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BUSINESS TIMES**

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2021 BEST COMPANIES FOR SUPPLY CHAIN INCLUSION AND EQUITY






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Union Bank is proud to support The Western Regional Minority Supplier Development Council.

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PRESIDENT'S LETTER



Knowledge is Power, Motivation, and the beginning of Understanding! I publish this issue to dispel myths, recognize excellence and illuminate people to the advantages available to organizations through inclusion. There is untapped economic opportunity to be created and taken advantage of through inclusion. Whether you are a minority business owner, a "diverse" person, or an ally, you can do so much more to resolve economic disparities and drive growth. Inclusion also brings more value to shareholders, helps retain employees, and activates the economic power of communities of color.

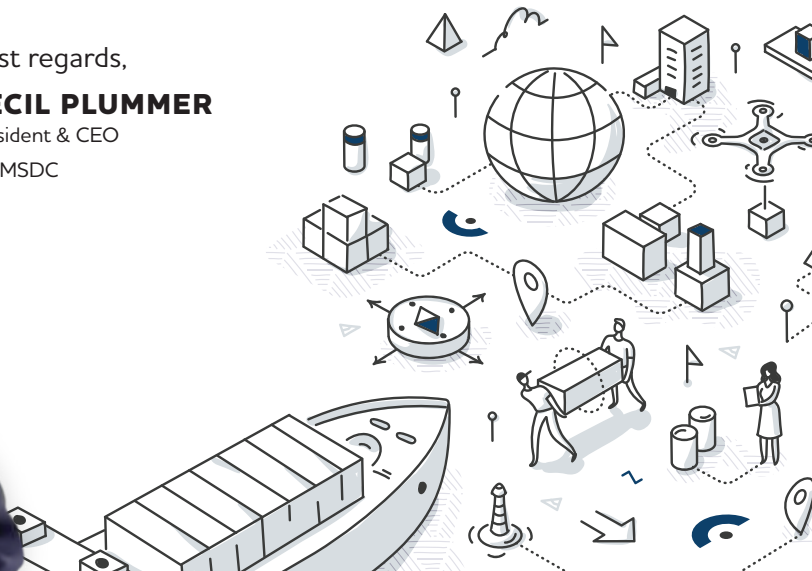
You are about to read what top companies are doing to leverage inclusion for the benefit of their organizations, customers, shareholders and the economy as a whole. Supply Chain Inclusion is a critical strategy to ensure that the U.S. economy continues to grow and thrive.

Best regards,

CECIL PLUMMER

President & CEO

WRMSDC

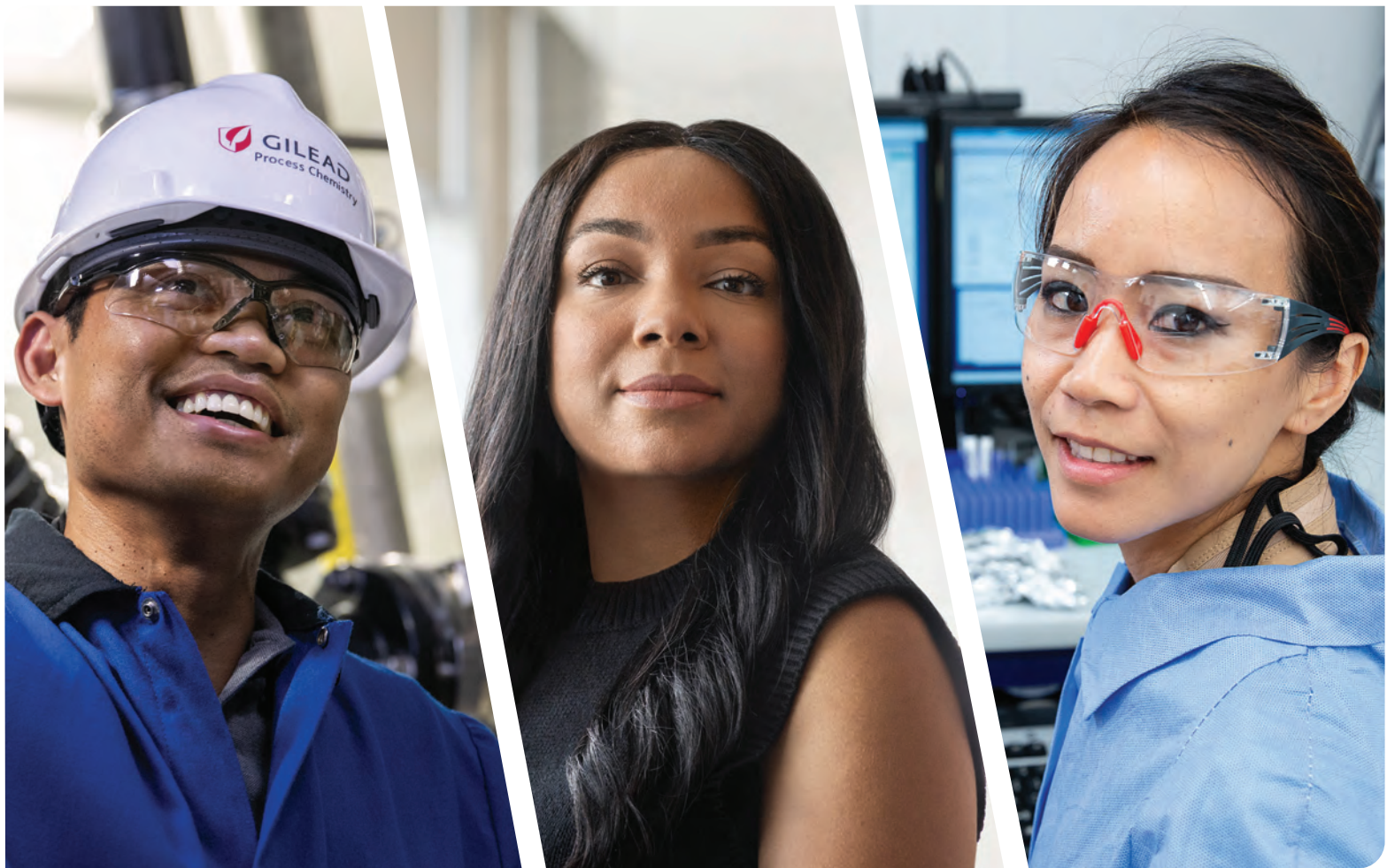




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sfdc.co/supplierdiversityprogram



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For more information, please visit www.gilead.com.

*Gilead is proud to partner with
small and diverse enterprises.*

FIGHTING TO ACHIEVE REVENUE PARITY IN THE 21ST CENTURY

BY ERIN BERNALL | CONTRIBUTOR

Minority business enterprises (MBEs) are critical to economic sustainability. They contribute \$1.8 trillion annually to the national economy, create jobs, support communities and mitigate risk in an era of increased supply chain vulnerabilities. They drive change and foster innovation.

Despite all of this, a report presented recently by the Michigan Minority Supplier Development Council (MMSDC) and supplier.io, a firm that provides supplier diversity solutions to companies, found that at their current rate of growth, it will take more than 333 years for MBEs to achieve revenue parity with majority-owned businesses. The report analyzed U.S. Census data spanning the five-year time period from 2014-2018, and was limited to businesses with annual revenue of at least \$1 million.

While statistics in the report reveal that the number of MBEs within the target revenue classification grew by 26% from 2014-2018, growth was incremental throughout the five-year period signaling that much work remains to be done to close the revenue parity gap between minority businesses and their majority-owned counterparts. Evidence of new businesses entering the marketplace and of scalability to accommodate the purchasing demands of large organizations demonstrates that minority-owned businesses are viable contributors to a sustainable supply chain. As such, corporate supplier diversity programs offer exceptional opportunities to help minority-owned businesses grow and communities thrive.

Directing corporate spend dollars to diverse suppliers enables minority business owners to increase capacity and their purchasing and investing power, and positions these businesses to create jobs. An alarming finding by the federal Minority Business Development Agency, however, reveals that only 11% of all minority-owned businesses have paid employees, yet these companies represent 29%

of all firms. The agency notes that minority-owned businesses would add 13 million jobs to the U.S. economy if entrepreneurial parity were not an obstacle.

In their report, MMSDC and supplier.io outline several ways that companies can approach supplier diversity and create results-driven processes to ensure that revenue parity is achieved well before the 333-year mark. One of the simplest strategies to close the gap is to increase the spend with diverse suppliers. Analysis suggests that it will take fewer than 15 years to achieve revenue parity if all corporations commit to increasing their annual spend (of overall procurement dollars excluding only payroll and taxes) with MBEs by just 1% every year. Adding to that is the Biden Administration's goal, stated in the 2021 Proclamation on Minority Enterprise Development Week, to increase federal contracts to small disadvantaged businesses by 50% over the next 5 years.

Another strategy that companies can take to support MBEs is to spread the spend across procurement categories. Look for business partnership opportunities beyond construction and building trades, facilities services, and catering and food service, which are traditionally easy targets for diverse spending, according to the report. Engaging with minority-owned businesses in such high-growth industry sectors as advanced manufacturing, professional services and technology presents opportunities for underrepresented product and service providers to compete in bidding processes typically associated with higher economic impacts.

Lastly, is creating access. Businesses thrive when they have access to capital, customers and knowledge. Access to capital remains a top barrier to growth for minority-owned businesses. According to research firm Crunchbase, only 2.6% of all venture funding was directed to Black and Hispanic businesses in 2020. The disparity is

not isolated to startups seeking just venture capital. Minority-owned businesses face more barriers to secure a bank loan or other types of financing for small businesses. Broken down further by gender, women entrepreneurs historically face greater barriers in securing external financing than their male counterparts and rely heavily on internal fundings sources such as family, friends and personal savings. Despite capital inequities that women routinely face, however, the Minority Business Development Agency reports that women of color are the fastest growing population of entrepreneurs.

The second pillar of access – customers – rests in every procurement team's power to decide who they do business with. Sourcing products, materials and services from MBEs directly elevates the pool of diverse suppliers. Customers create customers. When companies increase their spend with MBEs, they position these suppliers to increase their own purchasing power with other minority-owned businesses, which builds capacity, creates jobs and helps MBEs compete at a higher level. Finally, companies that serve as a knowledge resource for their suppliers, whether MBE or nondiverse-owned, help drive innovation, support economic development and promote the business case for supplier diversity. Hosting business development workshops, mentoring entrepreneurs of color, providing resources to help MBEs scale and educating nondiverse suppliers on how to develop their own diverse supplier initiatives are just a few ways to facilitate growth for minority-owned businesses.

Achieving revenue parity requires unwavering commitment across industries, both public and private, to the development and success of minority-owned businesses and certified diverse suppliers. A focus on results-driven processes is key to accelerating the pace.



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

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



As an industry-leading provider of Staffing and Total Talent Solutions,

Rose International executes continued commitment to diversity, equity and inclusion nationwide. With thousands of employees across the U.S., we support and give back to communities from coast to coast through numerous initiatives.

SUPPLIER DIVERSITY

Seeking Firms:

- MBE
- WBE
- LGBTE
- HUB
- SBE
- VBE
- DVBE

Implemented a formal program in 1999

54% diverse spend in 2020

VETERAN HIRING



- ✓ Established Deployment to Employment (D2E) program
- ✓ Dedicated Veteran Employment Team

Hired 2,000+ veterans

RACIAL EQUITY



- ✓ Launched RISE (Rose Impacting Social Equality)
- ✓ Racial justice initiative to advance racial equity

\$2 million commitment

ENVIRONMENTAL SUSTAINABILITY

Committed to helping keep our world healthy and green
Implemented companywide initiatives:



- ✓ Online collaboration tools
- ✓ Energy efficient purchasing
- ✓ Office recycling
- ✓ Environmental friendly workspaces



Sabina Bhatia
CEO, Rose International

“As a leader in our industry, it is our duty to give back and support the communities in which we operate. We’re making a difference nationwide. By investing in our workforce, the planet and the business community, we remain dedicated to an equitable and successful future for all.”



2021 TOP BAY AREA COMPANIES FOR SUPPLY CHAIN INCLUSION AND EQUITY

We called upon Bay Area companies to send us their data regarding important practices of supplier diversity.

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	EY	15%	YES	YES	YES	YES
2	MUFG Union Bank	16%	YES	YES	YES	YES
3	PG&E	39%	YES	NO	YES	YES
4	AT&T	25%	YES	YES	YES	YES
5	Apple Inc.	N/A	YES	YES	YES	YES
6	Intel	N/A	YES	YES	YES	YES
7	Federal Reserve Bank of San Francisco	15%	YES	YES	YES	YES
8	State Compensation Insurance Fund	17%	YES	YES	YES	YES
9	Rose International	54%	YES	YES	NO	YES
10	Turner Construction	17%	YES	YES	YES	YES
11	Kaiser Permanente	N/A	YES	YES	YES	YES
12	Robert Half	21%	YES	YES	YES	YES
13	Mosaic Global Transportation	23%	YES	YES	NO	NO
14	VSP Gobal	17%	YES	YES	NO	YES
15	Swinerton Builders	17%	YES	NO	YES	YES
16	Gilead Sciences	7%	YES	NO	NO	YES
17	World Wide Technology	N/A	YES	NO	YES	YES
18	Zones LLC	N/A	YES	YES	NO	YES
19	Golden State Warriors	3%	YES	YES	NO	NO
20	Federal Home Loan Bank of San Francisco	16%	YES	NO	NO	YES
21	Hewlett Packard Enterprises	N/A	YES	YES	YES	YES
22	Autodesk	N/A	YES	YES	YES	YES
23	Clorox	5%	YES	YES	YES	NO
24	Bishop-Wisecarver Corp	1%	YES	YES	NO	NO

The 2021 Top Bay Area Companies for Supply Chain Inclusion and Equity list was created in collaboration with the Western Regional Minority Supplier Development Council (WRMSDC).

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.

Q&A

INTEL ENABLING SOCIAL EQUITY THROUGH SUPPLY CHAIN DIVERSITY

BY ERIN BERNALL | CONTRIBUTOR

“It is critical to understand that supplier diversity is not a charity activity. We are seeking high performing, innovative, and industrious companies to compete for the business and we hold them to the same standards as our incumbent suppliers.”

How do you define the business value for supplier diversity?

For us, diverse owned suppliers have proven to bring innovative solutions that benefit our customers and stakeholders. At a fundamental level, this program expands our company's competitive pool of potential suppliers. We have identified many fantastic suppliers since we launched our program in 2015, many in commodities where we were told that no diverse suppliers existed or that did not have the capacity to handle a company the size of Intel.

Something we're very excited about, is that after six years since we launched our renewed SD&I commitment, we have now been able to quantify the intrinsic value of diverse suppliers to Intel. The most telling is that 4 of 5 diverse supplier scorecards are outperforming their category competitors, with the fifth one essentially at par. This type of value has been well-documented in white papers and reports for many years across all industries, but it's great to see it in our results. This trend is also the case for our Indirect Materials suppliers who are not on a scorecard, but are measured by cost, customer feedback, quality, safety, and other metrics.

What is the relationship between supplier diversity and supply chain resilience?

It is critical to understand that supplier diversity is not a charity activity. We are seeking high performing, innovative, and industrious companies to compete for the business and we hold them to the same standards as our incumbent suppliers. At the end of the day, this creates a more robust sourcing process and drives better solutions across all suppliers. By expanding our supply base with diverse suppliers, we are building a more resilient semiconductor ecosystem, which is critical with the role that technology plays in almost every aspect of society today.

What advice do you have for companies that are starting a supplier diversity program?

Not all supplier diversity programs are alike and it is essential to tailor your program to meet your specific business needs, company culture, and local regulations. Like all programs, it's important to first determine the purpose and scope of your program and then resource it appropriately with experienced supply chain experts who understand the procurement domain. It's also important to allocate a reasonable budget that will allow the program team to engage in and learn from regional

and/or national supplier diversity events hosted by the diverse certification NGOs like WBENC, NMSDC, and WEConnect International.

The two pillars of our program that I believe have led to providing more opportunities for diverse owned companies are visible, top-down support from our executive sponsors and program management office, and establishing a passionate extended team of Supplier Diversity Champions within each commodity area and country we do work in. We leverage them as commodity experts and provide them the freedom to execute to the framework set by the program office in ways that integrate best within their respective divisions and teams.

We put a lot of effort in encouraging our non-diverse suppliers to join us in creating a more inclusive supply chain. With this in mind, we created a Supplier Diversity & Inclusion “Quick Start Guide” on our SD&I website, www.intel.com/SupplierDiversity.

What is the catalyst for RISE 2030 and how might the initiative have global impact?

Beyond the impact that our technology has in people's lives, we strive to have an equal, if not greater, positive impact in how we operate our supply chain and impact our communities. In Intel's 53-year history, we have been and continue to be a high impact company across all vectors of corporate social responsibility, including our first-mover conflict minerals, supplier diversity, worker human rights, carbon footprint, and water conservation programs.

Coming into 2020, we at Intel reflected on the corporate responsibility progress made in the prior five years. We concluded that to fulfill our purpose and meet the expectations of all our stakeholders, it was time to re-frame both the scale and approach we use to deliver the impact over the next decade. The result was our RISE framework from which we have identified core leadership actions we will take in responsibility, inclusion, and sustainability.

Although Intel continues to stretch harder on behalf of our customers and stakeholders, global challenges cannot be solved unilaterally. Working with interested companies and industry groups, we strive to magnify the impact of our collaborations. By pairing innovation enabled through our technology and collective partnerships, we can dramatically accelerate solutions to global challenges like medical research, climate change, and social equity.



JACKIE STURM

Corporate Vice President, Global Supply Chain Operations

How do diverse suppliers influence how Intel operates?

Compared to other industries, semiconductor manufacturing has not had the same external pressures that helped to start up many corporate supplier diversity programs. It was not common for Intel and other integrated device manufacturers to have government contracts, which was a strong driving force in the US for telecom and the automotive industry to build robust programs. From a supplier base standpoint, it is also predominately comprised of international, public companies which were vertically integrated. The tech industry itself has typically been dominated by male engineers and CEOs, limiting options for diverse STEM suppliers.

With the success of our supplier diversity program since 2015, we have changed a lot of minds and helped to make our supply chain better by challenging the status quo. Our partners have witnessed firsthand the value that diverse suppliers are generating and they are strong proponents of our program today. Additionally, many of our key suppliers have crafted their own supplier diversity initiatives, furthering the positive impact throughout our extended supply network.

With Intel's elevated focus on corporate responsibility and RISE 2030 goals, supplier diversity is core to how we seek to innovate within the technology ecosystem. It is not an add-on; it is central to our approach and one that seeks to enable greater social equity and brings new perspectives and ideas that improve the way Intel operates.

Q&A

GENENTECH FOSTERING THE ENTREPRENEURIAL MINDSET OF SUPPLIER DIVERSITY

BY ERIN BERNALL | CONTRIBUTOR

Why is Genentech focusing on supplier diversity?

To build the context, let me briefly share the high-level DE&I framework at Genentech. The framework includes three pillars. The first pillar is to foster belonging. It's about creating an environment where Genentech's employees can express themselves freely. Show up and be yourself. The second pillar is about advancing inclusive research and health equity. It's well-known that minorities and people of color are underrepresented in clinical trials. There's an incredible opportunity for clinical trials to be more inclusive.

The third pillar, transforming society, is where supplier diversity fits. An overall focus of our supplier diversity program is to promote more inclusiveness in our supplier base. It is a great way to align our supplier base with the increasing diversity in our country, workforce and society. The more we engage intentionally with supplier diversity, the greater impact we can have on society by driving economic opportunities for small and diverse businesses and communities. Last but not least, the agility, nimbleness and different perspectives that can be invited in through supplier diversity are vital to our competitive advantage as we bring lifesaving medicines to our patients.

What is the competitive advantage to having a supplier diversity program?

Large corporations can slip into a comfortable rhythm of established processes and supplier relationships. If not challenged with new curiosity, new thinking, this rhythm can sometimes lead to the entrepreneurial mindset getting parked on the back burner. An environment that encourages out-of-the-box thinking is critical for any innovation-focused enterprise. Supplier diversity brings that entrepreneurial mindset to the company. Startups and small and diverse businesses are vital in bringing that edge, that new way of thinking about a problem, that new technology, or the improved process that can help us ultimately get our product faster to the patient. Supplier diversity brings ingenuity and nimbleness into our company. That's a competitive advantage.

How does Genentech measure the success of its supplier diversity commitment?

One of the critical measures of success for supplier diversity in the industry is the actual spend. We tend to look at success a bit more broadly. Offering educational scholarships, structured mentorship opportunities, and informal mentorships such as inviting small/diverse suppliers to present and receive immediate feedback at our development-focused Lunch & Learn sessions are additional ways we measure our success and commitment to supplier diversity. We offer further guidance on developing their capabilities' deck and pitching that can be used at other companies. Another intangible yet valuable indicator of success is the mindset shift from people in our business functions, beyond supplier diversity and procurement, directly getting engaged in supplier development, mentoring and championing supplier diversity. More people recognize the impact, new perspectives, and agility that supplier diversity can bring to our business. The aspira-



TOM THATTACHERY

Head of Supplier Diversity

An area of significant importance is bridging the gap in access to clinical trials for patients in underrepresented communities. Supplier diversity is well-positioned to explore ways to engage more diverse suppliers to potentially bridge this gap.

tional goal is to continue strengthening the grassroots and leadership engagement at all levels so that supplier diversity becomes a way of working within the organization. When this happens, meaningful success beyond spend naturally follows.

Supplier diversity is a journey. If we create a larger-than-life purpose that people can rally around, that's what matters. It's not always about the numbers. You've got to be a leader in creating an empowering environment and momentum around the bigger picture of supplier diversity to move the needle forward for the greater good. At

Genentech, we have a \$1 billion goal of spending with diverse suppliers by 2025. We hope to surpass this goal earlier than 2025 and then set an even bigger goal to continue the journey. In addition, our yearly economic impact study based on our procurement spend gives us insights into the broader economic impact we create in society directly and indirectly through our suppliers.

Why does Genentech require D&I commitments from all suppliers with RFPs of \$500,000+?

Although, as a company, we are very focused and intentional on D&I and supplier diversity, there is only so much we can do by ourselves. This is where our large supplier partners come in. Our procurement organization came up with the idea of asking our supplier partners (>\$500K) to support our broad D&I commitments that include workforce diversity, leadership diversity and supplier diversity. We encourage our supplier partners to share the diversity in their leadership, workforce, and beyond. We make sure that we do not just pose this requirement and walk away; but instead, we offer support and necessary training and guidance to those suppliers who need help to create and sustain the D&I momentum. For example, in the supplier diversity space, we discuss the importance of expanding the inclusion of small and diverse suppliers on the work they perform for Genentech and create a path for them to report Tier 2 spend to us quarterly. In essence, through this broad D&I commitment, Genentech is intentionally and collaboratively expanding diversity and inclusion opportunities through our supplier partners and positively impacting society.

In what ways can supply chain diversity help to solve the problem of healthcare inequities?

An area of significant importance is bridging the gap in access to clinical trials for patients in underrepresented communities. Supplier diversity is well-positioned to explore ways to engage more diverse suppliers to potentially bridge this gap. For example, diverse patient recruitment companies that are often better positioned to connect and reach out to underrepresented communities can be great partners. The history of this country suggests that there's distrust in healthcare for underrepresented communities. This lack of trust is a barrier to getting more people of color to commit to clinical trials. Supplier diversity can be leveraged to build trust in underrepresented communities and encourage inclusion in trials. In addition, smaller businesses and startups often bring forth innovative products such as wearables and real-time data technology solutions to reduce travel needs to clinical sites and make it easier for patients to participate in trials from the comfort of their homes.

Intel is committed to making the semiconductor industry more inclusive. From our global workforce to our supply chain, we know innovation is fostered through multiple perspectives, experiences and backgrounds.

We have pledged to spend \$2 billion annually with diverse owned suppliers by the end of 2030 to create opportunities to compete throughout our supply base.

Visit www.intel.com/supplierdiversity to learn more.



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To find out more about Zones' supplier diversity program, contact Supplier.Diversity@Zones.com or visit www.zones.com/mbe



- Certified Minority Business Enterprise
- 2020 WRMSDC MBE Platinum Partner Pitch Award – The Best Minority Innovator in the Western Region
- 2015 National Supplier of the Year, Class IV, National MSDC



GILEAD FOSTERS SUPPLIER INCLUSION

As a global biopharmaceutical company with headquarters in the San Francisco Bay Area, Gilead embraces a philosophy of supplier inclusion, with the goal of building a company-wide culture committed to partnering with small and diverse businesses. As the company has grown from a small biotech firm employing hundreds to a worldwide employer of more than 13,500, diversity has been a core principle driving supplier decisions.

“As a company committed to creating a healthier world for all people, it is our responsibility to ensure our partner network is inclusive of businesses of all sizes that value diversity just as we do,” said Veronica Jones, Vice President, Procurement and Chief Procurement Officer, Gilead Sciences. “I am proud of the work we have done in this area, and excited as we take our efforts to the next level.”

Progress includes:

- Tripling Gilead’s spend with diverse suppliers and more than doubling the spend with small businesses over the last five years.
- Establishing a bench of nearly 800 small or diverse suppliers.
- Tying supplier diversity to corporate goals and enterprise metrics.

“Inclusion is one of Gilead’s core values and engaging diverse suppliers is an opportunity for us to demonstrate it in the community,” said Perika Sampson, Global Head of Inclusion and Diversity at Gilead Sciences. “At Gilead, diversity is a corporate imperative in both the workplace and in the marketplace.”

A Partnership that Lasts

Ultimately, Gilead’s commitment to supplier inclusion distills down to developing relationships with real people in real communities.

“Our supplier community should look like our patient community and our employee community,” said Brian Peters, Senior Director of Procurement, Gilead Sciences. “They reflect who we are.”

For instance, Gilead regularly works with a Bay Area, family-owned, small and diverse company that provides design, production and printing services.

Diverse businesses bring a unique perspective that leads to new, unexpected solutions, a representative from the company said. “We’re agile, we can scale up pretty easily and we have the freedom to be flexible.”

Another leader of the company said she has had the opportunity to see Gilead grow, and even knows its workings so well she can help inform newer Gilead employees about next steps or needed reviews. “As Gilead was growing, we were right there,” she said. “It’s been fun, it’s been a journey and an honor.”

For the Gilead team, these relationship-based partnerships are invaluable.

“My experience has been fantastic,” said Mike Knievel, Senior Director of Procurement, Gilead Sciences. “When we need an out-of-the-box solution, they are the first companies we call. They are flexible and adaptable and will do the best they can to make it work.”



Ultimately, supplier inclusion has proven to be successful due to Gilead’s steadfast commitment to diversity as not simply a procurement goal, but a company-wide priority, reflective of its responsibility as an employer and partner.

Benefits of Supplier Inclusion

Contracting with small and diverse suppliers fosters innovation, enhances performance and allows Gilead to give back to the community directly, Peters said.

“With a diverse supplier community, our teams have a higher ceiling for performance and access to innovation,” Peters said.

Rather than emphasizing the importance of “supplier diversity,” Gilead has opted to target “supplier inclusion,” a distinction that values the involvement of diverse and small suppliers throughout the sourcing process.

To connect with diverse or small companies, the procurement team partners with specialists involved in sourcing to ensure best practices are adopted Gilead-wide, Knievel said.

Gilead also draws on its membership in the Western Regional Minority Supplier Development Council and uses a woman-owned supplier database to identify small, diverse companies that may be a good fit. Knievel said

that Gilead is also working to spread the word about the importance of supplier inclusion internally, including by connecting through its employee resource groups such as GAIN (Gilead Asian Interest Network), Latino-focused Gileados, GLOBE (Gilead Leadership of Black Employees), Women at Gilead and others.

For measurement, Gilead tracks its overall spend, but believes other metrics, such as the integration of diverse suppliers throughout an organization and the impact of those spending decisions, are important to capture the broader picture, Peters said, as the benefits of using smaller, representative companies extend beyond diversity.

“Our commitment to inclusion extends to the highest levels of our organization,” said Joydeep Ganguly, Senior Vice President, Corporate Operations, Gilead Sciences. “It’s a win-win: We are able to foster innovation, build strong relationships with suppliers – leading to repeat business – and make a difference in our communities.”

Ultimately, supplier inclusion has proven to be successful due to Gilead’s steadfast commitment to diversity as not simply a procurement goal, but a company-wide priority, reflective of its responsibility as an employer and partner.

“As a growing, worldwide organization, our choices ripple beyond our walls. We take this responsibility seriously and by doing business with diverse suppliers, we have the opportunity to make a real difference, while driving innovation at the same time,” said Andrew Dickinson, Chief Financial Officer, Gilead Sciences.





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Committed to Empowering small and diverse-owned businesses.

Creating opportunities for businesses to thrive is our passion. We believe a key to successful business relationships is Supplier Inclusion. For several years our program has fostered the promotion, growth, and development of small-, and diverse-owned businesses.

If you're a supplier interested in partnering with us, register at rhsupplierportal.starssmp.com

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SIEMENS

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usa.siemens.com/mobility



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Q & A

JPMORGAN CHASE CREATING AVENUES TO ELEVATE DIVERSE SUPPLIERS

BY ERIN BERNALL | CONTRIBUTOR

In October 2020, the firm made a commitment to spend \$30 billion to advance racial equity. As part of this commitment, JPMorgan Chase will spend an additional \$750 million with Black, Hispanic and Latino suppliers over the next five years, and we're already on track to exceed our first-year spending goal.

How does a commitment to supplier diversity strengthen JPMorgan Chase as a company?

One thing that people should understand is that supplier diversity is not philanthropy - it actually is smart business. We compete with other banks for clients, customers and talent. A bank that is firmly rooted in rapidly growing diverse communities will be the bank of choice.

For nearly 30 years, the firm's Global Supplier Diversity strategy has been committed to increasing diversity within the JPMorgan Chase supply chain and to driving economic growth in the communities in which we do business. Last year, through the program, we reached over \$2 billion in annual spend with diverse suppliers.

Fostering the success of diverse businesses not only contributes to their revenue growth, but also to job creation, generating wealth in the communities they operate in. Our strategy and the goals we've set for ourselves reflect who we are as an organization and the role we want to play in society. A thriving economy is good for all businesses. Supplier diversity is an investment in the future of JPMorgan Chase, and in the broader economy.

How does JPMorgan Chase measure the impact of its Global Supplier Diversity program on a community level?

In October 2020, the firm made a commitment to spend \$30 billion to advance racial equity. As part of this commitment, JPMorgan Chase will spend an additional \$750 million with Black, Hispanic and Latino suppliers over the next five years, and we're already on track to exceed our first-year spending goal.

We are taking a localized approach to reaching our goals by giving focused attention to cities in which JPMorgan Chase has a footprint, programs that support entrepreneurs, external partners, and opportunity for diverse suppliers. We want to leverage local JPMorgan Chase ecosystems, bringing all of the firm's resources together in support of our supplier diversity mission. We will be monitoring our own spend growth, as well as the business growth and progress of the diverse suppliers we engage.

What is the impetus behind the Gold Supplier Program?

Gold Supplier status is the firm's top designation for strategic supplier relationships. The Gold Supplier Program launched in 2017 with a mission to enhance strategic alignment and value by helping suppliers understand how to become more successful with JPMorgan Chase,

and helping the firm to become a customer of choice in its supply markets. Gold Suppliers are leaders in their respective industries. The program includes over 100 suppliers of all sizes across many product categories.

We're amplifying our impact on diverse businesses by encouraging the Gold Supplier community to join our efforts and increase their spend with diverse businesses. Gold Suppliers have tremendous buying power, and collectively have the ability to reshape the business landscape and advance racial equity.

So far, more than 40% of our Gold Suppliers have agreed to increase their collective spend with diverse companies across the U.S. and globally by \$6.2 billion over the next three years, placing an emphasis on Black, Hispanic and Latino-owned firms. This amount is expected to grow in 2022 as additional Gold Suppliers commit to increase spend targets through their supplier diversity efforts.

Going beyond JPMorgan Chase's own increased spend commitment, the firm is taking an innovative hands-on approach to advancing racial equity by helping Gold Suppliers without formal supplier diversity programs to build one from scratch, while helping those with established programs to benchmark their performance over time.

In addition, companies with mature diversity programs are providing mentorship to fellow Gold Suppliers in the early stages of their program development. This initiative is about comprehensive supplier diversity program growth, not just spend increases. While we're targeting increases over the next three years, the larger purpose is to have these companies develop sustainable programs that will create new diverse spending for decades to come.

What is the advantage to providing business development events for diverse businesses?

Our Supplier Diversity mission has two goals. One is to increase the number of diverse businesses the firm purchases from so that we have a supply chain that is as diverse as our customer base. Secondly, we want to ensure that diverse entrepreneurs we work with are successful. We approach this through education and development. Throughout the year we sponsor, participate in, and host over 40 diverse supplier education and development events. We work with diverse business advocacy organizations which provide additional programming and support to diverse entrepreneurs. By supporting these organizations, we can directly impact their stakeholders.

I've always believed that some of the most knowledge-



WILLIAM KAPFER

Global Head of Supplier Diversity

able people in business can be found at JPMorgan Chase, and our teams are always willing to share their knowledge and expertise through seminars, webinars and mentorship programs. In fact, JPMorgan Chase has established a team of senior business consultants in 13 cities to provide minority business owners with one-on-one advice and mentorship to help their businesses thrive.

Education and development enable businesses to grow their capacity so that they can meet the needs of large corporations, thereby generating a solid pipeline of potential suppliers that are ready to do business with JPMorgan Chase.

What advice do you have for companies that are starting a supplier diversity program?

First, take a close look at your current supplier base. You may already be spending with diverse suppliers, but haven't been tracking the dollars. This will give you a baseline from which you can measure your progress and growth.

Second, make it a priority to become a member of key diverse business certifying organizations such as the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC) or their San Francisco area affiliates including The Western Regional Minority Supplier Development Council (WRMSDC) and the Women's Business Enterprise Council Pacific (WBEC). These organizations provide access to large databases of certified diverse companies, as well as support for your program initiatives, and a network of other corporations that you can learn from.

Q&A

KAISER PERMANENTE MAKING THE SPEND COUNT

BY ERIN BERNALL | CONTRIBUTOR

What does it mean to “target spend in our communities to address economic and environmental disparities, ultimately creating positive health outcomes”? What are some examples of how KP embodies this?

We have over a billion dollars in spend with diverse companies and we want to make sure that we’re targeting that spend by buying products and services from those diverse companies to the greatest extent possible within our markets. The impetus behind that is, if we spend with local diverse companies, they’re going to bring employment and economic stimulus to those communities, which is foundational to community health. We recognize that much of an individual’s health status is based on their social economic status. A significant proportion of the health disparities in this country fall along social, economic and racial lines.

It’s important for us to be strategic with our dollars, and to secure products and services in such a way that’s also providing economic stimulus in the communities where our members and their neighbors and their families live. We want to make sure that with each purchase, we’re looking to see if there are diverse suppliers available for the commodity or service, and if they’re located within our footprint. We also look to our global suppliers to also spend with diverse suppliers. It’s leveraging the entire spend portfolio to have a positive community impact.

What is the connection between community health and an organization’s commitment to supplier diversity?

Our commitment to supplier diversity is about ensuring that disadvantaged communities have access to quality health care. We examine how we’re allocating our spend dollars in order to make sure that jobs are being created, taxes are being paid, and other spending is happening within those communities that we serve. As we spend with diverse suppliers in our communities, they’re creating jobs and buying more supplies to meet Kaiser Permanente’s needs. If sustained overtime, this can help people not only afford access to health care, but also afford healthy eating and active living that are foundational to maintaining good health.

For us at Kaiser Permanente, what we find in our community health needs assessment is that, yes, diabetes, hypertension and obesity are major contributors to a community’s health needs, but we also see food and economic insecurities, homelessness, lack of transportation and public safety as impacting health. We have to use all of the ways we build, buy, hire, advocate and invest to promote community health if we’re going to live up to our mission of providing high quality, affordable health care and improving the health of our members in the communities we serve.

How are supplier diversity programs a solution to business disruptions or supply chain vulnerabilities?

There are always going to be business disruptions. It’s



TOMMY L. SMITH

Manager, Economic Impact

Our commitment to supplier diversity is about ensuring that disadvantaged communities have access to quality health care. We examine how we’re allocating our spend dollars in order to make sure that jobs are being created, taxes are being paid, and other spending is happening within those communities that we serve.



important to ensure that we have a healthy local business community not only as a means of ensuring that we have the supplies we need, but that our communities have wealth creation that they need to be resilient. For us, supplier diversity is more about impact spending. Not only are we looking to buy from diverse suppliers who meet our business needs, but we’re looking to help diverse businesses within our community footprints, whether they’re suppliers with us or not. We do this through technical assistance, resources, coaching and access to capital so that they can grow their business and be more resilient in order to withstand disruption. Strong local economies create resiliency that we need in our supply chains and in our communities.

What makes a strong supplier diversity program?

Data integrity is one of the key elements of a strong supplier diversity program. Outreach and technical assistance are also important. When you go beyond simply spending and actually look to invest in and work with businesses, you’re developing your suppliers in order for them to grow and so that they can continue to provide value in their vendor relationship with you. At Kaiser Permanente, we strive to go from “counting the spend” to “making the spend count.” It’s taking your supplier diversity program and your spend portfolio in general to increase economic stimulus and business capacity and create jobs in the communities you serve. That’s when you’ve hit a homerun.

When did KP implement its Impact Spending program?

We’ve had a supplier diversity program since early 80s, but in 2019 adopted Impact Spending. Impact Spending includes supplier diversity, sustainable sourcing, and economic impact. We see this as part of equity and inclusion, as fundamental to our society function, and pertinent to individual wellness. Diversity, sustainability and economic impact all support our vision of making our communities among the healthiest in the nation.

What advice do you have for companies that are considering or are in the early stages of developing a supplier diversity program?

Fundamentally you need leadership support. We’ve always had support from the top. You need top-level support and you need to incentivize people. You also need to celebrate the successes. When people do the right thing as buyers and decision makers, let them know and encourage that behavior. Look beyond simply counting the spend. Question how you can leverage the spend in order to have social impact, and look at your large, non-diverse suppliers and get them to commit to goals around driving equity in health and wellness in their value chains within their communities.

Q&A

SALESFORCE APPLYING PURCHASING POWER TO DRIVE SYSTEMIC CHANGE

BY ERIN BERNALL | CONTRIBUTOR

Investing in minority-owned businesses and creating more opportunities in our communities is a powerful way we can use our platform to advance equality. Our supplier diversity team is working to shift our focus from counting spend to counting impact, and working to empower minority-owned businesses to help close the racial wealth gap.

Why is Salesforce committed to supplier diversity?

Equality is a long-standing core value at Salesforce. We are committed to driving systemic change across our business and our communities through fair, equitable and inclusive business practices, and by empowering minority-led businesses across our value chain.

Our suppliers play a critical part in our success and our ability to innovate as a business. We work with suppliers that not only share our values, but also operate with integrity, respect, and transparency. We're constantly seeking diverse suppliers who bring innovation and go beyond compliance to help us drive positive change in our communities.

How does supplier diversity fit into Salesforce's racial equality and justice strategy?

Last year following George Floyd's murder, Salesforce established the Racial Equality and Justice Task Force to take action and drive systemic change in our workplace and communities. After consulting with employees and listening to communities, the task force aligned on four areas where we could make an impact: people, philanthropy, policy and purchasing.

Investing in minority-owned businesses and creating more opportunities in our communities is a powerful way we can use our platform to advance equality. Our supplier diversity team is working to shift our focus from counting spend to counting impact, and working to empower minority-owned businesses to help close the racial wealth gap. As part of our racial equality strategy, we've committed to:

- Spend \$100 million with Black-owned businesses over the next 3 years
- Reach a goal of 25% year-over-year growth in spend with minority-owned businesses
- Formalize a process to expedite payments to U.S. small businesses
- Support training, mentorship and enablement for underrepresented minority founders

What progress has Salesforce made against these commitments?

Since standing up the task force, we've introduced a number of new programs to deepen our investment and support for minority-owned businesses. This summer, we launched our Black-Owned Business Mentor Program, providing sponsorship, education and networking opportunities to more than 25 Black-owned businesses. We also supported the National Minority Supplier Development Council CRM License Initiative, offering CRM licenses and support to small and minority-owned businesses.

As part of our purchasing strategy, we've also committed \$100 million to underrepresented minority founders through Salesforce Ventures over the next three years. And over the past year, we've more than doubled the number of companies in our portfolio led by Black and Latinx founders.

What's one supplier diversity program you're particularly proud of?

When we launched our purchasing strategy, we evaluated our end-to-end procurement processes and identified opportunities to implement changes that would benefit small and diverse-owned businesses. One of our focus areas was on supporting our U.S.-based small business suppliers with faster payments.

Consistent access to working capital is critical for the success of small businesses, which includes many diverse businesses owned by racial minorities, women, veterans, LGBTQ and disabled individuals. And, a small business with positive cash flow is better able to withstand economic challenges and react to market opportunities.

In 2020, we formalized an accelerated pay program to contribute to the relief of U.S.-based small businesses. We began offering verified small business suppliers the



MADISON GUNTER

Director of Supplier Diversity & Sustainability

option to shorten their payment terms from our standard net 60 days to net 15 days. Since our launch in January, more than 430 suppliers have signed up to receive this accelerated payment option.

What's next for Salesforce's supplier diversity strategy?

I am proud of what we have accomplished over the past year but there is more work to be done. We plan to expand our supplier diversity efforts next year on a number of fronts — including growing our mentorship programs and continuing to improve our procurement processes — as we build a more inclusive supply chain.



Q&A

SIEMENS MOBILITY, INC. INVESTING IN SUPPLIERS TO OPTIMIZE SERVICE DELIVERY

BY ERIN BERNALL | CONTRIBUTOR

Smaller companies are often at a disadvantage and have a hard time managing the longer payment term schedules of large entities like Siemens, which can be as long as 120 days in some cases. To help alleviate the burden on cash flow to smaller companies during this waiting period, the company has made it possible for selected Siemens Mobility suppliers to have access to low-rate loans based on the full value of their receivables.

How is Siemens collaborating with diverse suppliers to drive innovation?

At the heart of Siemens Mobility's commitment to diversity is the belief that the company needs to reflect the communities in which we operate, and the customers that we serve. Being a major provider of public transportation vehicles means we need to incorporate the principles of diversity and inclusion throughout our business. As such, we work to increase our engagement and awareness with diverse businesses and suppliers and strive to measure and drive this. We have entered into multiple partnerships with small and diverse suppliers and have organized events where new suppliers and subcontractor candidates can meet with our sales and procurement personnel. Every year we recognize our top small and diverse suppliers with a special awards event and public promotion. We developed programs, like our Supply Chain Finance program, to improve suppliers' cash flow and optimize their working capital.

What is the Supply Chain Finance program and how does it benefit suppliers?

Smaller companies are often at a disadvantage and have a hard time managing the longer payment term schedules of large entities like Siemens, which can be as long as 120 days in some cases. To help alleviate the burden on cash flow to smaller companies during this waiting period, the company has made it possible for selected Siemens Mobility suppliers to have access to low-rate loans based on the full value of their receivables. This provides suppliers with the necessary cash flow needed – especially if their business with us represents a large part of their working capital. In other words, this allows them to receive much needed working capital earlier than the payment term schedule. This accessibility to early payment is often at rates lower than what they can get at banks and has been welcomed by the suppliers who participate in this program.

How does Siemens measure the success of its supplier diversity initiatives?

We are grateful that our overall business has continued to thrive – especially over the past few years. This means that we are managing to win over customers with a high-quality product, with competitive pricing and with on-time delivery. As many of our customers require a high level of domestic supplier involvement, we wouldn't be able to do this without a strong base of reliable, proven suppliers in this country. As we have made a strong effort to maintain and grow diversity throughout our supplier base, it has helped us maintain our strong quality standards and helped us stay competitive, which we believe is at the heart of our success.

How does Siemens promote internal engagement with diverse businesses?

One important way is to provide our suppliers the best opportunity to participate in our competitive contracting and procurement processes. We make sure to partner with organizations with similar goals and provide a forum for collaboration and engagement with corporations and businesses of all sizes and backgrounds. Locally in Northern California we are working with the West-



MICHELLE PICARD

Director, Business Governance & Risk Management,
Disadvantaged Business Enterprise Liaison Officer

ern Regional Minority Supplier Development Council and programs for Minority Business Enterprises (MBEs), where we have had the opportunity to establish relationships and to provide opportunities for businesses to share information about their products and services. Continuous participation in trade fairs, conferences and matchmaking that are focused on diverse businesses are activities that help promote engagement. These activities allow new supplier and subcontractor candidates to meet Siemens' sales and procurement personnel.

Why are businesses that are located in historically underutilized business zones (HUBZone) central to Siemens' supplier diversity program?

Because of the breadth of our supplier base, our supplier diversity efforts need to be more broad-based, focusing not only on the size and ownership of a business but also on where they are based. We understand our role in supporting the critical infrastructure and vital industries that form the backbone of our country's economy. We take our role as community citizens very seriously and make sure to invest in the local communities where our employees live and work. We are a company that has manufacturing facilities around the country, and we are especially aware of the value of skills development. As a company that is currently looking to hire more employees, we know the importance of ensuring a strong local pipeline of skilled labor. Partnering with organizations and educational facilities, many of which are supportive of or are situated in HUBZones, helps us do that.



Q & A

TURNER CONSTRUCTION BUILDING RELATIONSHIPS TO HELP BUSINESSES PROSPER

BY ERIN BERNALL | CONTRIBUTOR

What is the foundation of Turner Construction's supplier diversity program?

Turner Construction believes in and practices the motto "building a better future." We strive to deliver a superior job to our customers, build enduring relationships with our trade partners and commit to developing the communities in which we build. We have a long history of demonstrating our motto, and through our robust supplier diversity program we continue to maximize opportunities for minority, disadvantaged, women-owned, veteran/disabled, LGBTQ and small business enterprises. As a leading builder, it is our responsibility to positively influence and engage these businesses that do not have an equal footing. To support our national commitment to supplier diversity, Turner has a goal of 20% diverse business utilization regardless of contractual obligations.

Turner recognizes diversity and commitment to underrepresented businesses as an operating principle and conducive to successful business. Through Turner's extensive national network of subcontractors and suppliers, we've been able to provide and build long-term relationships with diverse businesses generating more than 86,900 contracts with a value of over \$30.3 billion nationwide since 1979.

Inclusion starts with an aggressive outreach program starting at the infancy of a construction project. It is critical to actively spread project awareness within the marketplace and educate diverse contractors on how they can participate. We further achieve these results by partnering with organizations working hand-in-hand with qualified diverse businesses. These partners include National Minority Supplier Development Council (NMS-DC), the National Association of Minority Contractors (NAMC), the Women's Business Enterprise National Council (WBENC), BuildOUT CA and the Veterans in Business Network (VIB).

How does supplier diversity strengthen Turner Construction as an employer and as a service provider?

Embracing supplier diversity gives both the general contractor and diverse businesses a competitive advantage. Turner is much stronger as an employer by looking beyond supplier diversity as a business "must do," but rather an impactful approach to help businesses and communities thrive. Supplier diversity on our projects leads to innovation, greater productivity and increased profitability. When there are more options, more voices and more ideas, there are more opportunities for business excellence.

Having a streamlined supplier diversity program allows us to develop the current and next generation of resources in the construction industry. A more inclusive strategy also broadens the pool of qualified subcontractors and suppliers, which provides procurement with a unique opportunity to encourage competition. This gives us an edge when bidding out projects, drives innovation and allows us to foster entrepreneurship by providing a platform for underrepresented suppliers in the construction industry.

Diversity strengthens the economic health of local com-



BIANCA JOHNSON

Community & Citizenship Director of Northern California

Inclusion starts with an aggressive outreach program starting at the infancy of a construction project. It is critical to actively spread project awareness within the marketplace and educate diverse contractors on how they can participate.

munities and is essential to the development and stability of our economy. Our supplier diversity program propels our business forward and through these partnerships with diverse businesses, we can create exceptional value to our clients which provides us with a competitive advantage.

What makes a successful supplier diversity program?

A successful supplier diversity program is built on an overall corporate culture that empowers diversity and inclusion from the inside out. Taking the time to build

that foundation of understanding and support within your company adds strength to the overall execution of the program. Educate internal stakeholders on ways they can influence and incorporate more diverse subcontractors and suppliers on their projects. Make introductions and encourage teams to participate in events where they can build relationships with diverse contractors. Share success stories of the positive impact your program has on individuals, the community and clients.

Most importantly, it is critical to stop operating in silos. A community helps build community. In addition to collaboration within your company, there is so much knowledge and best practices that can be shared among industry groups, corporations and other supplier diversity leaders. Together we can break barriers and drive better results as we all continue to make an impact in the diverse supplier community.

What can companies learn from Turner Construction's commitment to supplier diversity?

Supplier diversity is vital to the sustainability of the construction industry and is necessary to how we operate. We know that building a diverse corporate culture and supply chain is challenging, but it's a journey we encourage all firms to embark on. Taking the time to build relationships with diverse businesses will make the most impact to a supplier diversity program. In order for diverse businesses to be successful – which is our ultimate goal – it is essential to take the time to understand their expertise in order to best align project opportunities within your firm.

Supplier diversity is not a new concept, but we are in a pivotal time where these programs are maturing to become incubators for innovation and growth. The next generation of supplier diversity programs is going to have a major impact in the concerted efforts around breaking barriers for underrepresented businesses in our industry and beyond. Clients are also becoming more informed and intentional when it comes to supplier diversity. It is our role as corporate leaders to help further these commitments.

How does the Turner School of Construction Management program help to develop diverse businesses?

Established in 1969, the Turner School of Construction Management training program exemplifies our commitment to removing barriers for small and diverse businesses. This program is coordinated and executed across the nation and is one of the on-going outreach initiatives Turner utilizes for maximizing supplier diversity.

This multi-week, free program is taught by seasoned Turner employees and provides small and diverse businesses with informational training on topics including estimating, business development, bonding, insurance, scheduling and management. Since inception, the program has graduated more than 39,000 small and diverse businesses nationally. Through programs like this, we are able to share industry knowledge and best practices that help businesses develop their capacity to grow.

Q & A

UNION BANK OPENING DOORS FOR BUSINESSES TO THRIVE

BY ERIN BERNALL | CONTRIBUTOR

How does Union Bank match a company's products and services with the needs of the bank?

Diverse suppliers must email our supplier diversity inbox to request a vendor information form. They also have the opportunity to submit capability statements, case studies, or other details regarding their company. Upon verification that their company meets the diverse business enterprise requirements, we add the supplier to our supplier diversity database of potential suppliers. As soon as an immediate interest or need for an upcoming project is available, the supplier diversity manager will reach out and schedule an introductory call to learn more about the supplier, discuss the potential opportunity and connect the respective category manager to the supplier for further discussions. Often times through industry-related or supplier diversity outreach events, we may learn about external opportunities to include possible Tier II opportunities with other corporations or prime suppliers and are more than happy to pass along that information.

What makes Union Bank's supplier diversity program unique?

Diversity is part of everything that we believe in at Union Bank, whether it's supplier diversity initiatives, external affairs or community development. It is of great importance to communicate with all suppliers that have inquired about doing work with Union Bank. While there may not be a current procurement opportunity with us, there may be an opportunity for us to help diverse businesses through technical assistance, mentoring or referrals to corporations looking for the product or service that the supplier provides. Our supplier diversity program looks at what we can do to help diverse businesses, as they are the backbone of the communities we service and sustaining these communities and businesses are key.

What do you tell companies that are thinking about starting a supplier diversity program or are in the early stages of development?

The success in creating a longstanding supplier diversity program is diligence and staying the course. It is important to have the buy-in from senior leadership, and that message needs to be communicated to your colleagues in making sure they understand what a supplier diversity program is, what it looks like, and what it can grow to achieve not only for the organization, but for the communities we service. The advocacy from senior leadership is vital to building a successful program. Similarly, in conversations with diverse business leaders who are looking to contract with large organizations like the bank my message is to stay the course as well; it will not happen overnight. Supplier diversity is something that you have to steadily continue to pursue, build, improve and advocate for.

What are some common myths to supplier diversity programs?

One of the biggest myths to overcome surrounds the scalability of diverse suppliers. Can they scale enough



DONNA RUFF

Vice President, Supplier Diversity and Development Manager

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and have the capabilities of handling large corporations such as a bank? Another misconception pertains to cost and how it relates to big box suppliers in the same purchasing category. Will those diverse suppliers be more expensive or can they be just as competitive? Diverse suppliers bring innovation of solutions, products and services. Diverse suppliers can drive competition on both service and price.

What can suppliers do to ensure their corporate readiness?

Risk assessment is critical, and what's becoming increasingly important across industries is having safety measures in place to ensure that suppliers can keep not only their company but their client's company cybersecure. Having a business continuity plan is vital. Business disruptions can impact organizations of any size in any location, so a business continuity plan is essential to ensuring business can continue no matter the disruption. A supplier's roadmap should define how they view challenges and what their approach is to address or mitigate those challenges. Lastly, suppliers need to know the client's business or industry and be prepared to demonstrate how they'll be able to provide solutions to meet contractual expectations.

What are the parallels between supplier diversity initiatives and institutional/commercial banking?

Diversity and inclusion are imperative in banking and support the communities in which banks service. Embracing diversity and inclusion as a core value can be applied throughout the organization and supply chain, as well as with clients. Remaining firm in those values drives culture and behavior and can be reflected in the firm's priorities committing to the economic vitality of these served communities.

What are some creative ways that companies can support supplier diversity initiatives?

One of the ways is identifying where and how organizations can tie procurement to performance to incentivize participation. There are so many ways to promote supplier diversity beyond the direct spend. Advocacy, mentoring, hosting or attending supplier diversity-related events and facilitating Tier II opportunities are just a few avenues that present opportunities for more colleagues to support supplier diversity. Performance reviews of your supply chain are necessary as well. How are prime suppliers performing and meeting Tier II spending goals, and what can they do to improve? Another consideration is creating board opportunities to develop leadership from business units or departments across the organization other than Corporate Social Responsibility or Procurement. Doing so serves to further diversify the skills of the board and the company by being able to communicate and further advocate for diversity throughout the organization.

Q & A

UC SAN FRANCISCO ADVANCING COMMUNITY HEALTH WITH PROCUREMENT STRATEGIES

BY ERIN BERNALL | CONTRIBUTOR

“We are actively considering small business in our procurement decisions, repackaging scopes of work in a way that allow small businesses to participate, and doing a better job of communicating opportunities through our local community partners and providing more support for those who choose to bid on our opportunities.”

Mr. Clark and Mr. Parrish serve as co-chairs of the UCSF Anchor Institution Procurement Subcommittee.

What can companies learn from UCSF's approach to supply chain management as it relates to supporting diverse businesses?

As part of UCSF adopting the anchor framework, we made a commitment to consciously apply the long term, place-based economic power of the institution, in combination with its human and intellectual resources, to better the long-term welfare of the community in which the institution is anchored. By addressing the social and economic factors that contribute to health, in this case our purchasing strategy, we are advancing health. The UCSF Anchor Institution Initiative team engaged leaders across the campus. Key leaders joined community forums to hear directly from our community partners. We heard first-hand the suffering, stress and disproportionate impact COVID was having on our diverse communities. UCSF leadership saw the opportunity to have a positive impact, and took positive, proactive steps, including working with Supply Chain

Management on analyzing spend and identifying opportunities for diverse business. Having leadership on board, defining goals and setting up accountability structure gave our supply chain program momentum.

How has the conversation on supplier diversity changed over the last year at UCSF?

In addition to the anchor mission and in response to the national racial justice issues raised in 2020, the UCSF community was galvanized to make a difference in our communities of color who are disproportionately impacted by inequities. For instance, our student leaders urged the University to increase purchases from local and diverse vendor. This included asking the School of Medicine curriculum team to purchase from local, Black-owned caterers for student events.

Also, the supply chain leadership shifted the language used in describing this work. They now see themselves not just as administrators in a supporting role, but playing a pivotal role in advancing health by improving the economic status of our communities and hence health, through purchasing.

What trends are you seeing in how diverse businesses are evolving to meet the University's needs?

More than small business evolving, I am seeing UCSF evolve. I am seeing our organization change processes solely to ensure more inclusivity. We are actively con-



ANDREW G. CLARK

Executive Director, Strategic Procurement, UC San Francisco

sidering small business in our procurement decisions, repackaging scopes of work in a way that allow small businesses to participate, and doing a better job of communicating opportunities through our local community partners and providing more support for those who choose to bid on our opportunities.

Small businesses are recognizing the array of opportunities being made available through UCSF. As a result, they are becoming more engaged in the conversations around UCSF and asserting themselves to participate on the projects that UCSF is creating. We see more small businesses vocalizing the challenges to work in partnership with UCSF and we see UCSF identify solutions that are leading to jobs and contracts.

What are the fundamentals of a successful supplier diversity program?

First, you need passionate people with tenacity and resilience. Implementing a diversity program is not a technical problem. It involves the values of the organization. It requires a deep understanding of why we have the current state and the tenacity to keep learning and championing, despite setbacks and with a spirit of communicating and collaborating more efficiently.

Second, you need community partners. We have been working with several community advocacy groups, busi-



DOUGLAS M. PARRISH

Chief Executive Officer, Red Dipper, Inc., and Vice President, African American Chamber of Commerce

nesses, and the City and County of San Francisco. These strategic partners provide access to networks of business owners, passion for the work and, ultimately, help us find ways to make meaningful impact.

Beyond that, leadership support is key. We are asking people to work with small, local, and diverse businesses, many of whom have no existing presence on campus. This is a perceived risk. Leaders need to give active permission to their teams to take that risk. We are finding that through this partnership with San Francisco and our community partners, there's very little risk in the businesses we've brought to campus through this program.

What role does UCSF Supply Chain Management play within the context of the Anchor Institution Initiative?

The Supply Chain Management team is a key component of our initiative. UCSF spends more than \$1.5 billion per year and much of that goes through Supply Chain Management (SCM) and the systems they oversee. SCM leaders know the spend and the people on campus who manage that money. Through SCM we are able to understand and identify where to focus efforts – outreach, capacity building, existing contracts, or future unrealized opportunities.



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.