

PUTTING SUPPLIER

DIVERSITY TO WORK

BEST PRACTICES OF THE TOP ORGANIZATIONS FOR MULTICULTURAL BUSINESS OPPORTUNITIES

PRODUCED AND WRITTEN BY JERRY BOWLES IN ASSOCIATION WITH DIVERSITYBUSINESS.COM



Which companies offer the best business opportunities for minority, women-owned and disabled veterans' enterprises?

EACH YEAR, DIVERSITYBUSINESS.COM, A LEADING MULTICULTURAL BUSINESS RESOURCE PORTAL THAT LINKS LARGE ORGANIZATIONAL BUYERS AND MULTICULTURAL BUSINESS OWNERS, OFFERS MORE THAN 500,000 MINORITY-OWNED, WOMEN-OWNED AND SMALL BUSINESS OWNERS THE CHANCE TO VOTE FOR THE COMPANIES THEY BELIEVE PROVIDE THE BEST SUPPORT TO THE DIVERSITY BUSINESS COMMUNITY. THE WINNING COMPANIES MAKE THE DIVERSITYBUSINESS TOP 50, A LISTING OF THE BEST 50 CORPORATE AND ORGANIZATIONAL BUYERS OF PRODUCTS AND SERVICES FROM BUSINESSES OWNED BY WOMEN, AFRICAN AMERICANS, HISPANICS, ASIANS, NATIVE INDIAN AND OTHER MINORITY GROUPS.

"THE DIVERSITYBUSINESS.COM TOP 50 AWARD IS DIFFERENT FROM ALL THE OTHER RECOGNITION PROGRAMS OUT THERE BECAUSE THE WINNING COMPANIES ARE CHOSEN BY THE DIVERSE BUSINESS OWNERS THEMSELVES," SAYS KENTON CLARKE, FOUNDER AND CEO OF COMPUTER CONSULTING ASSOCIATES INTERNATIONAL INC. (CCAII.COM) OF SOUTHPORT, CT, ONE OF THE COUNTRY'S MOST SUCCESSFUL AFRICAN-AMERICAN OWNED COMPUTER-CONSULTING AND DIVERSITY SPECIALIST FIRMS, WHICH PRODUCES DIVERSITYBUSINESS.COM.

ALTHOUGH EFFECTIVE SUPPLIER DIVERSITY PROGRAMS VARY FROM ORGANIZATION TO ORGANIZATION, CLARKE SAYS, THAT THERE ARE "BEST PRACTICES" THAT TOP 50 COMPANIES TYPICALLY FOLLOW THAT DISTINGUISH THEM FROM LESS SUCCESSFUL PROGRAMS. HERE ARE THREE EXAMPLES FROM TOP 50 COMPANIES:



Kenton Clarke
CEO of Computer
Consulting Associates
International Inc.

"The DiversityBusiness.com Top 50 award is different from all the other recognition programs out there because the winning companies are chosen by the diverse business owners themselves."

1 AT&T BEST PRACTICE: SET CLEAR GOALS AND MEASURE FOR SUCCESS.

AT&T has gone through dramatic changes over the past few years, but one thing that hasn't changed is its support of supplier diversity. For almost four decades, the company voted number 1 in the latest DiversityBusiness.com Top 50 survey has led the telecommunications industry with innovative programs and significant financial goals designed to bring diverse suppliers into its mainstream supply chain. At the new AT&T, which acquired BellSouth Corporation in 2006 and now has consolidated ownership of the former Cingular Wireless, the commitment has been accelerated. In 2006, AT&T bought more than \$5.15 billion in goods and services from diverse businesses, including \$3.3 billion from minority suppliers. This commitment to spending with diverse firms is one of the reasons that AT&T is part of the Billion Dollar Roundtable, a supplier diversity think tank of only 12 companies that spend more than \$1 billion on an annual basis with diverse companies. In the past decade, AT&T has spent more than \$24.5 billion with diverse suppliers, representing 17 percent of the company's total procurement dollars. AT&T Chairman and CEO Edward E. Whitacre Jr. has also pledged to increase the company's spending with diverse suppliers by another \$250 million this year.

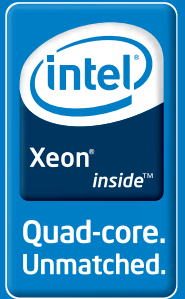
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Having a direct relationship with our diverse suppliers helps us deliver our best customer experience. We partner with suppliers to provide innovative services and products, like Dell™ PowerEdge™ servers with the powerful Intel® Xeon® Processor. At Dell, the unique way we've harnessed the Internet, along with our collaborative way of doing business with our partners, allows our suppliers to continue to meet our needs. Success real time. Capture it at Dell.



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Dell supports small, minority and women-owned businesses with tailored technology solutions. From April 6th to April 20th please visit www.dell.com/smb/supplierdiversity to learn about an offer to support your business.

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AT&T plays a leading role within the Telecom Industry Group to produce DiversityNEXT, an annual initiative at TelecomNEXT, the industry's largest trade show and conference, featuring innovative minority-, women- and disabled veteran-owned businesses and suppliers in the telecommunications industry, along with cutting edge diversity solutions that OEMs, service and content providers have developed. Maureen Merkle, president-Procurement, AT&T, was a keynote speaker for this event in 2006.

In another new initiative, AT&T recently worked with BIZPHYX, Inc., a leading quality and TL 9000 solutions provider, to deliver web-based training on ISO 9001 and TL 9000 to minority-, women- and disabled veteran-owned businesses. BIZPHYX is a WBENC (Women's Business Enterprise National Council) registered company.

"One of the key best practices is establishing an ambitious numerical diversity goal," says Joan Kerr, executive director of AT&T Supplier Diversity Programs. "That's critical to success. Corporations perform best when given clear supplier diversity metrics to achieve, and the management team regularly reviews performance against those metrics. We have a numerical goal to procure 21.5 percent of our external spend with diverse suppliers each year, and that keeps everyone focused on including diverse suppliers in our procurement processes so that we can achieve that target."



2 DELL BEST PRACTICE: MAKE SUPPLIER DIVERSITY A BUSINESS IMPERATIVE THAT IS VISIBLY SUPPORTED AT THE CEO LEVEL WITH CLEAR SENIOR MANAGEMENT BUY-IN.

At Dell, the number 2 company on DiversityBusiness.com's list of top 50 organizations for Multicultural Business Opportunities, year-over-year spending with minority and women business entrepreneurs continues to grow at a 20 percent rate, faster than Dell's non-diverse spend growth. Ying McGuire, senior manager—Dell Supplier Diversity, attributes the program's success in large measure to senior management support.

"Our mission is to deliver shareholder value, enhance the customer experience and drive superior supply chain performance through highly-qualified minority, women-owned and small business suppliers," says Dave F. Brown, vice president for Worldwide Procurement at Dell.

"Supplier diversity is integrated into corporate strategic plans for growth at Dell," McGuire says. "Each executive on the chief procurement officer's staff has a fiscal year target for diverse spend. Commodity managers are accountable for meeting and exceeding the target. There is a realization throughout the company that diverse supplier development is an investment in our future. These suppliers are also current and future customers of Dell."

Dell has a number of active outreach programs designed to make it easier for diverse-owned businesses to work with the company and gain access to near-term procurement opportunities. For example, one program called Coach/Quarterback Training Camp, developed in collaboration with the Central & South Texas Minority Business Council, allows corporate members to coach MBEs to improve their ability to compete for corporate contracts.

In January 2007, Dell held its first-ever Annual Supplier Diversity Summit designed to create a "multiplier effect" by creating new channels and networks to grow diverse spend for Dell and its premier customers. The Summit featured about 200 suppliers, corporate customers, and Dell purchasing agents.

In mid-year, Dell is planning to launch Direct Talk, a forum held periodically on Dell campus for qualified diverse suppliers to learn about real Dell procurement opportunities on the horizon and have direct dialogues with Dell commodity managers.

3 GM BEST PRACTICE: IDENTIFY AND MENTOR THE "BEST OF THE BEST" DIVERSE SUPPLIERS.

No company in America has supported supplier diversity longer or more consistently than General Motors. Since it launched its formal program in 1968, GM has spent more than \$60 billion with minority suppliers and is the auto industry's largest purchaser of minority-produced goods and services. In 2005, GM continued to demonstrate its commitment to minority supplier development by procuring more than \$5.6 billion in goods and services from direct and indirect minority suppliers (2006 figures not yet available). In the United States, Tier 1 spending accounted for \$3.6 billion and Tier 2 spending totaled \$2.0 billion. While GM has actively supported women business owners, in 2007 it will formally track the business it does with these companies.

GM established its Supplier Diversity Council in 2001. The council is made up of seven GM executives and seven minority and women-owned business executives and meets four times a year. The council is led by Bo Andersson, group vice president of GM's global purchasing and supply chain organization; Jimmy McDonald, executive director, global purchasing - powertrain components and raw materials; and Frank Venegas, Jr., chairman and chief executive officer of The Ideal Group (Detroit, Michigan). The council represents the entire GM minority supplier community and acts as a GM ambassador to diverse markets.

It's not just good. It's good business.

We're committed to supplier diversity. And for several years running, that commitment has been honored by DiversityInc, DiversityBusiness.com and others. We're proud of that recognition and even prouder of the performance of our diverse suppliers. They've made us a better corporate citizen and a better company.



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One of GM's most ambitious and successful initiatives is its mentoring program. Established in 1992, this program has teamed more than 30 of its certified minority and women-owned enterprises with a GM purchasing executive as its champion. The mentor helps the supplier develop a long-range growth plan and arranges for it to get the resources it needs in managerial, quality, technical support and other areas. The mentored suppliers are selected by GM purchasing executives.

"This program has paid off enormously for GM," says V. Diane Freeman, Senior Manager, GM Supplier Diversity. "All our suppliers, minority or majority, compete for business on the same footing. Mentored suppliers are extremely competitive in critical areas such as quality, delivery and cost. They truly provide GM with a competitive advantage."

The recognition that a diverse supply chain is good for business is a common theme across all DiversityBusiness.com Top 50 compa-

nies. There is also the sense that there is a lot more to the story than just "social responsibility."

"In this era of business consolidation, the notion of social good is always trumped by survival," says Kenton Clarke. "Diverse suppliers have shown that they can compete on an equal footing on price, performance and quality. In fact, the Wall Street Journal reported last year that a Hackett Group survey shows that companies that "focus heavily on supplier diversity" generate a 133 percent greater return on procurement investments than the typical business. That's very compelling."

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AMERICA'S TOP ORGANIZATIONS FOR MULTICULTURAL BUSINESS OPPORTUNITIES—2006

1	AT&T INC.	19	SPRINT NEXTEL CORPORATION	34	CORPORATE EXPRESS
2	DELL	19	HOME DEPOT, INC.	35	WELLS FARGO & COMPANY
3	WAL-MART STORES, INC.	20	JOHNSON & JOHNSON	36	EXXON MOBIL
4	LOCKHEED MARTIN	20	WALT DISNEY COMPANY	37	MERRILL LYNCH & CO. INC.
5	BELLSOUTH CORPORATION	21	FORD MOTOR COMPANY	38	COMCAST CORPORATION
6	BANK OF AMERICA	22	CISCO SYSTEMS, INC.	39	PROGRESS ENERGY INC.
7	PROCTER & GAMBLE	23	OFFICEMAX	40	PITNEY BOWES
8	THE COCA-COLA COMPANY	24	PEPSICO INC.	41	PFIZER INC.
9	TIME WARNER INC.	25	AMERICAN EXPRESS	42	STAPLES INC.
10	RAYTHEON COMPANY	26	NORTHROP GRUMMAN CORPORATION	42	UNITED TECHNOLOGIES CORPORATION
11	OFFICE DEPOT INC.	27	CHEVRON	43	NIKE
12	IBM	27	STARBUCKS CORPORATION	44	FANNIE MAE
13	TOYOTA	28	JCPENNEY COMPANY INC.	45	FREDDIE MAC
13	GENERAL MILLS	29	VERIZON/VERIZON WIRELESS	46	AFLAC INCORPORATED
14	XEROX CORPORATION	30	GENERAL ELECTRIC COMPANY	47	WASTE MANAGEMENT
15	UPS	31	ALTRIA GROUP	48	MCDONALD'S CORPORATION
16	DAIMLERCHRYSLER	31	MAJOR LEAGUE BASEBALL	49	TARGET CORPORATION
17	BOEING COMPANY	32	MICROSOFT CORPORATION	50	UNISYS CORPORATION
18	GENERAL MOTORS CORPORATION	33	BRISTOL-MYERS SQUIBB CO.		

Produced by DiversityBusiness.com



Without our suppliers,
GM would come to a screeching halt.



GM thanks our suppliers and diversity council members, as well as our diverse and small business suppliers who have been, and continue to be, part of our success. Diversity is in our DNA.

CHEVROLET • BUICK • PONTIAC • GMC • SATURN • HUMMER • SAAB • CADILLAC

gm.com