

PROMOTING AND SUPPORTING SUPPLIER & BUSINESS DIVERSITY

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EXCLUSIVE
INTERVIEW

Reginald Williams

The man who
coined the phrase
'Supplier Diversity'

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Reginald William's Letter

**PROCUREMENT RESOURCES, INC.**

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Dear All

When you read Engage Magazine you can't help but become swept up in this new global marketplace that presents ever expanding opportunity for growth from small business communities that did not exist a few years ago.

Companies that get it . . . don't need a pied piper, they see the market landscape. And, they understand that the way to grow the business in a multicultural, multiracial society is to adapt and accommodate customer expectations to generate business synergies.

Engage Magazine shows us the way by bringing information and inspiration to small diverse businesses and major corporations that will propel their strategic mission well into the 21st century.

We simply cannot ignore this global consumer explosion taking place in Asia, Africa, and North and South America. Supplier Diversity provides a road map for relationship building with these important customers. We have a unique opportunity to plant the seed that will benefit all of society by leveraging small businesses as strategic business partners.

I know you join me in applauding Engage Magazine for being the catalyst in this important mission.

Congratulations Engage,

A handwritten signature in black ink, appearing to read 'Reginald Williams'.

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Reginald Williams

In the US, a variety of legislation, as a result of the Civil Rights movement, means public sector bodies are legally required to buy up to 25 per cent of their goods and services from diverse suppliers.

"It was at this conference that I first introduced the term Supplier Diversity," explains Williams, who runs a national consulting firm with specialisation in supplier diversity applications for private industry and government, which he launched in 1972.

"I coined the term here to address the increasing anxiety over the term "minority".

At this time there was a backlash taking place in the States, predicated by white males who were reaching retirement age and leaving corporations they had served for years. Minority purchasing was in existence and for white males, the word minority automatically excluded them. Williams said that as a result, under the Clinton [former President Bill Clinton] administration, some of these initiatives were "watered down" but he believed there was a solution to the problem: this being to ensure that all races and genders were being catered for.

Supplier Diversity is a relatively new concept in the UK, but it has been in existence in the US for over 30 years. It can be defined as opening up market opportunities to minority-owned businesses in order to enable them to compete on a more even footing with larger vendors for the supply of goods and services. Engages' Colette Machado

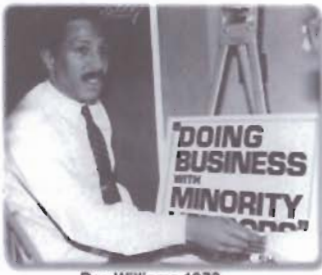
tracked down and spoke to the man responsible for actually coining the phrase 'Supplier Diversity'.

It was the year 1985 and Reginald Williams, CEO, of Atlanta-based Procurement Resources Inc, whose company boasts clients such as Coca-Cola, Time Warner Corporations, and American Airlines, was the lead presenter at a conference hosted by the National Minority Supplier Development Council (NMSDC). It was his ninth consecutive year as the main presenter.

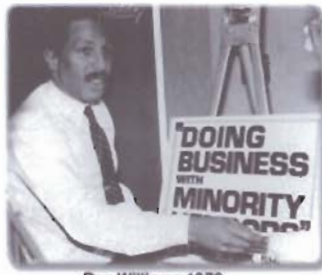
"I decided that the only way that we were going to be able to move forward was to incorporate everyone," said Williams. "The NMSDC used the terms 'minority purchasing' and 'minority business', but the problem with these terms was that if you were a white male you were not a minority and therefore not included. It supported this misinformation that white males were no longer wanted. I had to do away with that. By using the term SD it became clear that we want all of our suppliers to be represented, and that included white males." "The result is that there was a stronger definition which could withstand not just public pressure but also legal standards."

*In the US, a variety of legislation, as a result of the Civil Rights movement, means public sector bodies are legally required to buy up to 25 per cent of their goods and services from diverse suppliers.**

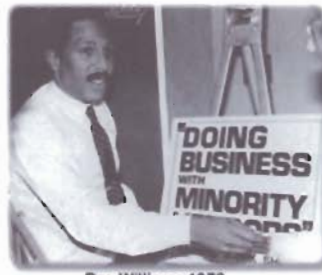
'Reggie' coined the phrase



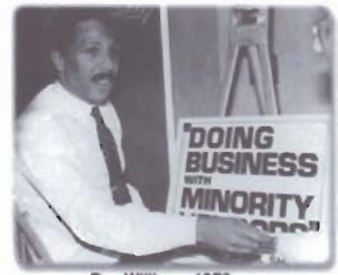
Reg Williams 1973



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The founder of Supplier Diversity

Reginald Williams,
CEO, Procurement Resources

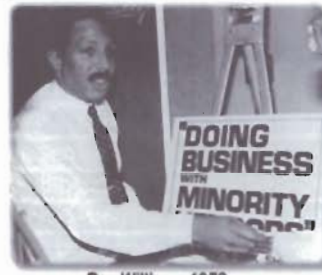
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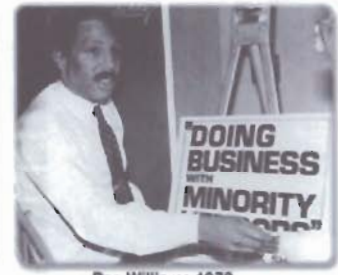
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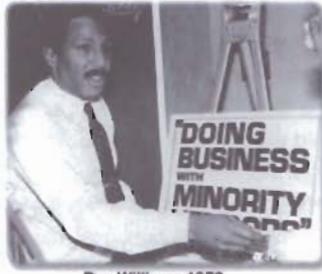
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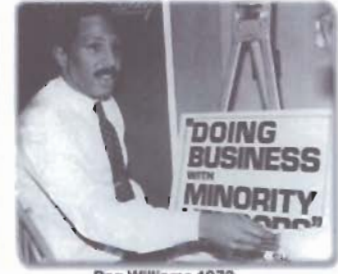
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Reginald Williams

There is no such legislation that currently exists in the UK, but even in the US it does not apply to the private sector. However half of Fortune 500 companies do have "minority purchasing" programmes or do adhere to supplier diversity, with leaders being Merrill Lynch, Procter and Gamble, IBM, KPMG, to name a few.



"We develop supply chain strategies to increase the level of purchases from small businesses owned by women of any race and minorities," said Williams.

But Williams found that the 'supplier diversity' concept was not well received when it first began. The NMSDC had "grave reservations" about the term and many black groups, including the National Association for the Advancement of Colored Peoples (NAACP) opposed the initiative, believing that it created a division between minorities.

"My position was if we don't represent everyone's interests, how will we ever get anyone to support it. However groups felt that by involving everyone in the purchasing of goods and services, minorities would get an even lower percentage. Some of my customers (IBM, American Airlines) even uprailed against it in the early 80s. However, they were wrong. "White males saw themselves as advocates

and allies but because they control the majority of purchasing, things improved greatly and many of them wholly supported the initiative."

Williams says in fact some of the key supporters of supplier diversity in the US are white males. "Yes, we need white males to say supplier diversity is important to grow the economy, important to ensure women are at the table," he said.

However, Williams says supplier diversity was not accepted greatly in the US until 2001 and it was not until last year that it became a routine practice among Fortune 500 companies in the US. In fact, as of last year, 95% of companies in the US are now routinely practising supplier diversity.

Williams's company works both in the marketing arena and in the procurement of goods and services. "We develop supply chain strategies to increase the level of purchases from small businesses owned by women of any race and minorities," said Williams.

In the UK small and medium enterprises, black, Asian and minority ethnic businesses, women-owned and disabled-owned business are referred to collectively as "diverse suppliers". But in the US minorities refers to African Americans, Asian Americans, Native Americans, Hispanic Americans, women, and disabled persons.

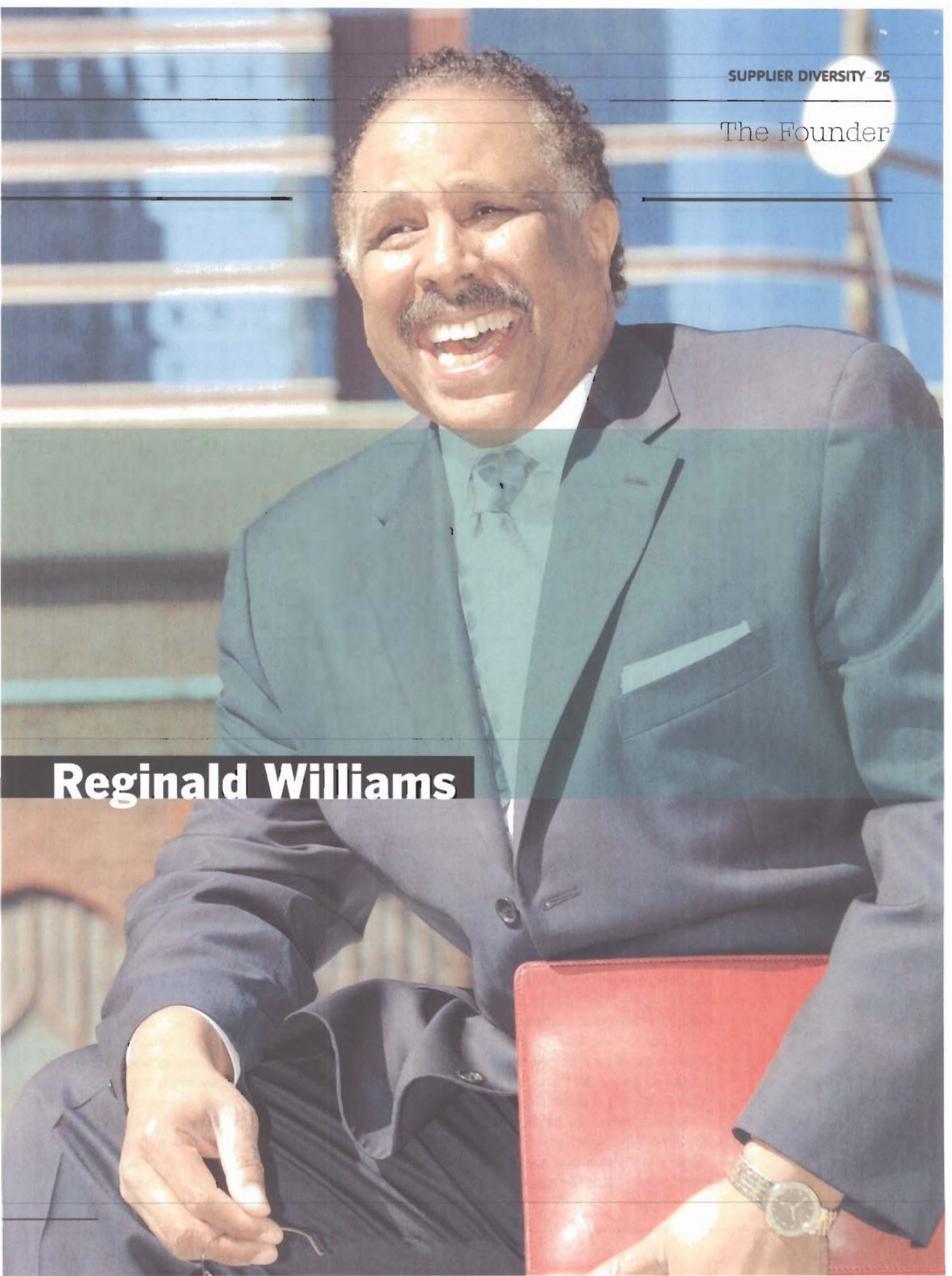
"We grow these groups economically," said Williams. "The more financially secure women are, the more capable they are of buying our goods and services. Our clients do not have to have compromise, they do not have to accept less than outstanding performance and top value for whatever they are purchasing."

So, is the US model of supplier diversity applicable to the UK?

"No," says Williams. "What works here (in the US), will not necessarily work in the UK, as things work differently in the two countries. It has been tried but it failed. In addition, in the UK, the government has largely ignored supplier diversity which is quite concerning and needs to be addressed. It is the private sector that has really taken up supplier diversity." But surely the UK can learn from the US when it comes to supply diversity? "Certainly," says Reggie. "But firstly, a few things need to be put in place as there

The Founder

Reginald Williams



'Reggie' coined the phrase

What is a diverse supplier*?

In the UK - A diverse supplier is a company/trader which is at least 51% owned, controlled or operated by one or more individuals who are members of an ethnic minority group, are women, or are disabled. (Source: London Development Agency)

In the US - A diverse supplier is a business which is at least 51% owned, controlled and operated by a diverse member or members, and be within the size

standards for the business's industry set by the Small Business Administration and/or certified by the National Minority Supplier Development Council.

Small businesses, minority businesses, women-owned businesses, service disabled veteran-owned small businesses, veteran-owned small businesses, and HUB-Zone businesses (business located in high unemployment areas) all qualify as diverse suppliers.



He also says there is a lack of information about supplier diversity and how positive it can be to the UK. "No-one has seen evidence of supplier diversity working well," said Williams.

Reginald Williams

are a few barriers I see that will affect the success of supplier diversity in the UK. **Firstly** there needs to be a general consensus among all effective groups. A consensus of working together, which is something I currently don't see taking place within the UK. There is no real uniform action, but instead a disjointed effort by individuals in the UK

Secondly, the consensus must most certainly include business women, who are growing at a much faster rate than men. The signs are there that women are very important to the supplier diversity case. **Thirdly**, it needs to be made certain that there is broad-based public support for supplier diversity. What the public think is what people do. We need key individuals to speak out as advocates."

He also says there is a lack of information about supplier diversity and how positive it can be to the UK. "No-one has seen evidence of supplier diversity

working well," said Williams. This sort of information needs to be publicised, the success stories needs to be uncovered. He also cites limited communication as being another barrier to the success of supplier diversity within the UK. "There needs to be a national conference on how we can continue to improve the inclusion of women and minorities in the supplier diversity chain!"

But Williams believes the UK does have at least one advantage over the US - the European Union (EU) - which he describes as a "rainbow of different cultures and people". "Being part of the European Union you have a much larger number of people and businesses to target than the US," says Reggie. "but still no-one has seized upon this. Unfortunately there is no initiative within the EU that focuses on business diversity but there needs to be. It would have a huge impact all round."