Spring 2009 Edition

From the Director

YOU DON’T GET THE SUMMER’S OFF?

Years ago in my youth some of the most intensely anticipated time of the year was when school dismissed for the summer months. No more studying and homework. It was 10 weeks of finishing my chores earlier and spending hours upon hours playing baseball or basketball with friends. Equally anticipated were the days my mother would treat my siblings (9 brothers and sisters at the peak) and I to a picnic in the park. We would often go to Mallory Park in Dayton, Ohio, where the pool would beckon all those brave enough to dive, or even jump, off the high diving board. This was before all the injuries and lawsuit forced city parks department to remove the diving boards and forbid any diving whatsoever.

Later as I matured a few of my friends and a couple of my siblings secured excellent positions in education and they too looked forward to the summer months as a time for more leisurely activities. The education industry seemed to use the months of summer to rejuvenate and recharge; a time to slow down and take a deep breath and smell the roses.

Since coming to Purdue University, I have learned that not everyone in education gets to take the summer off. As a matter of fact May, June and July are proving to be 3 of the busiest months for supplier diversity at Purdue. Our aggressive outreach actually peaks during the summer.

We started this year in May with the first of 2 workshops entitled, “Bigger Profits through Targeted Sales”. The second session will take place on June 24th at the beautiful campus of Ivy Tech State College in Lafayette. The curriculum was designed by the staff of Purdue’s Agricultural/Economics group. This full day workshop combines small group discussions with full group interaction and culminations with an individual marketing plan for each participant. The day ends with a networking reception with members of the Supplier Diversity Coalition of Greater Lafayette. Firms like Lilly Labs of Tippecanoe, Caterpillar, State Farm Insurance, Alcoa, Wabash National, Freitag Weinhardt, Ivy Tech Community College and of course Purdue University.

Also begin in May and running for 10 consecutive weeks is the Turner Construction Management School. This partnership with Purdue allows attendees to utilize the comfortable environment of Purdue Extension facilities at Intech Park. This training will provide the participant with knowledge and the chance to interact with some of the well known practitioners in the construction industry.

On June 17th we will conduct our 4th Annual Construction Connection at the Walker Urban Life Center Building on Indiana Avenue. It will start at 5:30pm and we will have Purdue Physical Facilities staff to talk about ongoing and upcoming construction projects, representatives to provide an update on the Mackey Arena Renovation Project, and information on the Job Order Contracting projects. Judges will provide the catering and you need to RSVP by June 12th to be included.
In Indiana July means Indiana Black Expo, Summer Celebration. Purdue along with the 6 other State Educational Institutions (SEI’s) have actively supported the networking event sponsored by the State of Indiana Deputy Commissioner of Minority and Women Business Enterprise for the past 4 years. We will have our buyers attend and meet directly with minority and women businesses certified by the state of Indiana. The exchange of information has proven beneficial for the SEI’s and the MWBE firms. Having all the buyers from the schools in one location saves considerable time and expense for the MWBE companies.

Also at Black Expo this year, the SEI’s will conduct a panel discussion entitled, “How to do Business with Universities”. In this session the representatives of the SEI’s will spend time discussing the policies and procedures associated with the various types of procurement activities. We will cover “Responding to Formal RFP’s”, “Green Procurement/Sustainability Issues”, “A/E Selection Process”, “Procuring Commodities and Other Goods/Services”, “Public Works Projects” and others. The session is free and will be held Monday July 13th from 1-2:30pm at the Convention Center. This is only 2 of the sessions held during the Black Business Conference Monday-Thursday of Summer Celebration.

And finally there is our 5th Annual Relationship to Partnership Session held this year on November 12th here on our West Lafayette campus. I mention it now because we have secured our keynote luncheon speaker and she promises to be insightful and dynamic. She is Wendy Lewis, Senior Vice President of Diversity and Strategic Alliances for Major League Baseball. She will share how she has been so successful implementing supplier diversity in such a closed environment as major league baseball. She will be exciting to hear. Mark your calendars now and watch for more information soon.

So take the summer off? Not us! We are aggressive in touching the businesses in our community that for many years were forgotten and left out of the process. We are determined to spread the news that there are real opportunities here at Purdue University for all who wish to compete.

Until next time, be well.

Jesse L. Moore  
Purdue University  
Director of Supplier Diversity Development

Will the Stimulus Package Stimulate Minority Businesses?

The government will spend $499 Billion (the balance of the $787 Billion stimulus package are tax cuts and not actual spending) designed to stimulate the United States economy. Much of the money will be spent on construction and are elements of the package that include opportunities for a variety of industries including professional services companies, technology firms and training organizations. The big question among minority business owners is "will the stimulus package stimulate minority businesses?" The fair answer is we don't know but the signs are becoming clearer as the money starts to flow.

The bulk of the money will be spent through state and local governments. They will use their own current policy provisions and procedures to include minorities. Those states and communities who have a track record of spending considerable dollars with diverse firms will likely find it easy to continue their trend. Those many communities who have not done so well will face the same challenges with the stimulus money. This stimulus bill will be the biggest test of our systemic progress in our fifty year long efforts to increase minority participation.

What can diverse firms do to position themselves for success? Be careful what you ask for. Be smart about how you pursue the business. Be sure you know what you are really getting.
Be careful. The stimulus package is primarily a public sector initiative. Be careful if your primary experience is with the private sector. The projects may look the same but how you secure business, perform work and get paid by the different as oranges are to bananas. The complexity of processes, the means of supplier selection and even the delivering services to the public sector can be daunting. Assuming your private sector savvy will lead directly to public space. It won't.

Be smart. Even if you know the public space well, be smart about how you pursue the business. There will likely be a lot of processes. We know how it is you involved with the New Orleans recovery post Katrina may have a clue.) For expect payment to be slow). When I scenario. Make conditions. Seek complete process through project completion and especially the payment portion. Consider if you should be a prime or a sub. This is not the time to let the ego rein. The less experience you have with public agencies the more risk you assume as the prime. The risk is highest when you cannot know what you don’t know.

Be sure. We are clearly in a recession (or worse.) But even in this economic time all business is not good business. Be sure you know what you really get from the work you might do through this stimulus bill. Most observers will measure how much of this bill went through minority owned firms. The rest test is not how much went through but how much minority firms were able to keep. What did they keep in terms of capacity? What did they keep in profit and sustainable growth? What did they keep in new relationships? What about new knowledge and new processes and new personnel? A contract through this bill in not the goal. The contract is a means to the real goals of building a stronger, more competitive, and more profitable business. Is that what you are getting?

There are more questions about this stimulus package than there are answers. The good news is we will find out soon. The bad news is the learning will likely resemble drinking water from a fire hose. I pray the bill works for our nation and I encourage you to make sure it works for you. That’s what I think. What do you think? E-mail your comments to Dialogue@entrethinking.com.

By: Melvin J. Gravely, II 2009
Groups want diversity in stimulus hiring

WASHINGTON -- A group of 50 advocacy organizations has asked President Barack Obama to issue an executive order that encourages the hiring and training of minorities, women and low-income residents to work on federal construction projects, particularly those funded by the economic stimulus package.

"There is concern that without active steps to promote these goals, too few of these construction jobs will reach" these groups, according to a proposal written by the National Employment Law Project and the Partnership for Working Families.

The proposal is modeled on state and local programs around the country that require contractors on federally funded projects to hire and place some disadvantaged and underrepresented workers in apprentice training programs.

McClatchy first reported last month that minorities and women might miss out on jobs on large construction projects funded by the stimulus package because of regulations that could steer most of the work to unionized labor.

An executive order Obama signed in February "encourage[s] executive agencies to consider requiring the use of project labor agreements" on federal construction projects of $25 million or more. The agreements are collective bargaining agreements with labor unions that set the terms and conditions of employment on large construction projects.

Unless the agreements set goals for including underrepresented groups, however, jobs and training opportunities for minorities and women could be hard to come by because white men dominate skilled construction trade union membership. Regulations to implement Obama's executive order on the agreements will be announced in May.

The proposed executive order was sent to Martha Coven, special assistant to the president at the Domestic Policy Council. The White House had no immediate comment.

BY: TONY PUGH - MCCLATCHY NEWSPAPERS -- Published: Thu, Apr. 09, 2009 02:00AM
Modified Thu, Apr. 09, 2009 06:14AM

Governor outlines state’s stimulus energy conservation plan

March 20, 2009– Governor Mitch Daniels has announced that the state’s plan to use nearly $132 million in federal stimulus funding for energy conservation efforts that are 11 times the current annual program will be submitted to the federal government in the next few days.

“"In using federal stimulus dollars, our template is speed, jobs, and lasting value. In the conservation context, that means helping as many low-income Hoosiers as fast as possible while permanently reducing state energy consumption by the equivalent of one small power plant every 10 years,” said Daniels.

Here are the features of the state’s plan:

**Goals**

- Maximize energy conservation by lowering energy costs for as many Hoosier homes as possible. Energy savings per household are estimated by the federal government at 30 percent. (Energy audits of the existing Indiana energy conservation program show savings of around 15 percent for electric and 20 percent for natural gas.)
- Reaching the governor’s goal of a 20 percent to 30 percent reduction in energy consumed by each home would result in average savings of $15 to $25 per month.
Permanently reduce the state’s energy consumption. Avoid future energy use of 25MW per year, equal to one small power plant every 10 years.

**Funding**

- Indiana will receive $131.8 million in stimulus funding for energy conservation (weatherization) efforts. When this new effort and existing programs are combined, the state program will be 11 times the total of all current annual weatherization programs, which will continue.
- Funding will come in two increments of 50 percent from the U.S. Department of Energy. The first funding will be available upon approval of the state plan, which will be submitted to the U.S. Department of Energy by April 1, 2009.
- States are required to use the Weatherization Assistance Program funds by September 30, 2010. With a focus on speed, Indiana will work to complete its conservation activities as soon as possible and well before the federal deadline.

**Jobs**

- The state’s conservation program will fund at least 2,300 jobs.
  - 300 energy assessment and inspection workers will be trained, and about 2,000 energy contractors will be needed to complete the energy-savings home work.

**Program and participation**

- More than 30,000 low-income households will receive assistance. Participation will be from among those who have already qualified for the state’s Energy Assistance Program. This will reduce the opportunity for favoritism or fraud, which is of significant concern to the federal government.
- Participants must be at or below 150 percent of the federal poverty level. Priority will be given to elderly and disabled residents and families with children. Eligible households will be notified.
- Up to $5,000 per household energy conservation expenditure, beginning with an energy audit, and followed by installation of energy savings equipment such as programmable thermostats, LED lighting, insulation, caulking or even new furnaces or hot water heaters.
  - To serve more homes and maximize support of Indiana businesses, a state quantity purchasing plan will be used to purchase materials in bulk using the state’s Buy Indiana initiative, to the extent allowable by the American Recovery and Reinvestment Act legislation
- The state will issue a Request for Proposals the week of March 23 for the first 50 percent of the energy conservation funds. Bids will be sought from qualified non-profit entities such as Community Action Programs, Rural Electric Membership Corporations (REMC) and the Indiana Builders Association, to administer the funds and ensure that work is begun quickly and completed as soon as possible.
- Respondents will be required to demonstrate how efficiently the funds will be used and how many Hoosier households will be helped. Contracts will be performance based and respondents will be measured on how much conservation is achieved per dollar spent: the faster and more efficiently work is done and conservation is achieved, the more dollars a contractor will be awarded.

**Transparency and oversight**

- Oversight, transparency and accountability will be strict. The federal government has targeted this program for audits nationwide based on concerns about fraud and waste.
- Additional controls such as criminal background checks, legal status checks on workers, and quality assurance reviews will be incorporated.
Bigger Profits Through Targeted Sales Workshop

Bigger Profits through Targeted Sales workshop is a one day, hands on program that focuses on marketing and sales on two different dates. These workshops coach each participant to create their own strategic action plan for marketing and sales – that they can implement into their own business immediately.

The workshops will be held on Wednesday, May 13, 2009 and June 24, 2009 on the campus of Ivy Tech Community College in Lafayette, Indiana. To find out how you can develop your individualized marketing strategies, new and refined selling skills, and new business contacts, please visit our website at: https://www.agecon.purdue.edu/cab/newventures/biggerprofits2009.

Offered by the Supplier Diversity Development Coalition of Greater Lafayette

The Five Myths of Minority Business Development

Observing and studying business development over the past 15 years from the perspective of an MBE, a consultant and a professor in an Executive MBA program, there are a number of myths that are repeated so often that they take on the status of truth. Well like all myths, there is some truth in the story, but it largely is a fiction. Over the next five weeks, I want to discuss and identify five myths which coincidentally all begin with the letter C. These five myths are:

- The myth that a lack of capacity is a (the) major reason why MBEs are not succeeding
- The myth that certification is sufficient to earn you business with corporate and public sector organizations
- The myth that the lack of capital is a (the) major reason why MBEs fail
- The myth that companies love competition; and
- The myth that corruption explains the distribution of public sector contracts

The myth that the lack of capacity is the reason why MBEs are not successful, particularly with large corporations is a myth or in the very least a testable hypothesis. What does economic theory say about capacity and business success?

Capacity is important or should be important because of the impact capacity has on average total cost. Not all production technologies experience declining average total costs with increases in production. It certainly does occur in industries whose cost structure is dominated by large fixed costs/overhead. In utilities, some manufacturing, pharmaceutical production, and other industries where a large investment in plant or in intellectual property or in distribution system can create declining average fixed costs as output increases. In these industries, the early movers, the established firms, those with a large installed base will have advantages over smaller competitors or new entrants. In these situations capacity is important.

Capacity also matters when scale creates opportunities to purchase goods and services significantly below the costs of smaller rivals. This will also lead to larger competitors dominating the market. The near elimination of the single store hardware retailer by the big box stores is an example of how purchasing power and marketing power can transform an industry that did not have production economies of scale.

Capacity matters from the perspective of corporate buyers because of their geographic scope and the scale of their operations. A one stop solution with one primary vendor relationship eliminates the need to manage multiple vendor relationships for the same product or service. However, like most things in life, there is a tradeoff. When a company limits itself to one large supplier, even if that supplier is chosen competitively, does not guarantee that the company will achieve the lowest cost of ownership. In fact, when this strategic sourcing model is used when economies of scale are not present in the industry, the only thing it guarantees is a bankrupt supply chain.
In a number of other industries, perhaps in most of the U.S. economy, capacity does not matter when it comes to the relationship between size and average total costs. In many service industries where the primary economic resource is human capital, growing bodies is not the same as growing talent. This is the primary reason why most MBE firms are now in the service sector as opposed to industries that do require capacity. In industries where average total costs do not decline dramatically with size, smaller firms can stake a claim on a share of the market because of the quality of their services.

Arguing that capacity does not matter in all industries, is not the same as saying that firms should not seek to grow and develop. A marketing firm with one employee will have a difficult time competing against a similar marketing firm with 10 employees, assuming the 10 employees are talented. So MBEs should strive to get big, but becoming a firm with 500 to 5,000 employees is not necessary to become a successful and profitable supplier to corporate America.

Greater New England Council Newsletter, June 1, 2009
Printed with Permission, Fred McKinney

The Elements of a Business Plan:
First Steps for New Entrepreneurs

By organizing your thoughts on a possible business venture into a business plan, you begin the process of creating a successful enterprise. This publication addresses common questions about business plans and then discusses what is included in the major sections of a business plan. At the end, it also describes a number of common errors made when developing a business plan.

What Is in a Business Plan?

The business plan covers what you intend to do with your business and how it will be done. The process of writing down what is involved in bringing your idea to reality requires dealing with the why, what, who, how, where, when, and how much of your venture. Writing a business plan forces you to take a deep look at your idea and how you will turn it into a business. Doing so helps you recognize areas that need rethinking or support. Your business plan will typically include the following.

Business description—What do you plan to do; why are you starting the venture?
Market analysis—Who will be your customers; what do they want from you?
Competitor assessment—Who will you compete against; what do these competitors offer?
Marketing plan—How will you reach your customers?
Operating plan—How do you plan to implement your idea?
Financial plan—How much money will it cost, and where will you get the necessary funds?
Executive summary—What are the fundamentals of the venture?

This publication discusses each of these elements after answering some common questions about business plans.

Why Should I Write a Business Plan?

An important question that you should ask yourself early in the venture planning process is whether you should write a formal business plan. While many things may be occurring at once when a venture is being formed and you may be challenged for time, there are a number of very good reasons to put together a business plan.

First, a business plan helps provide direction by making you discuss where you want to take the venture and define what you want out of it. Second, a business plan provides structure to your thinking and helps you make sure you’ve covered all of the important areas. Third, a business plan prompts you to think about the future. For instance, a business plan might help you consider what you would do when, once your venture is developed, it attracts several competitors. A good business plan will include ideas for dealing with new competitors in your market, helping you prepare your business for this situation.
Finally, a business plan will help you communicate your idea, not only to financers, but also to employees, potential employees, suppliers, and customers. As a communication tool, a carefully developed plan will provide something that other people can react to. You can use their insights to help you develop a more successful venture.

Who Should Write the Plan?

The person or persons responsible for implementing the plan should be heavily involved in its development. Some people hire consultants or have employees draft the plan. If you’re going to be accountable for the decisions that will be based on the plan, then you need to be involved in its development. You might have input from experts as you develop the background and analysis for the business plan, but the business venture is an extension of your desires, goals, philosophies, skills, and abilities. If you are not directly involved, then it will not be an effective planning document.

How Long Should a Business Plan Be?

Part of the answer to this question depends on the audience for your plan. If you are going to use the plan to search for equity capital from a potential investor, then the plan should be comprehensive and detailed. It should certainly be longer and more detailed than a plan that is developed only for internal use by yourself and a partner. But more important than length is what the plan says. Some long plans may communicate very little, while some very short plans concisely communicate the essence of the venture. Thoughtfully and thoroughly considering all the areas of the plan is much more important than attempting to reach a certain length.

For more information contact the authors below.

By: Cole Ehmke and Jay Akridge: Department of Agricultural Economics, Purdue University

UPCOMING EVENTS

Construction Connection
June 17, 2009
Madame Walker Theatre Center,
617 Indiana Avenue, Indianapolis, IN 46202

Bigger Profits through Targeted Sales
June 24, 2009
Ivy Tech Community College, Ivy Hall,
3101 S. Creasy Lane, Lafayette, IN 47905

5th Annual Relationships to Partnerships Sessions
November 12, 2009
Purdue University, Stewart Center,
128 Memorial Mall, West Lafayette, IN 47907-2034
FOR IMMEDIATE RELEASE
May 4, 2009

NAWBO-INDIANAPOLIS’ DRAGOOG SELECTED TO NAWBO NATIONAL BOARD
President and CEO of RepuCare to represent Indiana

INDIANAPOLIS - Billie Dragoo, president and CEO of RepuCare, one of Indiana's largest and fastest growing specialty healthcare staffing providers has been selected to serve on the national board of the National Association of Women Business Owners (NAWBO).

Since joining the Indianapolis chapter of NAWBO more than 10 years ago, Dragoo has been instrumental in the organization's growth and success. Often identified as an architect of the Indianapolis chapter, Dragoo led the chapter through an unprecedented membership increase during her term as president. She is currently a member of the NAWBO-Indianapolis Board of Directors.

Dragoo's appointment to the national board stems from her unique ability to cultivate legislative relationships across the state of Indiana. As founder and chair of the Indiana Women Business Owner's (IWBO) Political Action Committee, she is always on the front lines advocating for M/WBEs. Her bi-partisan efforts have propelled women business owners to the forefront of numerous high profile opportunities, which had once been relegated to their male counterparts around the state.

"The efforts of NAWBO-Indianapolis have been cited as best practices around the nation," said Dragoo. "We are honored to know that many chapters are utilizing NAWBO-Indianapolis’ efforts as a roadmap for success. That, in itself, speaks volumes about our chapter’s members and our commitment to the NAWBO mission."

Dragoo is the first business owner from Indiana selected to serve on the national board in its 34-year history. Dragoo will begin her two-year term following the board of directors' installation ceremony scheduled to take place during NAWBO's Women's Business Conference 2009 in Chicago, Illinois, on Wednesday, June 24.

MEDIA CONTACT: MaryKay Scott | Chapter Administrator | (317) 608-0252 | mscott@nawboindy.org

ABOUT NAWBO-INDIANAPOLIS
The National Association of Women Business Owners propels women entrepreneurs into economic, social and political spheres of power worldwide. As an organization with a "customer first" philosophy, we: STRENGTHEN the wealth-creating capacity of our members and promote economic development; CREATE innovative and effective changes in the business culture; BUILD strategic alliances, coalitions and affiliations; and TRANSFORM public policy and influence opinion makers.

NAWBO® and Women Mean Business® are registered trademarks of the National Association of Women Business Owners.
In The Spot Light

On April 14-15, 2009 The Indiana Minority Supplier Development Council (IMSDC) held its annual Supplier Diversity Conference and Indiana Business Opportunity Fair. The event was held at the Indiana Convention Center and the Office of Supplier Diversity Development was there with a few goals (1) visit with diverse business interested in doing business with Purdue University, (2) market the Bigger Profits Through Targeted Sales Workshop and (3) and get feedback from diverse businesses. We asked one question, which outreach format do you believe will offer your organization the most value? Option 1, an annual MBE/WBE Vendor Fair where businesses can showcase their products and/or service capabilities to the Purdue Community. The format would be open and would be advertised to the entire campus community or, Option 2, a Vendor Showcase that would be small sessions held Quarterly for businesses to present their products/services to department heads, business managers and Deans of various Colleges and Schools. This event would be by invitation only with an audience of 50 or less. Of the 24 people who participated in the survey 16 felt that the MBE/WBE Vendor Fair format would offer them the most value for their time.

Attendees completing surveys also received the chance to win a set of tickets to the Purdue University vs. Northern Illinois football game on September 19, 2009 compliments of the Purdue Athletics Department. The winners are Bret Hardin of Distribution One, LLC and Junior Jabbie of Banneker Industries, Inc. Thank you to everyone who participated in the survey and stopped by the booth.

By: Lynnise Smith, Purdue University Meet ITT Corporation

Bret Hardin Distributing One, LLC

Junior Jabbe Banneker Industries, Inc.

Staff Kudos:

Rob Mutzl & Betsy Spencer of JR Kelly Company, Inc. contacted OSDD for assistance with identifying qualified minority and women-owned business enterprises who could potentially partner on the Lilly Hall Renovation project & the Lynn Hall Renovation at Purdue University.

Linda McMann of Integra Construction, Inc. contacted OSDD for assistance with identifying qualified minority and women-owned business enterprises who could potentially partner on the Lilly Hall Renovation project at Purdue University.
Brett Patterson, Project Manager for Kettlehut Construction, Inc. contacted OSDD for assistance with identifying qualified minority and women-owned business enterprises who could potentially partner on the Lilly Hall Renovation at Purdue University.

Brent Mather, Senior Project Manager for Brenner Design contacted OSDD for assistance with identifying qualified minority and women-owned business enterprises who could potentially partner on various projects throughout the state of Indiana.

Keystone Construction recently completed their MBE certification.

Keisha Smith & Bill Bailey of Davis and Associates and JR Hudson of Turner & Davis for their continuous efforts to identify qualified minority and women-owned business enterprises to participate on the Mackey Arena Renovation & Additions project.

Cornelius Harper, Clarence Lyles and Donte Adams of IGS Distributing were featured in the March 2009 edition of Black Enterprise.

Steve Habben, President of Kettlehut Construction, Inc. contacted OSDD for assistance with identifying qualified minority and women-owned business enterprises who could potentially partner on the Windsor Hall Renovation Phase III - Shealy Hall - Renovation project.

Congratulations are in Order:

Congrats to Cornelius Harper, Clarence Lyles and Donte Adams of IGS Distributing! Cornelius, Clarance & Donte were featured as a Business on the Move in the March 2009 edition of Black Enterprise.

Congrats to Mark Rosemond of Bar Flooring! Bar Flooring was just named the successful subcontractor for Wilhelm Construction on bid 02-01A-2009 (South Addition and Renovation, Site Work and Utilities) for Mackey Arena.

Congrats to Ersal Ozdemir of Keystone Construction! On January 19, 2009 Keystone Construction was certified as an MBE with the State of Indiana.

Purdue's own Linda Kelly, of Purchasing Services was honored with a Buyer of the Year Award at the 2009 Indiana Business Opportunity Fair. Linda's nomination was a result of her service and support to Netwise/Lafayette Office Systems, a MBE located in Tippecanoe County. Congratulations Linda!