

# Commonwealth of Massachusetts Office of Access and Opportunity



**Expansions and Innovations for Supplier Diversity Program  
Presentation to MassGaming Access and Opportunity Committee Meeting  
December 8, 2015**



# Supplier Diversity Commitment from the Top



## **Excerpt from Executive Order 559:**

*“Collaborate with and maximize relevant initiatives, work and potential of all existing executive branch agencies, offices and resources with the explicit goal of increasing the total number of and dollar volume earned by MBEs, WBEs and DBEs contracting with or doing business for the state.”*

## **Principles:**

Innovate and expand the supplier diversity program to:

- Increase total number of diverse enterprises earning contracts
- Increase dollar volume earned by diverse enterprises
- Stimulate diverse and small businesses statewide by amplifying the marketplace of opportunities
- Leverage and import best practices from the private sector



# Recommended Innovations for Small & Diverse Businesses



## **Near Term (G&S):**

- Streamline state's certification processes
- Accept and promote certifications from other reliable entities
- Increase benchmarks for women, minorities and MA-based small businesses
- Improve and elevate performance management of benchmarks by secretary/agency
- Convene statewide private and public buyers to increase marketplace of opportunities
- Launch certification program for LGBT-owned, veteran-owned and disability-owned enterprises

## **Long Term (G&S):**

- Continually enhance COMMBUYS' accessibility and user-friendliness for small & diverse business owners
- Conduct product-type analysis of top product/services types by secretary/agency
- Enhance partnerships that provide capacity-building resources for small and diverse businesses



# Streamline Certification Process for MBEs and WBEs



## Present

- Current state certification process has not been updated in a number of years.
- Process not scalable to meet goal of 35,000 companies registered in COMMBUYS by 2018
- Consensus that certification process is overly complicated for small & diverse businesses
- Paper intensive multi-step process with 30+ day turnaround
- Certification not aligned with supply & demand needs by product types
- Companies use certification from the state as acceptable with other buyers

## Future

- Streamline and maintain a best-in-class certification framework
- Equalize certification standards with other certifying entities and current best practices
- Streamline certification process with 25% less paperwork and reduction of turnaround time
- Explore certification acceptance standards with the City of Boston, CWE, and GNEMSDC



# Promote Cross-Certification Acceptance



## Present

- Inefficient and sometimes costly challenges for business owners seeking certification with multiple organizations and municipalities (e.g. City of Boston, Greater New England Minority Supplier Dev. Council, Center for Women & Enterprise, SBA, etc)
- Limited promotion of cross-certification acceptance with common high-standards
- Limited leadership from state on convening other major municipalities (e.g. Boston, Worcester, Springfield) and clusters of private buyers (e.g. hospitals, universities, etc) to promote cross-certification acceptance

## Future

- Agree with GNEMSDC (Greater New England Minority Supplier Development Council, Center for Women & Enterprise, USBLN (United States Business Leadership Network), NGLCC (National Gay and Lesbian Chamber of Commerce), and the City of Boston to partner in cross-accepting certifications
- Explore and promote regional cross-certification acceptance across New England states



# MA Supplier Diversity Regional Series



## Purpose:

- Increase the numbers of certified businesses;
- Increase the marketplace of business opportunities for small and diverse enterprises in Massachusetts;
- Convene procurement representatives from state, municipal, and private organizations with small and diverse business owners;
- Promote networking between small and diverse businesses with buyers and key procurement decision makers; and
- Provide small and diverse businesses with access to capacity-building resources.

## Goals:

Attendance at each event:

- 20-50 buyers
- 100-150 small and diverse businesses
- 5-10 capacity building organizations



# 800 Total Attendees



# Expand Benchmarks and Categories for Small & Diverse Businesses



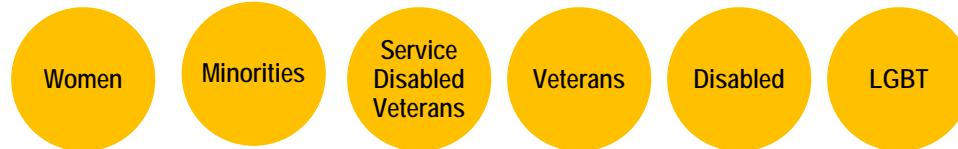
FY'12, '13, '14, '15 benchmark*	2.5%
FY'16 benchmark	Raise 3.3%

Small Business Purchasing Program

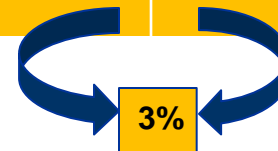
Registered



Certified



	Women	Minorities	Service Disabled Veterans	Veterans	Disabled	LGBT
FY'11, '12, '13, '14, '15 benchmark	12%	6%	3%	-	-	-
FY'16 benchmark	Raise 13%	Raise 7%			TBD	TBD





# Evolve Service Disabled Veteran Owned Program to Veterans Supplier Diversity Program



## Present

- State rolled out Service-Disabled-Veterans-Owned (SDVOBE) program in FY'13 via EO
- Aspirational 3% benchmark due to less than 75 companies in the Commonwealth with such designation
- Certification uses verification via Federal Veterans Administration
- Other States and municipalities nationally have Veterans Procurement Program
- Private sector has increasingly grown the commitment to Veterans via supplier diversity
- SDVOBE supplier diversity programs are often part of an overall Veterans supplier diversity program

## Future

- Unveil a Veterans procurement program as part of economic support for Veterans
- Fold-in the existing SDVOBE as part of Veteran Owned Business Enterprises (VOBEs) program
- Expand outreach of capacity-building training sessions for VOBEs to better compete and succeed on winning state contracts
- Fold veterans program into existing 3% benchmark for SDVOBE





# Explore Disability Supplier Diversity Program



## Present

- Massachusetts Supplier Diversity Program does not include a disability component
- Most of the Fortune 500 companies have adopted disability supplier diversity programs
- Many states have well established programs
- Federal government has a set-aside component for supplier diversity focused on disability suppliers

## Future

- Research best practices in private and public sector for disability suppliers program
- Include disability community in Boston and MA for input
- Aim to unveil Disabilities program in early 2016 in partnership with City of Boston (or go solo)
- Partner with US Business Leadership Network (USBLN) for certification and verification
- USBLN agrees to 20 year agreement
- USBLN will waive \$200 certification fee for businesses working with the Commonwealth



# LGBT Supplier Diversity Program



## Present

- Massachusetts Supplier Diversity Program does not include LGBT focus
- 33% of Fortune 500 companies and counting are adopting LGBT supplier diversity programs
- Companies like Fidelity, CVS Caremark, Genentech, MassMutual, Google, Apple, Merck, Novartis , JPMorgan, Wells Fargo
- California Public Utilities Commission, Cleveland, San Francisco and Essex County NJ have adopted programs, in addition to a number of other states' (NY, NJ) and municipalities' growing interest
- Modeled after the certifications by the National Minority Supplier Development Council (NMSDC) and the Women's Business Enterprise National Council (WBENC)

## Future

- Unveil initiative to promote LGBT inclusion in supplier diversity program (Sept-Oct)
- Become first State in the country to connect businesses and government with certified LGBT suppliers
- Certification and verification to be done in partnership with National Gay & Lesbian Chamber of Commerce (NGLCC)
- NGLCC agrees to 20 year agreement
- NGLCC will waive \$400 certification fee for businesses working with the Commonwealth
- MA has less than 10 certified businesses with NGLCC



# LGBT & Disability Supplier Diversity Corporate Partners (Sample)



### Supplier diversity program

Wellington Management values diversity in every aspect of our business, including procurement, via our suppliers and trading partners. We are building a strong supply network that reflects our principles of inclusion by leveraging diverse suppliers as direct and indirect providers of goods and services to our firm. Our supplier diversity efforts foster competition, thereby potentially increasing cost savings, and provide economic support for the communities where we operate. Businesses owned and managed by minorities, women, veterans, individuals with disabilities, and those from the lesbian, gay, bisexual, and transgender community are just some examples of our diverse supplier partnerships.



### Certified Vendors

In order to participate in the Supplier Inclusion Program, you must be certified by a certification agency such as listed below:

- Certified 8(a) Firms (8A)
- Greater New England Minority Supplier Development Council (GNEMSDC)
- Veteran-Owned Businesses (VO)
- Small Disadvantaged Businesses (SDB/SBA)
- Service-Disabled Veteran-Owned (SDVOB)
- Lesbian, Gay, Bisexual, Transgender Businesses (NGLCC)
- HubZone Businesses
- People with Disabilities (USBLN/DSDP)
- Disadvantaged Business Certification (DBE)
- Women's Business Enterprise National Council (WBENC)
- All State Agencies

A Minority or Woman Business Enterprise (MBE/WBE) is a business where at least 51% is owned, operated and controlled by a woman or diverse person(s).



Through our supplier diversity initiative, we seek small businesses and businesses owned by minorities, women, lesbian, gay, bisexual and transgender people, disabled veterans, and people with disabilities that can enhance our competitive advantage as well as provide innovative and cost-effective services for our clients.



### Pfizer also supports the following supplier development programs:

- Tufts Minority Business Education Program at Dartmouth
- Kellogg Advance Management Education Program
- Centers of Excellence – National Minority Supplier Development Council (NMSDC)
- ISM Supplier Diversity Pharmaceutical Forum – Mentorship Program
- National Gay & Lesbian Chamber of Commerce (NGLCC) Mentorship Program
- DAAS Mentorship Program
- WBENC Student Mentorship Program



Validation and posting of a supplier's diverse status is required for participation in the Novartis Supplier Diversity effort when applicable. Certification documents from the following qualified agencies are acceptable:

- United States Small Business Administration (SBA)
- National Minority Supplier Development Council (NMSDC) or its affiliates
- Women's Business Enterprise Council (WBENC) or its affiliates
- City, State, or Federal Certification Agencies
- National Gay & Lesbian Chamber of Commerce (NGLCC)



Fidelity recognizes the value of minority and women-owned business enterprises and we strive to embrace them when engaging suppliers and subcontracting relationships which are capable of delivering the specific products, services, and expertise that Fidelity and its clients require. Fidelity tracks spend with over 600 suppliers certified across eight classifications and can report our spending on a quarterly basis. Additionally, Fidelity has recently joined the NGLCC (National Gay and Lesbian Chamber of Commerce) as a sponsoring partner to better develop relationships and partnerships with LGBT suppliers.



At Bank of America, we encourage Supplier Diversity through the use of diverse businesses, based on the categories of goods and services we purchase in the communities we serve. The Supplier Diversity and Development program managers collaborate internally to ensure that we include diverse suppliers across the bank. Some examples of diverse suppliers include: individuals who are minorities, veterans, women, lesbian, gay, bisexual or transgender, and individuals with disabilities.



IBM recognizes that a diverse supplier base is integral to company profitability and strategic objectives—solidifying the connection between customer satisfaction and winning in the marketplace. IBM's supplier diversity program expands purchasing opportunities for businesses owned and operated by minorities, women, lesbian and gay, veterans and service disabled veterans, and disabled persons. Purchasing opportunities are also expanded for our non-profit organizations that hire disabled persons and for HUBZone companies.



A diverse business is one which is certified by a JPMorgan Chase-designated third-party as having met the definition of being at least 51% owned, controlled AND operated by one or more members of a diverse group (e.g., minority, women, LGBT, etc.). Only certified businesses can register for the JPMorgan Chase SDN.