, which is solid, unchangeable and written in stone.

2007 was a very productive year for supplier diversity at Purdue University. Our strategic plan calls for intensive outreach, and we either planned or participated in events that were designed to make the diverse business community aware of the opportunities that exist here at Purdue University and at the three regional campuses: Purdue Calumet, Purdue North Central, and Indiana University-Purdue University Fort Wayne (IPFW). We conducted a special meeting in Indianapolis that invited diverse design firms to meet and discuss the opportunities associated with the Mackey Arena Renovation Project. That meeting resulted in six diverse Indiana companies being added to the design team. The target for diverse business utilization was met at an unprecedented 45% level. We met that goal! Even though the start of the actual construction phase of the Mackey Arena Project is still months away, the Construction Management Team has been selected, and Turner Construction and Davis & Associates (MBE) will be overseeing the construction phase. I’m sure that diverse business utilization will be substantial based on their respective histories and based on Purdue University's desire to ensure opportunities are made available to those who may not have had access to those opportunities in the past.
Looking Forward and Backward at the Same Time (continued)

In June, 2007, Purdue University partnered with the National Association of Educational Procurement (NAEP) to lead a discussion on supplier diversity development in higher education. Recognizing the uniqueness of the laws and rules that govern the procurement of goods and services in an educational institution, representatives from over 50 universities converged on Indianapolis to spend two days sharing “best practices” and personal experiences related to building and sustaining a viable supplier diversity development strategy. The quality of the workshops and the breath of dialogue among the attendees indicated the need for this type of gathering more often in the future. The evening prior to the conference was dedicated to a welcome reception for the visitors and was attended by many diverse company owners, which afforded them the opportunity to network with the attending universities' representatives — representatives who actively seek to meet qualified diverse firms to do business with. It was a successful event!

Finally, in November the Supplier Diversity Coalition of Greater Lafayette held its 3rd annual Relationship to Partnership sessions. More than 370 diverse businesses met with buyers and procurement staff from Lilly-Labs Tippecanoe, Caterpillar, State Farm Insurance, Kirby Risk, Tate & Lyle Mfg., Alcoa, Wabash National, Ivy Tech Community College, the cities of Lafayette and West Lafayette, in addition to Purdue University. We are already working to include even more buyers from more firms for this year’s event. Deals are being made, and relationships are being established at this annual event. We had representatives from Ohio and Illinois, and one traveled from Florida to see just how we were bringing together diverse firms with decision-makers. We introduced Turner Construction and Davis & Associates as the construction managers for the Mackey Arena Project, and Morgan Burke, athletics director, gave an overview of the complete project. There was a special session on Sustainability and Green Purchasing that was attended by more than 100 diverse firms looking to position themselves as vendors of choice as corporations and institutions seek products and consulting professionals to minimize the negative impact we leave on the environment.

What’s ahead for 2008? More of the same; plus! We will continue the relationship-building as we include more diverse firms in our procurement processes. Firms that are competitive and provide quality goods and services, along with responsive customer service, will not be ignored. They will be successful as we continue to facilitate meetings with the appropriate staff here at Purdue University and other decision-makers from the Greater Lafayette community. In addition, we will be adding more awareness programs for our internal customers and developing more opportunities for those diverse firms that have been successful in securing contracts with the university. We will find new opportunities for companies that have shown they can provide a valuable product or service to the Purdue family.

So there you have it! A sampling of our exercise in looking backward and forward at the same time. We feel good about where we have come, and we feel even better about where we are headed. The Purdue family is pleased that we are recognized as a national leader in supplier diversity development; however, we know that there is much yet to be done. We are ready, willing and able to do even more as we develop a supplier base that reflects our state. Much success to each of you.

Jesse L. Moore  
Purdue University  
Director of Supplier Diversity Development
Minority Business Is Key to US Success

President Bush's national adviser on minority- and female-owned business affairs encouraged a group of Indianapolis entrepreneurs to get engaged in the global economy. Ronald Langston, national director of the Minority Business Development Agency, said Thursday that the success or failure of the U.S. will depend increasingly on the success of minority- and female-owned businesses, the number of which will grow as the minority population grows, he said. If the national minority business community is not growing and generating wealth, the nation will struggle competitively, he said. "It's not a handout. It's not about affirmative action. It's about competitive action," Langston said. He was introduced as the longest-serving Bush appointee to the roomful of business executives attending the Indianapolis Minority Business Enterprise Center networking event at the Eiteljorg Museum. The center's goal is to help minority- and female-owned businesses become prime contractors, handling major projects. Indiana had about 27,000 minority-owned businesses in 2002, generating $5.3 billion in annual gross receipts. The companies employed about 38,000 workers. "We must keep developing the entrepreneurial class," Langston said. "It doesn't happen in a void. It has to be developed, nurtured and driven." For more information, call the local Minority Business Enterprise Center at (317) 234-5223.

By: Andy Reichlin Minority Business News 2007

What Would Make White People Support Black Business?

Q WHAT WOULD MAKE WHITE PEOPLE SUPPORT A BLACK BUSINESS OVER A WHITE BUSINESS, ALL THINGS BEING EQUAL?
A I’ll assume that your question involves a hypothetical company, one that is average and, therefore, does not have a robust supplier-diversity program. I’ll also make the assumption that the procurement-department head and/or CEO is white. With all things being equal, and with the above circumstances, there are several reasons for a white businessperson to decide to do business with a black-owned business over a white-owned business. It’s called “supplier diversity.” It’s not charity. It is a process by which companies improve their business. Properly implemented, supplier diversity lowers costs and increases margin and/or revenue. THERE ARE SEVERAL WAYS THIS HAPPENS

• If you increase the number of suppliers with which you’re doing business, you will lower your overall procurement costs.

• Women/minority business enterprises (W/MBEs) are forming and growing at a much faster rate than business in general. Aligning your business with a growth sector is a good strategy.

• If your company is a consumer company, supplier diversity will help your company brand new consumers (your suppliers and their employees). In the process of doing business, your company will learn the skills necessary to better form relationships with people of color and/or women.
What Would Make White People Support Black Business? (continued)

- If your company is a business-to-business company, you probably already know that other progressive businesses are asking for supplier-diversity numbers on requests for proposals. You are at a competitive disadvantage if you do not have a good record to show.

- If your company is a business-to-government company, you already know that supplier diversity is a mandate. But beyond mandates is intent. Progressive governmental agencies (they’re not all the same) are looking for exceptional performance. The late Dave Sampson at Marriott told us of three $1 billion contracts they won from three different city governments on the basis of superior supplier diversity.

- Supplier diversity is a sound business practice, especially practiced by companies that outperform the general stock market indexes. The 2007 DiversityInc Top 50 Companies for Diversity averaged 9.3 percent of their procurement spend with W/MBEs; we estimate the national spend at 2 percent. The Top 50 companies, Expressed as a stock index, outperform the NasDaq, Dow Jones Industrial Average and the S&P 500 on a long- and short-term basis.

Ultimately, we must all realize that we are visually oriented tribal beings; diversity management – in this case, supplier diversity – isn’t going to come “naturally.” What comes naturally is to do business with people who look just like we do. Diversity management is like managing any other business discipline: Expectations must be clear, accountability must be absolute and vigorous metrics must be utilized.

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New ISBDC Analysis Tool to Assist Small Business

The Indiana Small Business Development Center Network (ISBDC) announces a new financial analysis tool for small businesses. Called Optimist, the tool is a comprehensive financial diagnostic and strategic analysis program designed to improve business performance. With the help of an ISBDC Business Advisor, clients can perform business health checkups and benchmark their company’s performance to similar sized entities in the same industry. Optimist can provide business solutions involving working capital management, financial forecasting, and business succession planning. ISBDC clients can now easily see which strategy is best for their business, increasing price or volume. Optimist supplies more than just numbers. Graphic representations of key financial results are included in all Optimist reports. These reports allow clients to see the change their businesses have made without having to study annual income statements or balance sheets. The power of Optimist rests in its ability to show what financial management actions companies are taking today that will affect their businesses in the future. The program also has a role in providing proactive counseling to strengthen companies from start-ups to existing enterprises. This is in contrast to a historically, mostly reactive stance in dealing with companies that are financially troubled - often too far along to avoid negative outcomes. To effectively use Optimist, clients must work one-on-one with a trained Business Advisor, who helps examine past business financial trends and works with the client to create calculated growth strategies. Optimist reports cost $49, and ongoing one-on-one business advising is always free. To become an ISBDC client please visit www.isbdc.org to find a local office.

The Indiana Small Business Development Center