JESSE MOORE BEING RECOGNIZED AS A “CHAMPION OF DIVERSITY”

The Office of Supplier Diversity Development at Purdue University is pleased to announce that Jesse L. Moore is a recipient of the 2011 “Champions of Diversity Award.” Moore, who is the Director of the Office of Supplier Diversity Development, will be honored among others by DiversityBusiness.com. These honorees will be recognized for their accomplishments in diversity within the corporate and education sector.

Mr. Moore’s career reflects his dedication to diversity. Prior to becoming Purdue University’s first director of Supplier Diversity Development, he served as executive director of economic development and small business at the Indiana Chamber of Commerce, and as executive director of the Indianapolis Black Chamber of Commerce. Later, he became business advocacy manager of the Greater Indianapolis Chamber of Commerce. As director of Supplier Diversity Development he pursues successful business partnerships between qualified Minority and Women-Owned Businesses and Purdue.

Kenton Clarke, CEO of DiversityBusiness.com is enthusiastic about this year’s honorees. In his press release Clarke comments that “America should be proud of the results produced by the ‘Champions’ and others. They are most deserving of this recognition and they continue to make our country the greatest place on earth to live.”

DiversityBusiness.com was established in 1999 as a resource for Fortune 1000 companies, colleges and universities, and federal agencies to have access to a vast range of goods and services offered by diverse businesses. It provides these companies and institutions information into diversity-related issues through its research and data collection tools. DiversityBusiness.com has had success reaching out to business professionals. According to the organization’s press release, “Our magazine reaches over 300,000 readers, [has] a monthly e-newsletter that reaches 2.4 million, and website visitors of 1.2 million a month. It is a leading provider of Supplier Diversity management tools and has the most widely distributed Diversity magazine in the United States.”

The awards ceremony will be held during DiversityBusiness.com’s 11th Annual Multicultural Business Conference at the Gaylord Resort and Conference Center in Washington D.C. April 19 through April 21.

By: Terry Turner, Supplier Diversity Intern, Office of Supplier Diversity Development, Purdue University
STUDENT FITNESS and WELLNESS CENTER RENOVATION PROJECT

Successful Outreach:

On February 3, 2011, Purdue University -- in conjunction with the “Student Fitness and Wellness Center” renovation project Construction Management Team, Turner Construction with Garcia Construction Group -- held an outreach event that provided the framework for subcontractors, suppliers and vendors to meet one-on-one with potential Prime Contractors who may be bidding on upcoming bid packages, specifically addressing Design Release #3, the largest set of bid packages on this $98 million project.

Despite the abysmal weather conditions of snow, ice and frigid temperatures, over 60 subcontractors, suppliers and vendors met with 11 different Prime Contracting firms.** The 60 represented a strong cross-section of MBE and WBE firms from across Marion County to Lake County. The event was held in Indianapolis at Intech Park, with Jesse Moore and Lewie Wallace from Purdue emphasizing Purdue’s commitment to supplier diversity.

Last year, prior to the start of the project, the Turner – Garcia team in collaboration with the Indiana Strategic Resource Group (ISRG) a firm that specializes in developing strategic and sustainable Supplier Diversity programs, set out to create a structured approach to outreach and inclusion for this project.

The multi-pronged approach has included sending e-blasts and targeted emails to MBEs and WBEs regarding bid opportunities, outreach meetings, pre-bids, bid openings, and more, as well as participating in all internal and external meetings. Additionally, the team works with both City and State agencies to make certain that SFWC information is being sent out through those agencies, as well.

Purdue, under the leadership of Jesse Moore, and Turner-Garcia, under the leadership of JR Hudson and Charles Garcia, have made it a priority to work directly with Prime Contractors to emphasize the importance of this endeavor – increasing MBE and WBE utilization for a robust program.

Robust Supplier Diversity:

Supplier Diversity initiatives were once considered a necessary element of organizational citizenship and social responsibility. While that remains relevant, organizations today realize that a diverse supply base means competition and competition drives costs down. Supplier Diversity helps Purdue tap into the widest available talent pool of suppliers, vendors and contractors, thereby reflecting a proactive approach to providing a level playing field for minority and women business enterprises.
“This successful event exhibits the initial steps in building relationships between prime contractors and the smaller diverse Indiana firms and the commitment Purdue University has to facilitating events that ultimately result in strong business partnerships,” stated Jesse Moore, Director of Supplier Diversity.


By: Aleta Mungal, President, Indiana Strategic Resource Group LLC

NAWBO 2011 VISIONARY AWARD WINNERS

FOR RELEASE
January 6, 2010

NAWBO-INDIANAPOLIS 2010 VISIONARY AWARD WINNERS ANNOUNCED

INDIANAPOLIS - Over 700 people, including Indianapolis Mayor Greg Ballard, celebrated Indiana women at the National Association of Women Business Owners (NAWBO-Indianapolis) seventh annual awards luncheon, Celebrating Women presented by PNC Bank, on December 14, 2010.

The highlight of the annual luncheon was the announcement of winners of the 2010 NAWBO-Indy Visionary Awards. Four individuals were honored for their achievements as business owners and leaders in the community. The 2010 Visionary Award winners were:

- Avatar of the Year: Laura Sniadecki, A.G. Maas Company
- Indianapolis Choice: Joyce Rogers, Ivy Tech Community College
- Member of the Year: Deb Walton, Indy City Gift Baskets
- Woman Business Owner of the Year: Bev Miller, A Sign By Design

In addition to the award winners, NAWBO-Indy named Melissa Brown, of Relocation Strategies, Inc. as the inaugural recipient of the NAWBO-Indianapolis Entrepreneur Scholarship. The member scholarship was established in 2009 to provide executive level education to enhance both personal and professional growth to one qualified member per year. Proceeds from the annual luncheon benefitted the scholarship.

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ABOUT NAWBO

Founded in 1975, National Association of Women Business Owners propels women entrepreneurs into economic, social and political spheres of power worldwide. More than 35 years later, NAWBO is still the only organization that solely represents the interest of women entrepreneurs in all industries. The organization’s mission is to strengthen the wealth-creating capacity of its members and promote economic development; to create innovative and effective change in the business culture; to build strategic alliances, coalitions and affiliations; and to transform public policy and influence opinion makers.

With over 240 members, the Indianapolis chapter, established in 1997, is the fourth largest chapter in the country. NAWBO-Indy’s vision is to impact, influence and propel Indiana to be a leading state for women-owned businesses by its advocacy efforts, economic impact, diversity, influence, membership size and power.

NAWBO® is a registered trademark of the National Association of Women Business Owners.
Is There A Tough New Reality for Minority Entrepreneurs? I Think So!

This article comes with a warning. It is not for everyone. But if you plan to be a supplier to major buying organizations it is a tough message you want to understand. The message starts with the reality that the activities that built the significant minority firms from the 80s, 80s and even 90s are difficult to repeat today. The reasons are pretty clear. The world of business has simply become more complex with bigger players and more fierce competition. It is still true companies want to buy from diverse suppliers but they also have less tolerance for even, what we see as minor, concessions. Organizations have more minority firms to select from so they likely do not “need” you to reach their minority spending goals.

Minority status and certification still has value but it is more the icing than it is the cake. So what should entrepreneurs know about building a sizable business today?

1. **Start-ups are tough to grow to significant size.** It is often easier (mainly because it is perceived as cheaper) to start a business from scratch rather than to buy one. But they are also difficult to grow to any level of significance. Almost every market now is highly competitive with firms who have been in business longer, have stronger financials and an existing customer base. Start-ups typically lack the “stuff” they need the most like scale, a track record and geographic reach. These dynamics hurt the ability to compete with existing businesses. Start-ups also have a lot to discover. Even the best business start-ups get a lot of things wrong on their way to getting things right.

2. **Contract–by–contract growth is a rough road.** Most business owners who desire to grow a sizable business, plan to do so by getting an increasing number of contracts over time. It’s what is referred to as organic growth. It’s a nice idea and it used to work but it’s just difficult to grow that way now. It’s difficult because getting the next contract is a lot more competitive. Which means it is also more expensive and the percent of items you win are lower. Gaining access to new customers is also very difficult to already by doing business with a firm a Growing contract–by–contract is also difficult to get contract opportunities larger than the in the past.

3. **Risk is the new quality.** There was a was focused on proving they had high levels of the Malcolm Baldrige Awards? Quality is now a become the hot business topic. Your customers want to avoid it, share it, and even shift it to you. Managing risk is at the top of every customer’s mind. Supply chains are more important than ver. They have literally become the life blood of corporate profits. Breaks in the supply chain are more disruptive and more expensive. Suppliers with any indication of risk are suppliers to avoid. The perception of risk(and perception is all it takes) can come from even harmless observations like the size of your firm, depth and length of your track record, and how clearly you can articulate your value proposition. Every customer everywhere is looking for signs of risk. Many proactive suppliers are even using their customer’s concerns with risk as an opportunity to separate themselves from their competitors.

They likely do not “need” you to reach their minority spending goals.
So What Should You Do?
Maybe nothing. Why change if you like hat you have right now and you think you can keep it going? For the rest of us the message is clear. In our complex global economy you simply have to get there faster. 1. Get bigger because size almost always matters. My first advice is to explore acquisitions or a merger with another firm. Well done partnerships and strategic alliances might also work. 2. Get into a better market position. Bigger is better but becoming better is important too. Make your value proposition clearer and increasingly more unique. Use your partners to add what you lack and vice versa. 3. Learn more about risk. Risk is a complex topic. Smart business owners will seek to understand how to mitigate it, share it with other firms and leverage it with their customers. It is on every customer’s mind whether they say it or not. So managing risk should likely be on your mind too.

This article sets a high threshold and I understand the presents for minority entrepreneurs in realize it may also appear to rule some opportunity. I do not agree it does. What what successful suppliers already knew. for firms who desire to grow and who supplier to major organizations. There for business ownership. Maybe you can realities with a small consulting practice, or a local construction firm or a niche manufacturer. I just advise caution. Most markets are extremely competitive and unlikely to get less so.

Of course none of this may matter if you have access to all the financial resources you need and a ton of the right business relationships. Maybe you can buy your way past the hazards and use your relationships to boost your opportunities. For the rest of us, trust me this is our reality.

That’s what I think. What do you think? E-mail your comments to Dialogue@entrethinking.com.


Supplier Diversity Best Practices

Many companies have Supplier Diversity programs. These programs, also referred to as minority owned business enterprise or MBE programs are intended to help large corporations do business with small companies owned by African, Hispanic, and Asian Americans. The effectiveness of Supplier Diversity programs varies widely, depending on whether the company wants to use theirs as a strategic means to lower their bottom line costs and improve profitability, or only as a public relations vehicle.

Here are some of the characteristics of the best practices for Supplier Diversity programs:

- Clearly documented commitment from the company’s CEO
- Specific annual goals for purchasing from minority owned businesses
- Attainment of the goals tied to the compensation and performance plans of senior management
- Inclusion of Supplier Diversity in a strategic plan for diversity
- Head of the Supplier Diversity program is at the senior management level or above, and has control over corporate purchasing
- Consideration of minority owned businesses included as a formal part of the contracting procurement process
- Second-tier subcontracting to minority owned businesses also included as part of that process and written into the prime supplier's contract
- A comprehensive database of minority owned businesses that is actively maintained and integrated into the purchasing process
- Purchasing system that tracks supplier diversity performance and can target specific contracts for additional focus, outreach, or consideration
- Visibility on the company's Internet website, including program details, contacts, and list of products and services purchased
- Strategic partnerships with ethnic chambers, publishers, and other organizations that can assist in outreach

By: Diversity Strategies, Inc. 2011

6th Annual Relationship to Partnership Sessions

On November 9, 2010 the Office of Supplier Diversity Development at Purdue University and the Supplier Diversity Development Coalition of Greater Lafayette hosted the 6th Annual Relationship to Partnership Sessions. We had approximately 175 participants join us at the luncheon to hear our keynote speaker, A'Lelia Bundles, author and journalist, and great-granddaughter of Madame CJ Walker speak about her experiences with diversity and what it takes to make it in business.

Awards given at the luncheon were Diverse Business of the Year and Coalition Member of the Year. Diverse Business of the Year went to Steve Batts from GM Supply. Coalition Member of the Year went to Ron Norvell from Caterpillar. A very special award was given to Larry Pherson upon his retirement from Purdue for helping for found the Supplier Diversity Development Coalition of Greater Lafayette.

Our event started with a plenary session with speakers: Greg Taylor, Attorney; Steve Habben, Kettlehut Construction; Betsy Spencer, JR Kelly; Bill Ensign, Evonik; Marlin Boothby, Big Fish Consulting; JR Hudson, Turner Construction. The panel individually gave participants their advice on developing Tier II Relationships. The plenary session was followed by three concurrent sessions; Session 1, Construction, Architectural, Engineering and Related Services; Session 2, Marketing, Computer, and IT Services, and Session 3, Products, Goods, and Professional Services other than A&E. There was a panel discussion at each session as well as individual interview time with vendors.
Census Data Shows Sixty Percent Increase in the Number of Black-Owned Firms

In February the United States Census Bureau released its findings on the state of black businesses across the country. In its Survey of Business Owners, the Census Bureau reported that in 2007 there are approximately 1.9 million African American-owned businesses, a 60 percent increase since 2002. Furthermore, these firms employ 921,000 employees, representing 22 percent growth from 2002 to 2007. And gross receipts from these firms grew 55 percent from $89 billion in 2002 to $138 billion in 2007.

These figures represent growth that has outpaced the economic growth of non-minority-owned firms. According to Ivonne Cunarro, Chief Knowledge Management Officer with the Minority Business Development Agency, the growth of African American-owned firms has served as “an engine of job creation.” While African American-owned firms showed 22 percent growth in paid employment, employment for non-minority firms grew at a rate of less than one percent.

The Survey of Business Owners is conducted every five years and provides demographic data on U.S. businesses. Cunarro, Census Bureau Deputy Director Thomas Messenbourg, and National Urban League President Marc Morial presented the data on African American-owned firms on February 8. The last survey was conducted in 2007.

African American-owned firms with receipts of $1 million or more generates more revenue and has more paid employment than those firms with receipts less than $1 million. Cunarro explains that while African American firms with receipts over $1 million represent only one percent of all African American firms, they generated 57 percent of all African American firm gross receipts. Black firms making $1 million or more reported receipts that increased from $4.6 million per firm in 2002 to $5.4 million per firm in 2007. These firms also represent 61 percent of all paid employment by African American firms.

The national trend is also reflected in the state of Indiana. African American-owned firms grew from 14,056 in 2002 to 22,072 by 2007—an increase of 55 percent. Gross receipts from these firms grew 35 percent between 2002 and 2007 from $1.6 billion to 2.2 billion.

But the MBDA also cautions that there is still room for improvement. The report finds that while there has been considerable growth with black businesses they only account for 7 percent of all firms in the United States. In Indiana, African American-owned firms represent 4.6 percent of all firms in the state.

Another issue is that these businesses are not reaching entrepreneurial parity. “Unfortunately, there is still an entrepreneurial parity gap between African American firms and the share of the African American adult population, which is 12 percent” explains Cunarro. The solution, according to Cunarro, is for these businesses to “keep up” with the fast-growing black population. The report estimates that African-American-owned firms reaching parity with the African American population would result in an additional 1.4 million firms, 7 million jobs and $1.4 trillion in gross receipts.
One of the major drives to bridge the gap is accessing African American buying power. The MBDA reports that the African American populations’ buying power is approximately $910 billion. The MBDA explains that this large sum is greater than the buying power of the Netherlands and Australia. Indeed, there are only 16 countries in the world that have greater buying power. Thus, despite the accelerated growth of African American firms, according to Cunarro “their true economic potential is still unrealized.”

Helping African American-owned firms fulfill their potential is of top priority at the MBDA. David Hinson, National Director of the MBDA explains that “creating new businesses and new jobs on a path to entrepreneurial parity in size, scope, and capacity is our primary goal.”

By: Terry Turner, Supplier Diversity Intern, Office of Supplier Diversity Development, Purdue University