



# POSITIVE IMPACT

With Supply Chain Inclusion programs, companies are enhancing their success while strengthening their communities



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# Invest in the future

The best way to make sure a child has access to housing, education and healthcare is to ensure that parents and caregivers have good jobs. When companies promote diversity among their suppliers and vendors, they enable sustainable job creation, empower thriving communities, and cultivate healthy economies — all while adding value for shareholders.

**With supplier diversity, everybody wins.  
Get involved today!**

For more information contact:



LETTERS FROM ORGANIZATION LEADERS



**Cecil Plummer**  
President and CEO, Western Regional Minority Supplier Development Council

FROM THE PRESIDENT OF WRMSDC

What is incentivized gets done!

Today's professionals are busier than ever. Not only do employees have to do their jobs, but companies require continuous learning, stretch assignments, two-way mentoring relationships and group charitable activities. At the same time, new studies reveal the importance of exercise, meditation and sleep. What about work-life balance? There are not enough hours in the day for employees to do all the things necessary for a happy, healthy and prosperous life. At work, employees are forced to prioritize a myriad of tasks vying for their attention.

I believe that for most employees it comes down to a few things:

- What must I do to keep my job?
- What must I do to advance my career?
- What must I do to earn additional income ?

Continuous learning, stretch goals, mentoring, sales, and regulatory compliance are all either required or incentivized because these practices help organizations reach goals. Everything else becomes a "nice to have". If supplier diversity is not incentivized or required, related activities will never attract enough attention to produce the desired results.

Dun & Bradstreet, EY and The Hackett Group have documented the ROI and benefits of inclusive supply chain practices. Salespersons get commissions and high performers get bonuses because incentives work. If companies want to capture the benefits of supplier diversity, employees must be incentivized.

Are you expecting results without rewards or recognition? What is incentivized gets done!

For more information about the Western Regional Minority Supplier Development Council, please visit our web site:

[WRMSDC.org](http://WRMSDC.org)



**Janice R. Greene, PhD**  
President and CEO, Women's Business Enterprise Council Pacific

FROM THE PRESIDENT OF WBENC-PACIFIC

Diverse suppliers boost companies' success

Congratulations to the top 20 companies featured in San Francisco Business Times as supplier diversity leaders. They represent the best in implementing equitable procurement practices and creating a culture of economic inclusion.

As industry leaders, they share their accomplishments, inspire others, and provide guidance for organizations in any phase of their supplier diversity journey. These successful corporations have learned how to harness the innovation and different perspectives that women, people of color, LGBTQ, veterans, and other diverse groups bring to the table. They leverage diversity and transform differences into a competitive advantage.

When given the opportunity to compete, diverse businesses are competitive and contribute substantially to the bottom line and the economy. Case in point, the over 700 certified women business enterprises (WBEs) in the WBEC Pacific region have a combined revenue ranging between \$5.5 and \$6 billion dollars and have created nearly 30,000 jobs. This is a significant economic contribution that is on an upward trajectory.

Corporations, agencies, entrepreneurs, and community partners continue to work together to increase access for diverse business enterprises. However, even with progress and economic gains, diverse entrepreneurs still face significant challenges. Addressing these challenges requires a commitment to partner, share opportunities and develop specific tools to overcome systemic barriers. It is our hope that others will join these leading corporations in championing supplier diversity.

For more information about Women's Business Enterprise Council Pacific please contact [Janice@wbec-pacific.org](mailto:Janice@wbec-pacific.org)

[wbec-pacific.org](http://wbec-pacific.org)



**Audry deLucia,**  
President, Golden Gate Business Association

FROM THE PRESIDENT OF GGBA

Acknowledging leaders in Supplier Diversity

This 2019 Supplier Diversity Supplement to the San Francisco Business Times represents a growing movement to leverage diversity. Our differences, lead to innovation, greater productivity in the workplace and increased relevance and profitability in our collective markets.

While significant strides have been made in breaking down barriers and opening-up equitable opportunities within the workplace and supply chain dynamics, there is still fundamental work to be done.

WRMSDC, GGBA, WBEC-Pacific and the San Francisco Business Times have published this supplement to acknowledge companies who are leading the supplier diversity movement in the Bay Area; highlighting the movement's importance and inviting companies to expand their reach and diversify.

The companies recognized in this supplement understand that embracing diversity is about more than profitability and competitive advantage, though these are prudent business metrics. Difference of thought, difference of perspective, difference of opinion together provide a spectrum of potential not possible in the vacuum of homogeneity.

Building a diverse corporate culture and supply chain can be challenging. Maintaining a robust diverse supply chain requires financial investment and an overall corporate culture that empowers diversity and inclusions from the inside out. It requires leadership to nourish a corporate culture in which differences are celebrated as opportunities. The companies recognized in this supplement are doing just that.

For more information and to learn how your company can get engaged, with LGBTQ suppliers, contact [president@ggba.com](mailto:president@ggba.com)

[GGBA.com](http://GGBA.com)

The 2019 SFBT Supplier Diversity Supplement is a joint project of:

Golden Gate Business Association | Western Region Minority Supplier Diversity Council | Women Business Enterprise Council – Pacific Region

# Q&A: Kaiser Permanente's commitment to Impact Spending

**Q:** Please describe Kaiser Permanente's initiatives, strategies, and outcomes of Kaiser Permanente's supplier diversity.

We start with grounding the entire organization in the same truths:

- Large businesses can increase their overall community impact by working with small and diverse suppliers.
- Nearly every waste in the waste stream leaving the hospital and medical offices comes in through the purchasing function and capacity – we must bring more sustainable products to bear as environmental impact is disproportionately impacting the communities with lower levels of health.
- By creating economic opportunity, we can improve health and access to better healthcare.
- We can do all this while driving affordability in lower cost of products and services.

To propel this, Kaiser Permanente has invested in the Buy to Pay-Impact Spending department as part of our overall sourcing efforts. Impact

Spending is about taking the tremendous work of the National Supplier Diversity program to the next level. We are doing this by integrating our overall contract savings strategies, along with our aggressive environmental sustainability objectives to maximize the power of every dollar that our enterprise spends, particularly in those communities that need it most. We strive to transform the way we do

business to more intentionally and effectively support inclusive local economic opportunity, as a core underlying driver of health.

Kaiser Permanente spends roughly \$22B annually on products and services in six areas: supply chain; pharmaceuticals; corporate products and services like IT and consulting; cleaning and janitorial; print and document management; facilities and support services; and medical/surgical products. We optimize this spend not only for economic impact (diverse spend with small suppliers and direct economic impact by the creation of jobs in the communities we serve); but also for sustainability (where, by 2025, we need to ensure that a minimum of 50% of all the products we procure meet 11 environmental requirements around safer chemicals, less land fill impact, etc.); and affordability (where we continue to leverage



*“It is not about checking a box but rather improving the economic health of both Kaiser Permanente and the communities we serve for years to come. When diverse enterprises thrive, everyone wins.”*

**Ije-Enu Udeze Nwosu**

Executive Director, Kaiser Permanente Buy to Pay – Impact Spending

**KAISER PERMANENTE**

**13%**

Portion of total procurement spending

our total volumes to obtain better pricing on products and services).

With the intention of continuing to move from “counting our spend” to “making our spend count”, this integrated effort is how we define “Impact Spending.”

Ultimately, we create positive health outcomes by targeting spend in our communities that helps address economic and environmental disparities. Impact Spending is the triple win of community impact, environmental sustainability and affordability. Our work is focused in these areas:

#### **Supplier Diversity and Economic Impact**

Creating economic opportunity is one of the core tenets for improving health and equity. We drive supplier development through various programs and recognition. We provide capacity-building opportunities for diverse and local entrepreneurs in our supply chain and footprint to create wealth and employment. We collaborate with other institutions and large-scale purchasers to optimize our collective impact. As small businesses grow, so does the economy.

We are taking our supplier diversity program to the next level by maximizing the power of our overall spend:

- We will continue to drive diversity and inclusion in our supply chain;
- We will continue to spend nearly \$2 billion annually with minority, veteran and woman-owned suppliers as a member of the Billion Dollar Roundtable;
- We will build capacity of diverse suppliers to enhance their competitiveness and

growth in the communities we serve whether the supplier does business with Kaiser Permanente or not.

- We will contribute to Total Health by using a comprehensive approach to supplier diversity to create community wealth, generate good jobs, and support the development of businesses that can spur economic development. This creates better health outcomes in the communities we serve.

#### **Environmental Sustainability**

Sourcing/procurement is a gateway for nearly every product or service used in the hospital and elsewhere. It is essential that our suppliers reduce the environmental and human health impact of their products and services. Kaiser Permanente is currently on track to becoming carbon neutral by next year and has committed to ambitious environmental goals for the year 2025 that include becoming carbon positive, buying only sustainably produced and antibiotics-free food and sending zero waste to landfills. We have started by increasing our purchase of products and materials meeting our rigorous environmental standards thereby minimizing/eliminating negative health outcomes.

We will continue to leverage our size and scale to the best economic advantage. Ultimate optimization of our impact on spending means that it does not cost more, now or in the future. We have shown this can be achieved if we strategically understand our sourcing category management and increase the expectations of all of our suppliers to our triple goals around impact spending.

**Q: What are some of the big “wins” of the program? For example, did you identify a superstar partner who may not have been on your radar before?**

In 2016, Kaiser Permanente partnered with the Initiative for a Competitive Inner City (ICIC) - a national non-profit research and advisory organization and the leading authority on U.S. inner city economics and the businesses that thrive there. ICIC’s mission is to drive economic prosperity in America’s inner cities through private sector investment to create jobs, income and wealth for residents. Together we hosted the Inner-City Capital Connections (ICCC) Program – a national program designed by the Initiative for a Competitive Inner City (ICIC) to help small businesses in economically distressed areas, whether they did business with us or not, to build capacity for sustainable growth in revenue, profitability, and employment. It’s offered free to all suppliers. ICCC’s national footprint provides a scalable model across all Kaiser Permanente regions and allows for measuring outcomes and comparing data across Kaiser Permanente’s footprint. A business must be an independent, for-profit or non-profit corporation, partnership or proprietorship, headquartered or more than 51% of its physical operations located in an economically-distressed area OR have more than 40% of employees residing in an economically-distressed area. We typically work with businesses that are at least two years old and with annual revenues of at

least \$500,000. From 2016-2018, seven Kaiser Permanente cohorts were completed across the US with 583 participants. The impact both within their businesses and their communities has been tremendous. The 2016 and 2017 ICCC alumni from Kaiser Permanente’s Los Angeles and Oakland cohorts have raised \$29.4 million in capital, created 549 new jobs and experienced an average 42% growth in revenue.

**Q: What is the value of supplier diversity and how does it help bottom line?**

We fundamentally believe that we can do well and do good at the same time. Engaging diverse businesses brings innovation, agility and cost competitiveness. Let’s dispel a common myth: diverse is not synonymous with small. We work with many large, established and diverse enterprises as well as smaller businesses in the community. Diverse enterprises traditionally hire diverse talent representing their own communities. This stimulates the economies impacted and creates more employment and individuals who are able to now afford health care. As businesses, we must work together to create healthier communities for all. We also demand that our large non-diverse suppliers take on the mantle of impact spending within their organization to further drive impact across our entire supplier base.

**Q: What advice would you give to companies who are thinking about creating their own programs?**

We would encourage companies to first make the decision to develop a supplier diversity program and then make the public commitment. This sounds easy enough but starting and sustaining a supplier diversity program requires some fundamental principles including:

1. Senior leadership sponsorship, buy-in and active commitment. (CEO, CFO, CPO, etc.) Our CEO Bernard J. Tyson has set the tone from the top: “Supplier Diversity and all of our impact spending programs are critical both to Kaiser Permanente and the vast number of diverse suppliers in the communities we serve. Our diverse suppliers compete on the same playing field of quality, service, and affordability.”
2. A clear message of “why” – Why our organization? Why now? Why does this drive better overall business results?
3. Strong interdependence and goal alignment with supply chain, sourcing and business operations.
4. Tools of engagement –
  - Performance targets clearly articulated throughout the organization and in our contracts with accountability for meeting/not meeting goals;
  - A current database of certified suppliers
5. Celebrate the wins – not just for the organization but with the suppliers and communities that are impacted.



**THERE IS STRENGTH IN NUMBERS,  
AND STRENGTH IN DIVERSITY.**

# By the numbers

## What Is Supplier Diversity?

Supplier diversity means formal programs committed to the inclusion of diverse businesses as an integral part of a companies' overall supply chain strategy. These businesses include those owned by women and minorities, LGBT-owned businesses, business owned by veterans and service-disabled veterans, and businesses in Historically Underutilized Business (HUB) zones.

### Tomorrow's majority

Multicultural populations are the growth engine of the future in the U.S. Hispanics, African-Americans, Asian-Americans, and all other multiculturals already make up 38% of the U.S. population, with Census projections showing that multicultural populations will become a numeric majority by 2044.

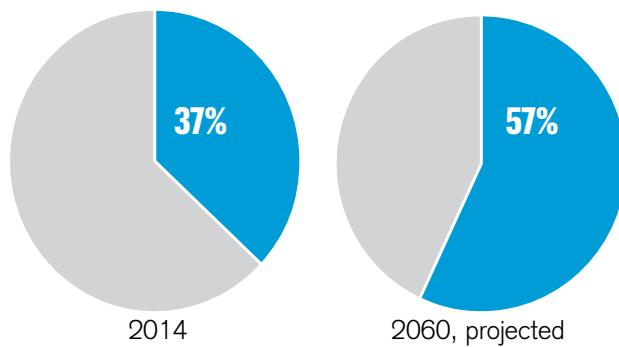
**2.3 million**

Annual minority population increase

**120 million**

Minority population in U.S.

### Minorities percent of U.S. population



### Economic impact of MBEs

Annual impact of NMSDC-certified MBEs

**3 million**

Minority business owners

**\$400 billion**

Business activity created

**2.25 million**

People actively employed both directly and indirectly by NMSDC-certified MBE firms.

**\$53 billion**

Salaries, Wages & Benefits

### Growth of MBEs

**17%**

Increase in number of businesses

**34%**

Sales growth (nearly twice as fast as the national average)

**70%**

Projected national increase in purchasing power.

Projected annual growth of MBEs in U.S. 2007-2045

## WBEC PACIFIC

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..... CERTIFIED .....  
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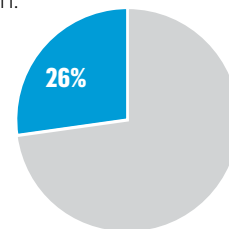
[WWW.WBEC-PACIFIC.ORG](http://WWW.WBEC-PACIFIC.ORG)



## WBEC Pacific: Advocating for women business enterprises

Women's Business Enterprise Council Pacific (WBEC Pacific) is a regional partner organization of the Women's Business Enterprise Council National (WBEC National) operating in a six-state region. Its mission is to drive growth, development, and access for women business enterprises. WBE certified businesses must be 51% controlled, operated and managed by women.

### Ethnic or racial minorities among WBEs



**>700**

Number of Women Business Enterprises in the WBEC Pacific area.

**14**

Regional Partner Organizations under national organization umbrella.

**39**

Average employees per company.

**\$6 billion**

Total revenue impact of WBEC Pacific businesses

**>27,000**

Jobs created by WBEC Pacific businesses

### WBEC Pacific states

- Northern California
- Washington
- Oregon
- Idaho
- Alaska
- Montana

### Top 10 WBEC certified industries

- Professional, scientific and technical services
- Administrative support
- Construction
- Wholesale trade
- Metal manufacturing
- Food manufacturing
- Wood product manufacturing
- Transportation and warehousing
- Educational services
- Information

# NMSDC: A national and local advocate for inclusion

The National Minority Supplier Development Council (NMSDC), parent organization of the Western Regional Minority Supplier Development Council (WRMSDC), advocates for inclusion of minorities in corporate supply-chain contracts. Chartered in 1972, NMSDC has established a network of corporate members, among them are America's top companies – publicly, privately and internationally owned – as well as universities, hospitals and other institutions with supply-chain needs, connecting them with nationally-certified minority-owned businesses.

**12,000**

Nationally-certified Asian, Black, Hispanic and Native American-owned businesses.

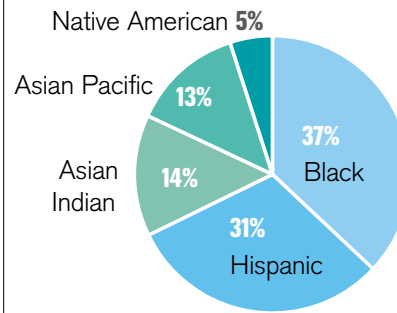
**1,422**

Corporations

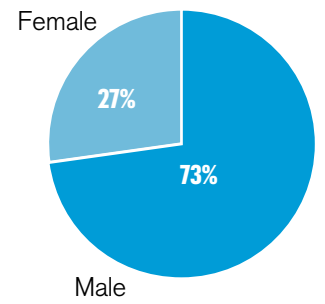
**950**

Local corporate members

**Ethnic and racial representation**



**Gender representation**



# GGBA: The world's first LGBTQ chamber of commerce

Founded in 1974, the Golden Gate Business Association (GGBA) is the San Francisco gay chamber of commerce and the nation's first LGBT Chamber of Commerce. The GGBA is also the first business organization founded by LGBT entrepreneurs. With members who live and do business across San Francisco, Alameda, Contra Costa, San Mateo, Marin counties, and beyond, GGBA proudly serves as the voice for the San Francisco Bay Area's LGBT business community.

**Milestones in the GGBA story**

**1974**  
Year founded

**1979**  
GGBA "Coming Out Day." Uses the word "gay" publicly for the first time.

**1980**  
Works to pass California State Bill AB1, which seeks to outlaw workplace discrimination based on sexual orientation.

**1982**  
The devastating HIV/AIDS epidemic emerges in San Francisco.

**1988**  
GGBA is a founding member of the Small Business Network.

**1993**  
First Corporate Partner: Nestle Beverage Company.

**1994**  
Convenes the first LGBT Business Expo.

**2003**  
Helps found National Gay and Lesbian Chamber of Commerce; hosts their first national conference.

**2003**  
Awarded NGLCC Supplier of the Year Award.

**2013**  
\$1.5 Billion Transbay Transit Center Project is first public works project in the United States with outreach to LGBT businesses.

**2014**  
California Assembly Bill 1678 codifies LGBT business participation in the procurement programs of California Public Utilities.

**2016**  
GGBA wins ability for LGBT businesses to compete for contracts with NFL Super Bowl 50!

**2017**  
BART codifies into its procurement programs the utilization of LGBT-certified firms.

**2018 and beyond**  
GGBA continues to work for LGBT economic empowerment and increasing LGBT utilization in public/private sector procurement programs.

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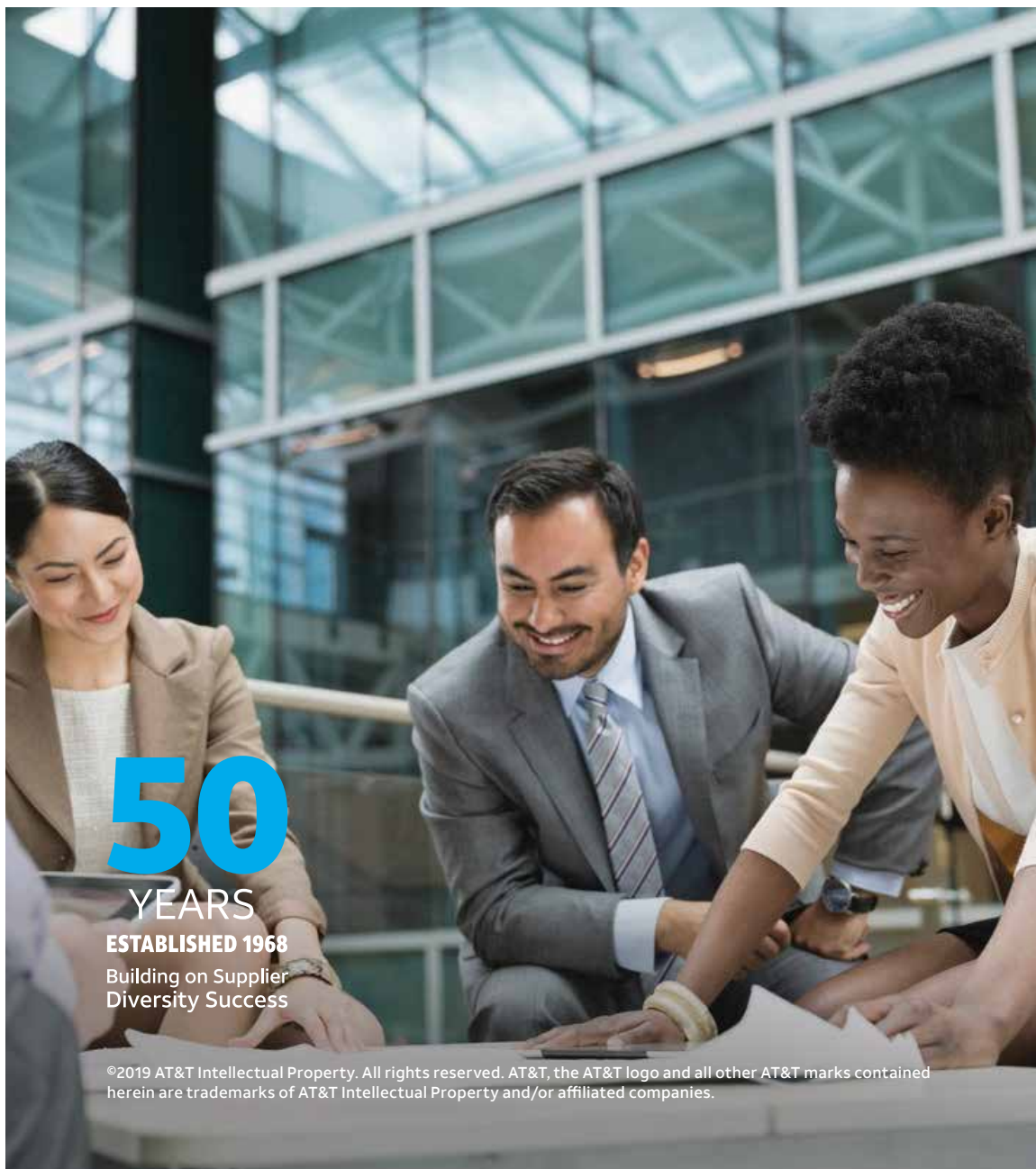
**Theresa Harrison, Director of Inclusive & Sustainable Procurement, Ernst & Young (EY).**

# Innovation through supplier diversity at Ernst & Young

Inspiring diverse suppliers to think big and be confident

It can be difficult for multinational organizations, with supply chains stretching around the globe, to focus on supplier diversity. But according to Theresa Harrison, Director of Inclusive & Sustainable Procurement for professional services firm Ernst & Young (EY) it's well worth the effort. "I believe what supplier diversity does is drive competition and promote innovation," she says.

Harrison has been at the helm of EY's Inclusive & Sustainable Procurement initiative since its inception in 2004, bringing a wealth of experience



**50**  
YEARS

**ESTABLISHED 1968**  
Building on Supplier Diversity Success

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## Supplier Diversity: Engage, Commit, Transform

For over 50 years, AT&T Supplier Diversity has championed for diverse suppliers within our supply chain. Our impact on diverse communities is evident as we stimulate job growth, create opportunities for technical skills development and make a positive economic impact in cities across the U.S and the San Francisco Bay Area.

Guided by strategic outreach, advocacy, prime supplier engagement, business development, education and involvement in community initiatives, AT&T's Supplier Diversity program aims to improve the livelihoods of diverse individuals in communities across the country and the bay area for years to come.

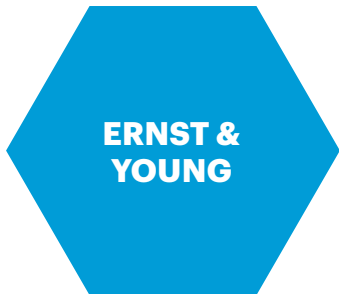
[www.attsupplierdiversity.com](http://www.attsupplierdiversity.com)

**AT&T IS PROUD TO BE RECOGNIZED AS ONE OF THE TOP COMPANIES IN THE SAN FRANCISCO BAY AREA FOR SUPPLIER DIVERSITY**



*“Through our initiative we have created a distinctive experience for suppliers by teaming together to develop innovative solutions, strategies and accelerating possibilities as we respond with a diverse mindset to our customers, clients and communities.”*

**Theresa Harrison**, Director of Inclusive & Sustainable Procurement, Ernst & Young (EY)



**ERNST & YOUNG**

**17%**

Portion of total procurement spending.

from a similar position at oil and energy firm Baker Hughes. She says that at the core of EY’s initiative is a “commitment to inspire diverse suppliers to think big and be confident in their ability to provide high-quality goods and services.” Under her leadership EY’s initiative has grown considerably, “from a domestic program now to a global program,” she says.

EY’s diverse suppliers come from many underrepresented communities including “women, minorities, LGBT, veterans” as well as disabled owners across “fifteen countries” according to Harrison. The program has certainly become well-recognized, having now won awards internationally in countries like the U.S, Canada and South Africa.

Harrison says a key part of the program’s success is the active role that EY plays in the development of the suppliers they support. “We host different programs around sales culture and agility... being the disruptor,

not [the] disrupted. They’re all around how technology or the disruptive age is impacting diverse suppliers,” she says. In addition, the organization hosts pitch competitions to develop suppliers’ value statements and their elevator pitch to corporations. These competitions “have developed more confident suppliers, provided engagement with our procurement team and scholarships to Tuck Business School,” according to Harrison.

Diverse supplier development and utilization have had a big impact, according to Harrison. “Through our initiative we have created a distinctive experience for suppliers by teaming together to develop innovative solutions, strategies and accelerating possibilities as we respond with a diverse mindset to our customers, clients and communities,” she says. It’s one of the reasons Harrison asserts that having a supplier diversity initiative provides a competitive advantage to firms that invest in them.

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# Banking on supplier diversity

Since establishing a supplier diversity program in 2012, the Federal Reserve Bank of San Francisco has seen spending on minority- and women-owned businesses nearly triple

**T**he Federal Reserve Bank of San Francisco's supplier diversity program supports the bank's commitment to having its workforce and vendor roster represent the communities it serves.

The Federal Reserve Bank of San Francisco's supplier diversity program supports the bank's commitment to having its workforce and vendor roster represent the communities it serves.

With the passage of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, the bank received additional support for its strategic focus on inclusion and diversity. The Dodd Frank Act is known primarily for having introduced new regulations aimed at curbing reckless behavior on Wall Street. But also contained

within the bill were many lesser-known reforms, including a measure designed to increase diversity in management, employ-

ment and business activities.

It was that directive that led the Federal Reserve Bank of San Francisco, one of the twelve regional banks that together form the Federal Reserve System, to further enhance its formal supplier diversity program to include cultivating a robust sourcing and procurement environment, says Lynn Reddrick, manager of the bank's supplier diversity program.

"While the bank has always been committed to supplier diversity, the creation of the Office of Minority and Women Inclusion, pursuant to the Dodd-Frank Act, reinforced that commitment, with a dedicated resource for businesses and a dedicated position overseeing it," she explains.

The availability of those resources, along with a commitment from the bank's business units to prioritize supplier diversity, has contributed to the near-tripling in spending on diverse suppliers, Reddrick says. In 2012, spending on minority- and women-owned vendors represented just 6% of total procurement, according to a 2018 report to Congress. Today, that number is 19.4%. The number of diverse businesses is also trending up, from 85 in

2017 to 100 in 2018.

The supplier diversity team coordinates with business units across the organization, including those working with the bank's offices in Los Angeles, Phoenix, Salt Lake City, Portland and Seattle, as well as its headquarters in San Francisco, to ensure that diverse suppliers have the opportunity to compete for contracts. The bank frequently awards contracts for needs such as construction, maintenance, consulting, training, IT and audio-visual services. The supplier diversity program collaborates with these business units in all these areas. "We're involved in any competitive procurements, with a special emphasis on contracts \$10,000 and up," Reddrick says.

The growing supplier diversity function at the bank operates differently than it typically does at private corporations. The Federal Reserve Bank of San Francisco doesn't sponsor organizations or events, for instance, but has been able to demonstrate its leadership in the supplier diversity realm — both within the Federal Reserve System and across the industry — by supporting and educating diverse



19.4%

Portion of total procurement spending

We Prove a Point – Supplier Diversity Builds Stronger Supply Chain Performance



Bay Area launched and woman-owned, ALOM performs at peak levels to deliver for our customers – a million times each day from 19 global locations.



alom.com



As a leading provider of technology solutions for business, healthcare, government and education, CDW makes valuing diversity an important priority. A diverse supplier network adds innovation to our business and helps us serve our customers best. Visit [diversityatcdw.com](http://diversityatcdw.com) to learn more.



SUPPLIER DIVERSITY

***“It helps to get discussion of supplier diversity in the C-Suite. When bank leaders are discussing important matters, supplier diversity becomes a primary consideration.”***

**Lynn Reddrick**, Manager, Supplier Diversity, Federal Reserve Bank of San Francisco

companies. Since 2014, these efforts have resulted in several industry awards.

“We provide technical assistance to the business community,” explains Reddrick. The supplier diversity program hosts workshops and provides educational resources to help diverse companies be in a better position to secure contracts with the bank and help them grow their businesses and succeed. The bank’s business units also participate in these events by providing technical expertise and meeting with companies to share how to do business with the bank. In addition, the program maintains relationships with advocacy organizations like the Western Regional Minority Supplier Development Council, or WRMSDC.

The key to the Federal Reserve Bank of San Francisco’s success in attracting more diverse suppliers? “Senior management support,” Reddrick offers. The supplier diversity program reports directly to the chief financial officer — a recognition

of the importance of supplier diversity to the bank, she says. “It helps get discussion of supplier diversity in the c-suite. When Bank leaders are discussing important matters, supplier diversity becomes a primary consideration.”

Additionally, Reddrick says visibility — internally as well as externally — should be a top priority for supplier diversity managers. “Internally, it’s been especially effective for me to participate in various bank activities. By interacting with employees across the bank, I can better understand what goods and services they need and how I can connect them.” Externally, she feels “establishing relationships with diverse supplier advocacy groups, attending meetings, showing that there is commitment,” has amplified her efforts.

“Our network is so strong from joining those organizations,” she says. “It’s helped us find vendors and learn best practices. And we have the resources to ask for help when we need it.”



**Lynn Reddrick**, manager of the Federal Reserve Bank of San Francisco’s supplier diversity program.

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# Q&A: How Supplier Diversity program led to wins for WWT

**Q: When did WWT create its formal supplier diversity program and what were the reasons for doing so?**

WWT formally launched our Supplier Diversity Program in Jan. 2011, when we dedicated a full-time resource to lead the position. It had been the goal of Dave Steward, Ann Marr, Bob Wells and Dicran Arnold to establish a formal program. However it became more of a priority shortly after WWT lost its small business status with the Small Business Association along with heightened expectations from some of our key customers.

“Simply put, a diversity strategy which includes supplier diversity is a business imperative. Supplier diversity is a critical component to any business’s long-term growth and sustainability strategy. Without it, a business limits its growth potential and competitiveness. It is personal to me because WWT has experienced the benefits first-hand. The access and opportunity the Minority Supplier Development Councils, including the WRMSDC, and our customers’ supplier diversity programs have provided, has been a tremendous contributor to our growth. We had to earn the business through the value we deliver. However, without the access and advocacy, opportunities would be limited. We are firmly com-

mitted to serving and helping diverse businesses grow and will continue to do so,” said Dave Steward.

**Q: What aspects of your business are covered by supplier diversity?**

WWT’s procurement process is decentralized. However, our Supplier Diversity team meets with every buying entity to talk about our Supplier Diversity Program and how WWT can benefit from working with more nimble partners that can enhance our bottom line.

**Q: What are some of the big “wins” of the program? For example, did you identify a superstar partner who may not have been on your radar before?**

One of WWT’s biggest success story is the new Global Headquarters (GHQ) project which consisted of 3 separate new construction builds– the 208,000-sq.ft. 6-story + lower level office building, a 5-story 768-car parking garage, and a connection patio lid built by TW Constructors. It is the largest project to be awarded by a minority-owned company to a minority-owned company in the St. Louis market. TW Constructors received the 2018 Building St. Louis Award for the new construction of WWT’s Global Headquarters building.

WWT

5%

Portion of total procurement spending

## You’re Invited!

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nglcc   
Affiliate Chamber

\* For businesses 51% or more LGBTQ owned and operated

***“Supplier diversity is a critical component to any business’s long-term growth and sustainability strategy. Without it, a business limits its growth potential and competitiveness.”***

**Dicran Arnold**, Director of Diversity Business Development – West, World Wide Technology

**Q:** How has the program changed or grown since it was first implemented?

There is more of an awareness internally on how our efforts to do business with minority-owned companies can make a difference not only to the bottom line but in communities of color. In many minority communities, minority-owned businesses are the top job creators.

**Q:** What advice would you give to companies who are thinking about creating their own programs?

It won’t be easy but don’t give up! Start by doing some research on who you are already doing business with, you will be surprised by the number of minority-owned business that you may already be doing business with, we were! Finally, please reach out to the diversity team at WWT, we will be more than happy to work with you to establish your supplier diversity program because we will all win if you are successful.



**Dicran Arnold**, Director of Diversity Business Development – West, World Wide Technology





## Multi-Industry Diversity EXPO

Friday, August 23, 2019 • 9:30 AM to 6:00 PM

Chevron Corporation

6001 Bollinger Canyon Road, Building A, San Ramon, CA 94583

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Construction • Consumer • E-commerce • Entertainment • Finance • Government • Healthcare • Hospitality  
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[wrmsdc.org/expo](http://wrmsdc.org/expo)

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# The Case for Supplier Diversity

Investing in supplier diversity sustains business growth while also being essential to corporate responsibility

**S**upplier diversity is a growing movement among major companies. Businesses who understand both the cultural imperative and the business argument for this important practice know that supplier diversity is far from an empty public relations play: It's a strategy that adds value and enhances the success of the companies who use it. Indeed, the global market becomes a more complex entity every single day, and homogenous supply lines are taking a toll on companies who don't take advantage of this diversity.

The worries that executives might have about the efficacy of proactively seeking out diverse suppliers are simply unfounded. Research from the Hackett Group, studying the performance of suppliers of top companies, found that only one percent of the diverse suppliers didn't meet expectations. By comparison, 23 percent of the suppliers exceeded their expectations and grew dynamically.

In short, supplier diversity is driving economic growth precisely because it's utilizing untapped markets of skilled people to supply some much-needed competition to the supply chains of the world.

In this supplement, four major companies have shared their practices and ideas in order to educate corporate leaders about the myriad reasons to engage with supplier diversity, as well as the many resources and techniques available to make supplier diversity the most effective in a given company that it can be. Executives from AT&T, Cisco, PG&E and Union Bank all come from distinguished supplier diversity programs, and can demonstrate that these programs drive business growth for both the suppliers and the companies them-



A classic WRMSDC networking moment captured at the 2018 Black Tie Awards & Fundraiser Gala.

## Who are diverse suppliers?

- LGBT-owned businesses
- Minority-owned businesses
- Woman-owned businesses
- Veteran-owned businesses
- Service-disabled veteran-owned businesses
- Businesses in Historically Underutilized Business (HUB) zones

selves by being leaders in the supplier diversity space.

What is often overlooked by those skeptical of supplier diversity programs is that companies that don't do business with diverse suppliers are actually ignoring major buying power. Minority-owned companies have more than \$3 trillion dollars in buying power, while women-owned businesses boast sales of at least \$3.6 trillion dollars. So the success is already there – and there is no business model that isn't enhanced by partnering with successful possibilities.

Diverse suppliers are supported by regional groups like the Western Regional Minority Supplier Development Council (WRMSDC) and its parent organization, the National Minority Supplier Development Council (NMSDC). These groups help companies find diverse suppliers to help them achieve any number of goals, and represent yet another reason that ignoring the wave of supplier diversity successes doesn't make sense. Members of these groups report reduced costs, higher sales and increased productivity from their supply lines when they utilize diverse companies. The NMSDC reports that its certified list of minority business enterprises (MBEs) generate over \$1.1 billion dollars per day in wages, tax revenue, and income.

The fact is that diverse suppliers represents too large a proportion of the economy to responsibly ignore. Moreover, investing in supplier diversity is a practice that only sustains business growth, while also being essential to corporate responsibility. Supplier diversity is one answer to institutionalized forms of discrimination that plague businesses and societies all around the world.

The economy can be a powerful actor for change, and supplier diversity is one of the best methods to enact that change.



WRMSDC supporters celebrating the Excellence in Supplier Diversity Award Winners at the 2018 Black Tie Awards & Fundraiser Gala.

**22 TOP BAY AREA COMPANIES FOR SUPPLIER DIVERSITY**

We called upon Bay Area companies to send us their data regarding six determining factors of supplier diversity. The top 20 for supply chain diversity, listed below, are all members of at least one supply chain diversity certification organization on a national or regional level. These organizations include: GGBA (Golden Gate Business Association) and NGLCC (the National LGBT Chamber of Commerce), which certify LGBT-owned businesses; WBEC-Pacific (the Women’s Business Enterprise Council) and WBENC (Women’s Business Enterprise National Council); and the National and Western Regional Minority Supplier Development Councils (NMSDC and WRMSDC respectively).

Rank	Company	Percent of spending with diverse suppliers	Have a formal inclusive supply chain program?	Requires prime suppliers to report diverse spending	National member of third party certification organizations	Regional members of third party certification organizations
1	Pacific Gas and Electric Company	41.43%	YES	YES	ALL	ALL
2	AT&T	26.80%	YES	YES	ALL	ALL
3	EY	17%	YES	YES	ALL	WRMSDC
4	Kaiser Permanente	13%	YES	YES	ALL	GGBA/WRMSDC
5	CDW	12%	YES	YES	ALL	NONE
6	State Compensation Insurance Fund	35%	YES	YES	NGLCC/WBENC	WRMSDC
7	Rose International, Inc.	30%	YES	YES	NMSDC/WBENC	WRMSDC
8	Netpace Inc	20%	YES	YES	NMSDC	WRMSDC
9	Abbott	22%	YES	YES	ALL	NONE
10	MUFG Union Bank, N.A.	14.30%	YES	YES	NMSDC/WBENC	WRMSDC
11	Federal Reserve Bank of San Francisco	19.40%	YES	YES	NMSDC	WRMSDC/WBEC-PACIFIC
12	VMware	N/A	YES	YES	NMSDC/WBENC	WRMSDC
13	EBMUD	20%	YES	NO	NMSDC/WBENC	WRMSDC/WBEC-PACIFIC
14	BayInfotech	80%	YES	NO	NMSDC	WRMSDC
15	Oracle	18%*	YES	NO	NMSDC/WBENC	WRMSDC
16	CSAA Insurance Group	10%	YES	NO	NGLCC	WRMSDC
17	Chevron	18.46%	YES	YES	ALL	ALL
18	Mosaic Global Transportation	N/A	YES	NO	NMSDC	GGBA/WRMSDC
19	Clearresults	26%	YES	YES	ALL	WRMSDC
20	Hewlett Packard Enterprise	28%	YES	NO	NONE	WRMSDC/WBEC-PACIFIC
21	Blue Shield of California	3.80%	YES	YES	NONE	GGBA/WBEC-PACIFIC
22	World Wide Technology (WWT)	5%	YES	NO	NMSDC/WBENC	WRMSDC

\*indirect spend

The Top Bay Area Companies for Supplier Diversity list was created in collaboration with the Western Regional Minority Supplier Development Council (WRMSDC), the Women’s Business Enterprise Council – Pacific (WBEC-Pacific) and the Golden Gate Business Association (GGBA), the Bay Area’s LGBT Chamber of Commerce.

To qualify for this list companies must have Bay Area operations in the nine-county Greater Bay Area. Each participating company was required to complete a brief online survey. Each question in the survey had its own score based upon our collective determination of its importance in developing and having the most diverse and inclusive supply chain. The total score was used to rank companies in the published list. There was no fee associated with participation in the survey or publication in the Top Bay Area Companies for Supplier Diversity list.



# Partner with us.

At Apple, we are committed to diversity in our supply chain. We partner with the most qualified suppliers, including businesses owned by women, minorities, veterans, people with disabilities, members of the LGBTQ+ community, and others in historically underrepresented groups.

To partner with us, email  
[supplierdiversity@apple.com](mailto:supplierdiversity@apple.com).