

The Commercial Club of Chicago



Veterans Working Group Meeting

Thursday, March 1, 2018

WELCOME AND REVIEW OF AGENDA

David Hiller
Robert R. McCormick Foundation

Meeting Overview

Welcome and Review of Agenda

David Hiller, Robert R. McCormick Foundation

Lightning Round

Veterans Working Group Introductions and 1.1.1

Presentations

Panel Introduction

Amy Sherman, Council for Adult and Experiential Learning

Panel: Supplier Diversity and Veteran-Owned Businesses

Moderator – Amy Sherman, Council for Adult and Experiential Learning

- ❑ Ashlee Nelson, CVM Solutions
- ❑ Nancy Conner, NaVOBA
- ❑ Concetta Savovich, Abbott Laboratories
- ❑ Joe McLoud, Collins Consulting

Table Talk

Veterans Working Group Members

Wrap Up and Meeting Evaluation

David Hiller, Robert R. McCormick Foundation

Networking and Lunch

Kirsten Carroll, Commercial Club of Chicago

LIGHTNING ROUND

PANEL DISCUSSION:

SUPPLIER DIVERSITY AND VETERAN-OWNED BUSINESSES

Moderator: Amy Sherman, Council for Adult and Experiential Learning

2017 STATE OF SUPPLIER DIVERSITY REPORT: SUMMARY FINDINGS

Summary Findings: Veteran-Owned Businesses

Characteristics of Veteran-Owned Businesses

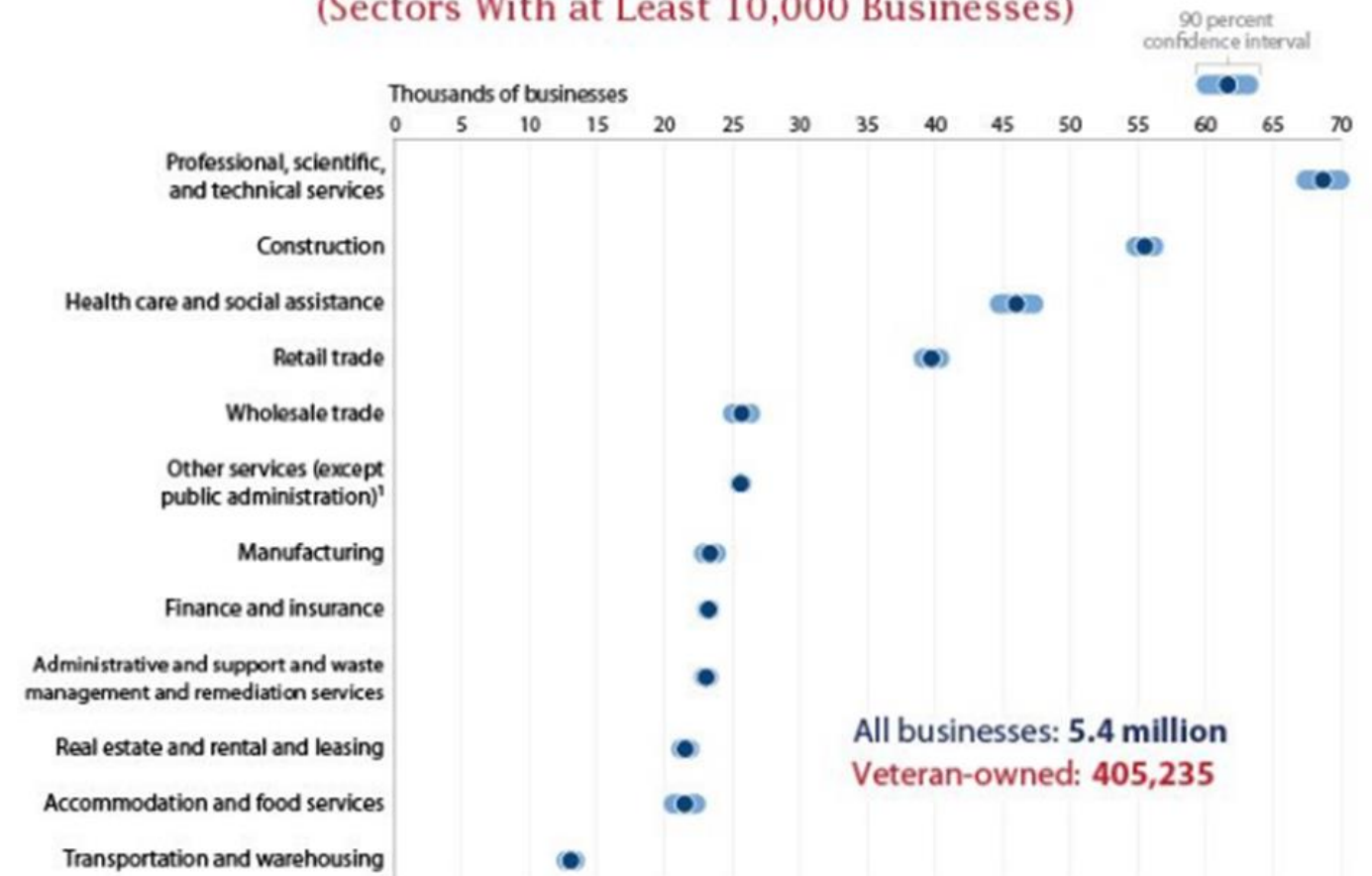
- Vast majority are certified - similar to other types of diverse suppliers (minority-owned, women-owned, etc.)
- Tend to be small businesses; more than half of respondents have between 0-10 employees
- Actively pursue government clients - more likely to partner with government clients than other types of diverse suppliers
- Top pipelines for diverse suppliers to find clients are **networking events and registration sites**

Best Practices for Veteran-Owned Businesses

- Franchises - often mimics the structure of the military, many offer discounts to veterans for franchising setup fees
- Serve as a government contractor - capitalize on the minimum 3% veteran-owned target for public/private sector firms who sell to the government
- Market your business - get certified and registered!
- Collaboration with other veteran-owned businesses
- Retail opportunities - appeals to the veteran community as well as those that actively support the military.

Veteran-Owned Businesses in the U.S.

(Sectors With at Least 10,000 Businesses)



Note: The Annual Survey of Entrepreneurs includes firms with paid employees only.

¹"Other services" includes repair and maintenance (automotive, consumer electronics, etc.) and personal/laundry services (hair/nail salons, dry cleaning, pet care, etc.).

United States
Census
Bureau

U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU
census.gov

Source: 2014 Annual Survey of Entrepreneurs
www.census.gov/programs-surveys/ase



VETERANS BUSINESS
RESOURCE CENTER



U.S. Department
of Veterans Affairs

Summary Findings: Supplier Diversity Programs



September 10 - 11, 2018 | Detroit, MI



NVBDC National Veteran Business Matchmaking Event

NVBDC's national event was a resounding success in 2017 and looks to be even bigger in 2018. Details and registration coming soon.

Best Practices

- Networking events - get exposure to veteran-owned businesses
- Encourage supplier collaboration - mentor protégé and supplier development programs
- Diversity Capital Fund - help veteran-owned businesses get much-needed capital
- Benchmarking with other public and private corporations
- Opportunity assessment within supply chain to identify key areas for utilization of veteran-owned businesses

May 7 - 9, 2018 | San Diego, CA

Keeping the Promise Veteran Business Expo

The 2018 "Keeping the Promise" National Business Expo in San Diego will be co-hosted by NVBDC in conjunction with USVBA and will be a hands-on, competitive, rewarding event like no other. The USVBA and NVBDC will work with its sponsors and partners to present a program that provides immediate business value to all veteran and disabled veteran business owners who participate.

<http://www.usvba.org/>



February 26 - 28, 2018 | San Diego, CA

Veteran Summit

Details coming soon



2017 STATE OF SUPPLIER DIVERSITY REPORT - DIVERSE SUPPLIERS

04 BREAKDOWN OF RESPONDENTS

Which category of supplier diversity pertains to your organization?

(select all that apply)

Minority-owned business enterprise



Woman-owned business enterprise



Veteran-owned business enterprise



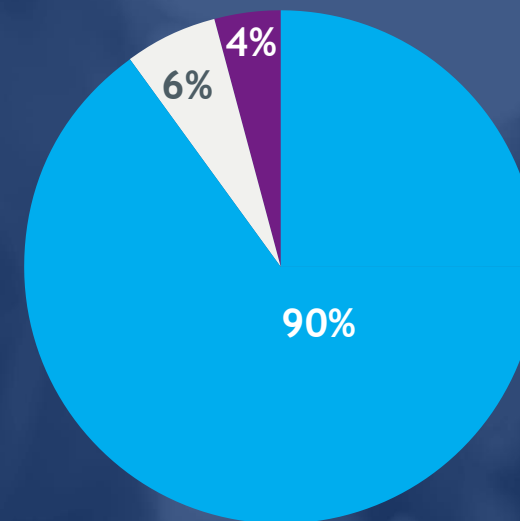
LGBTQ-owned business enterprise



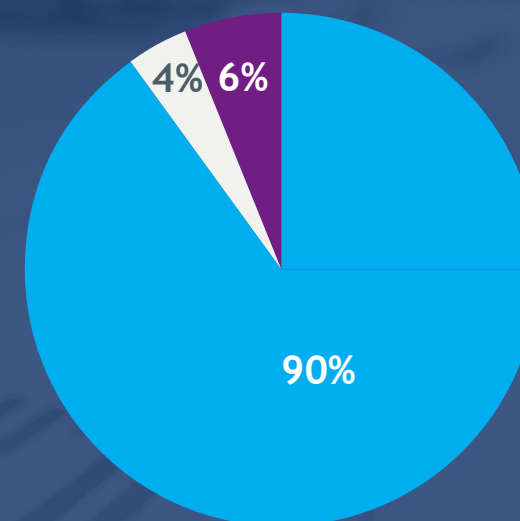
Small business enterprise



Other



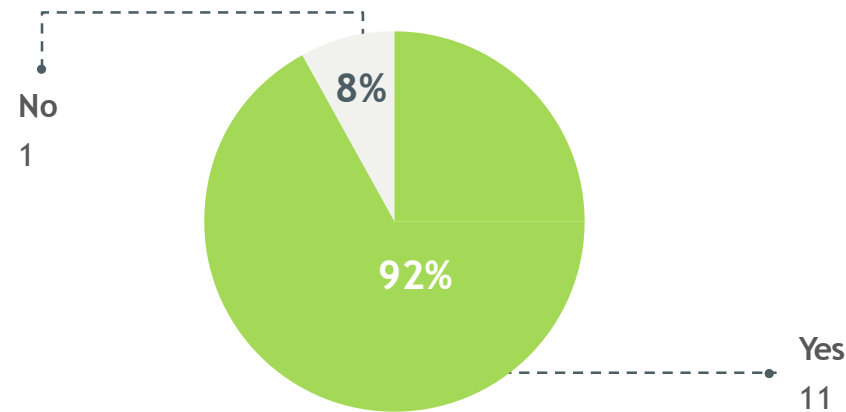
If your organization is a minority-owned business enterprise, is it certified as such?



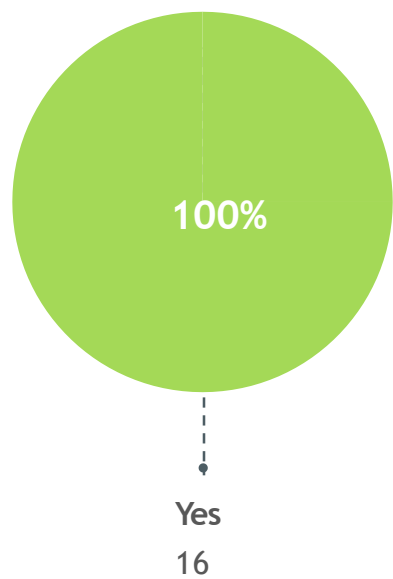
If your organization is a woman-owned business enterprise, is it certified as such?

● Yes
 ● Certification in progress
 ● No

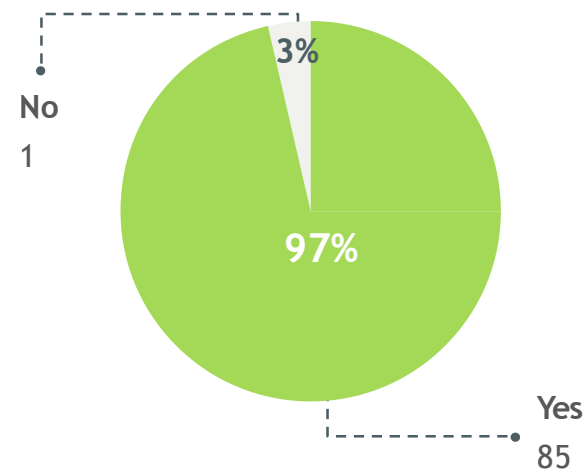
If your organization is a veteran-owned business enterprise, is it certified as such?



If your organization is a LGBTQ-owned business enterprise, is it certified as such?



If your organization is a small-owned business enterprise, does it meet the federal and/or SAM requirements of a small business?



Respondents to the main question could choose more than one category; for example, a minority-owned business might also classify itself as a small business. Also, many respondents who fit the general definition of a small business—fewer than 100 employees—did not identify themselves as one for this question.

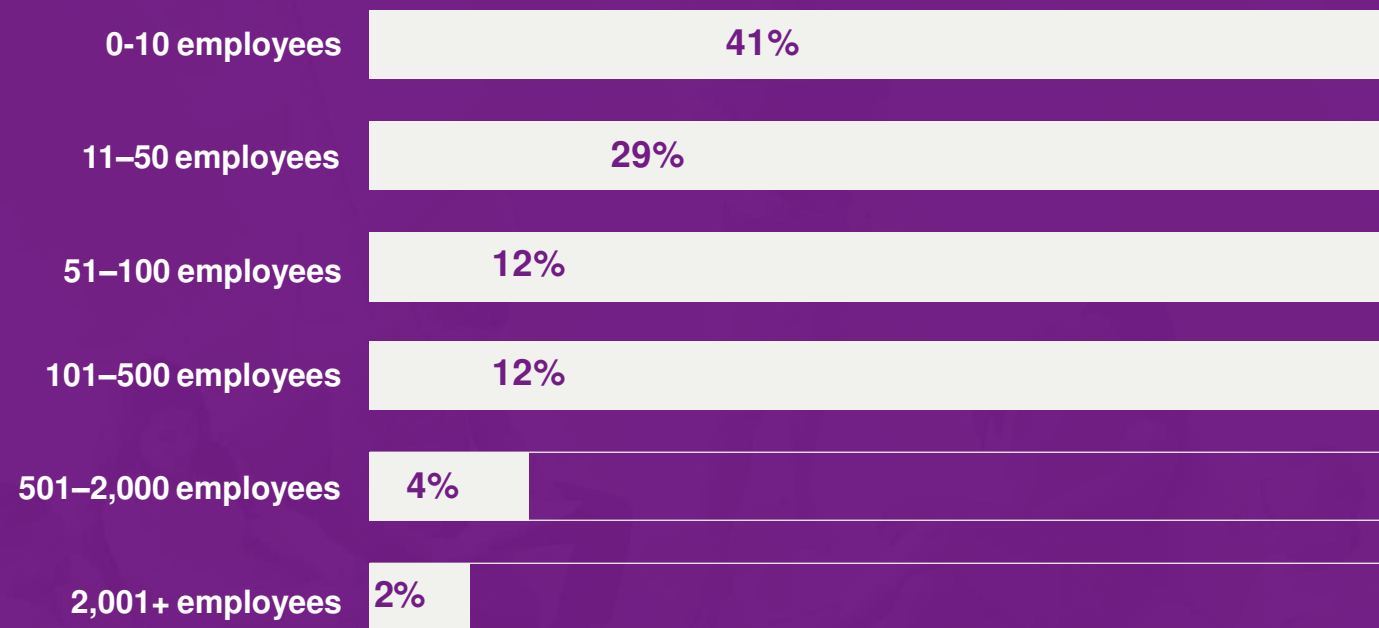
“

All 16 LGBTQ-owned businesses that answered our survey stated that they were certified.

What impressed us was the percentage of respondents who confirmed that their organizations were certified as diverse. For example, 90 percent of reporting minority-owned businesses said they were certified, as did 90 percent of women-owned businesses; all 16 LGBTQ-owned businesses that answered our survey stated that they were certified as well. Although this suggests our survey drew diverse businesses that were almost all certified, it also shows the importance of certification in the minds of those businesses.

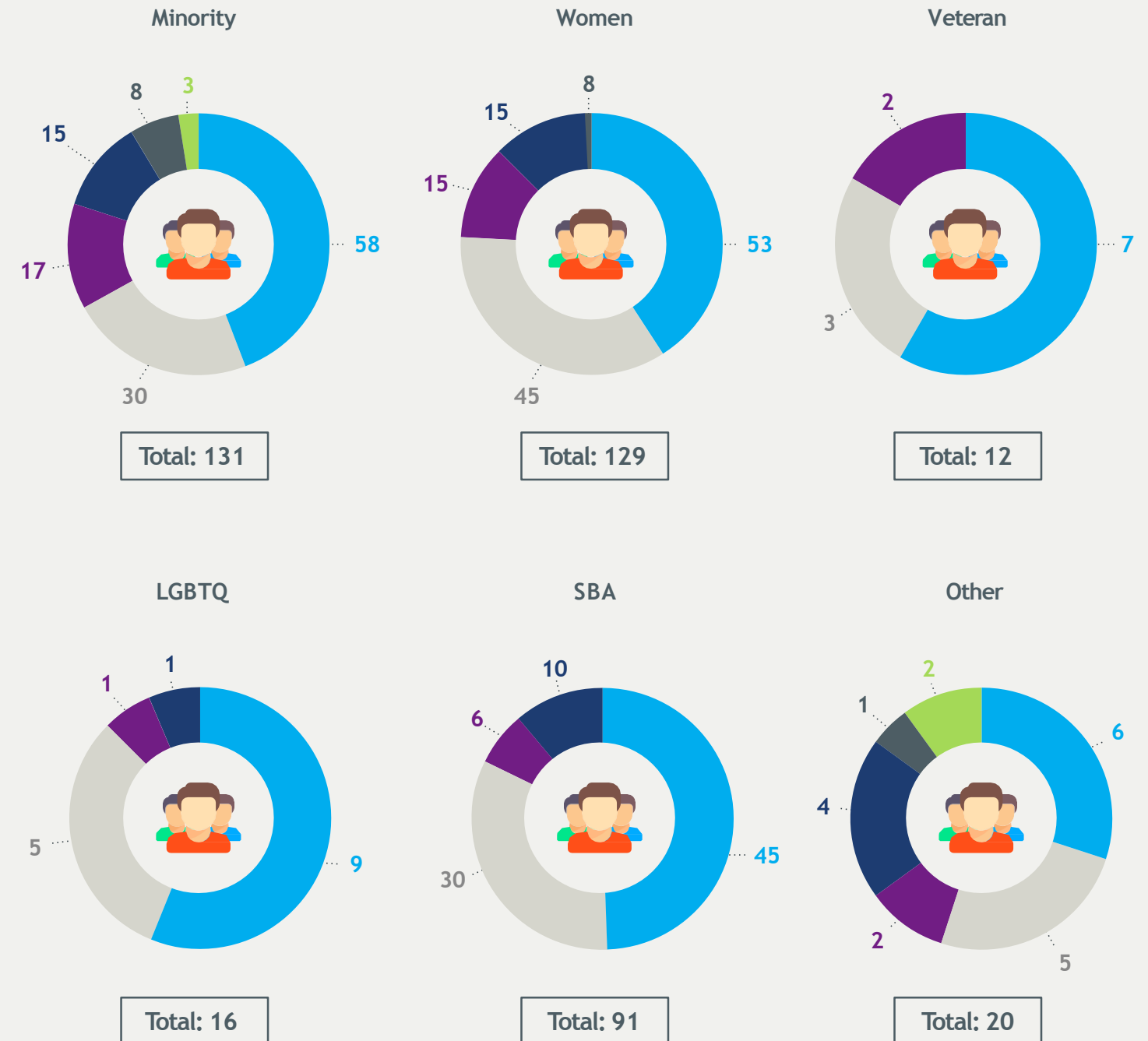
05 SUPPLIER SIZE

How many employees work at your company?



Although diverse suppliers come in all sizes, for the most part, respondents to our survey are technically small businesses—82 percent employ fewer than 100 people, even if they aren't certified as an SBE. With 41 percent employing fewer than 10, the stakes are high for these companies: They must be proactive in connecting with supplier diversity programs willing to hire them.

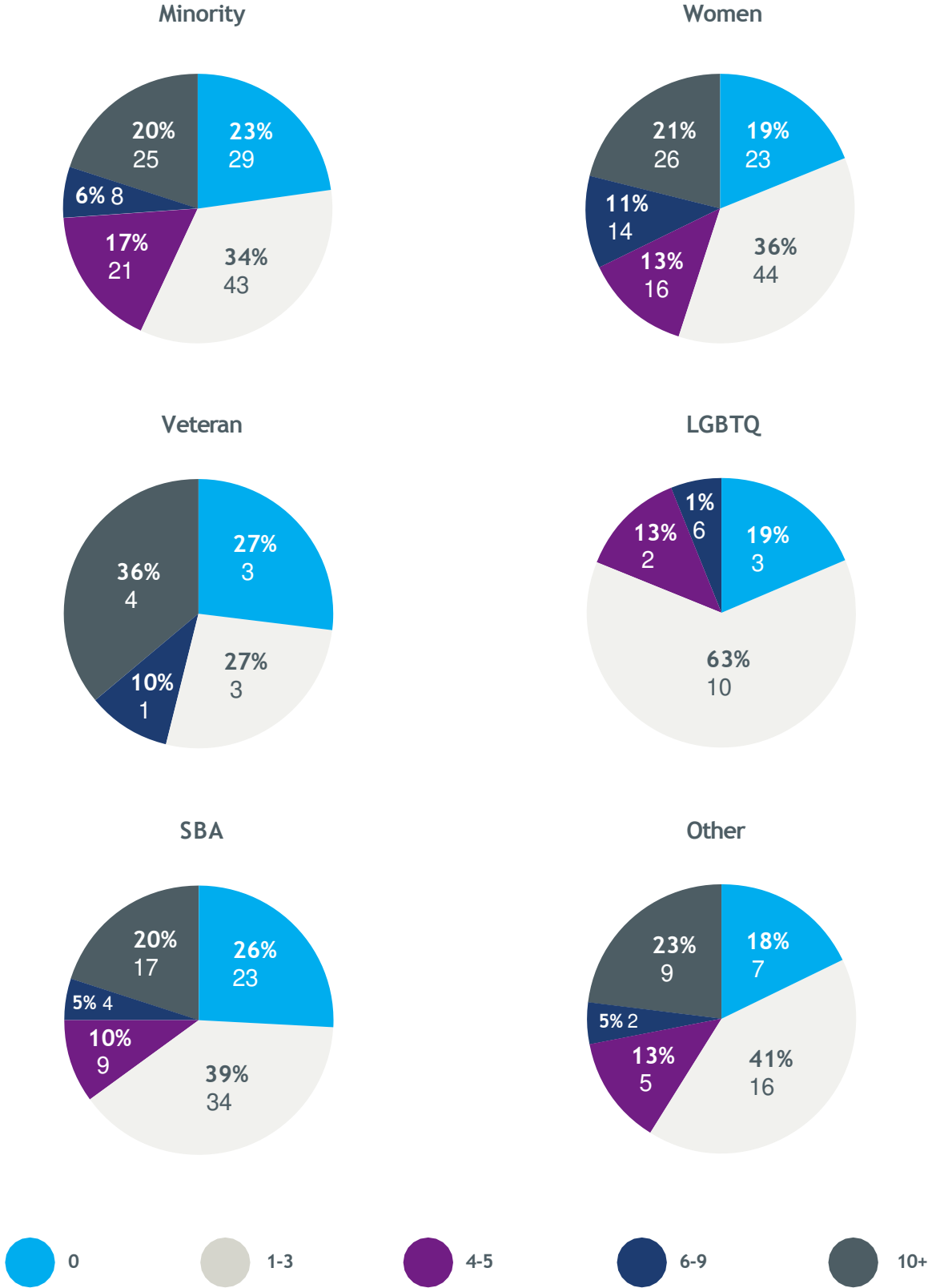
By diversity category:



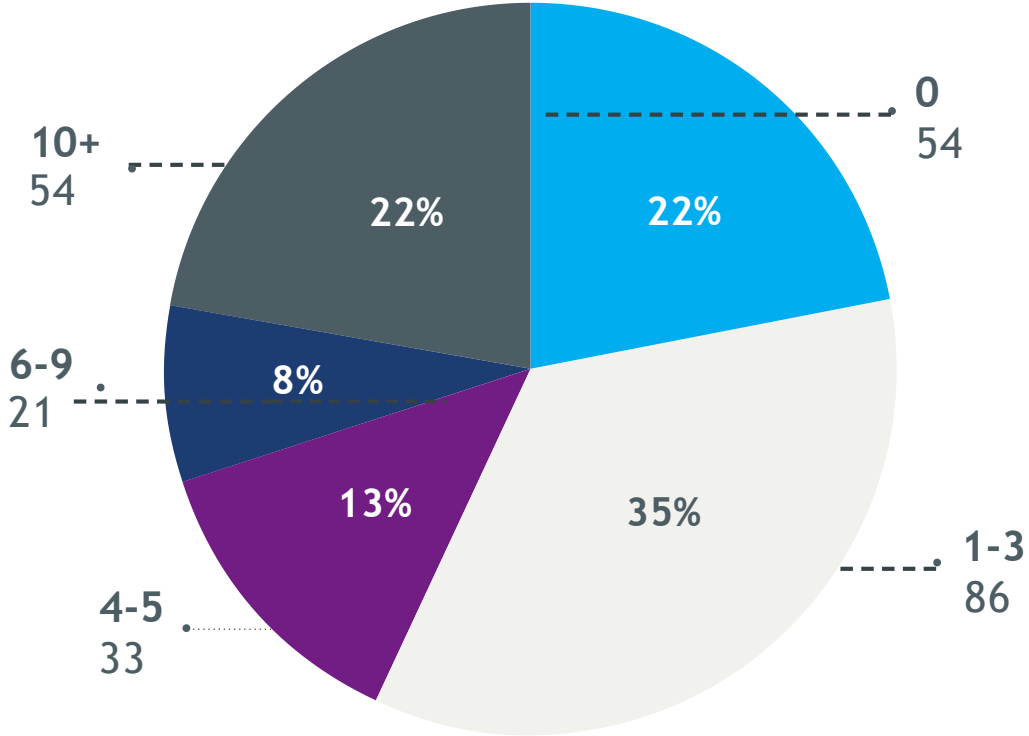
SUPPLIER DIVERSITY CLIENT BASE



By diversity category:



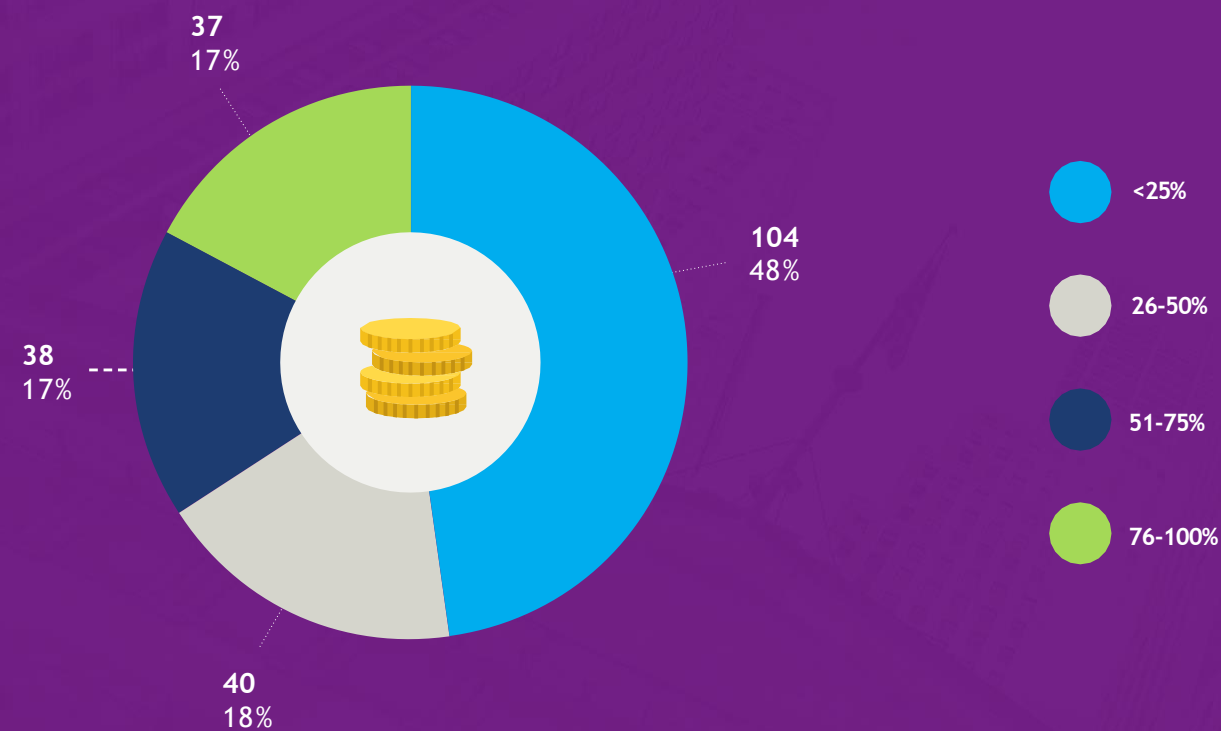
How many corporations is your organization currently working with as a designated diverse supplier?



The findings from this series of questions present an optimistic picture on the state of supplier diversity. First off, 43 percent of respondents are designated as diverse suppliers by at least four clients' supplier diversity programs. Moreover, 30 percent were employed by more than six. Good suppliers get noticed by supplier diversity programs and can expand their client base by continuing their outstanding work, networking, and making the most of their certifications.

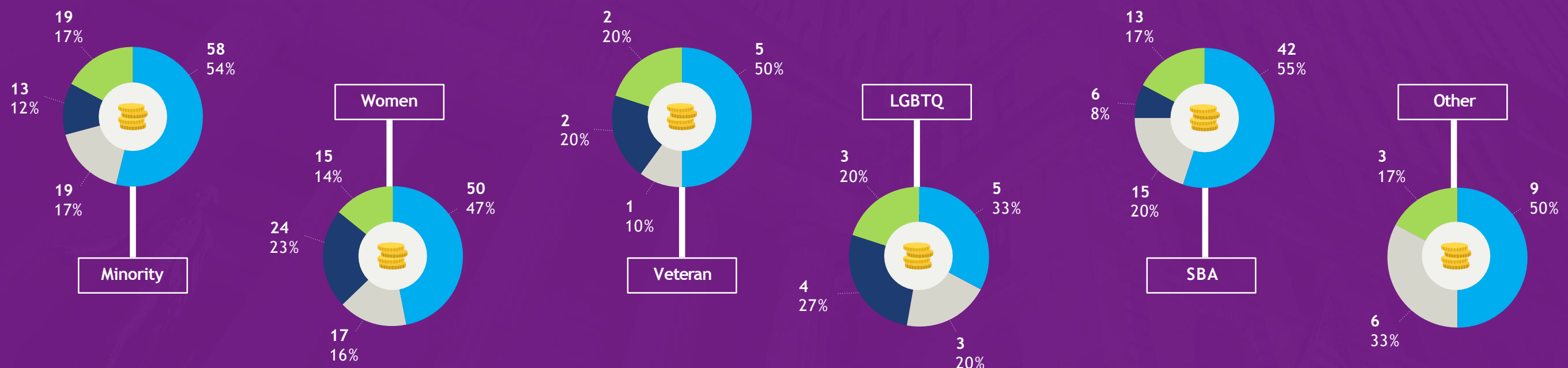
08 FORTUNE 1000

How much of your business is with Fortune 1000 companies?



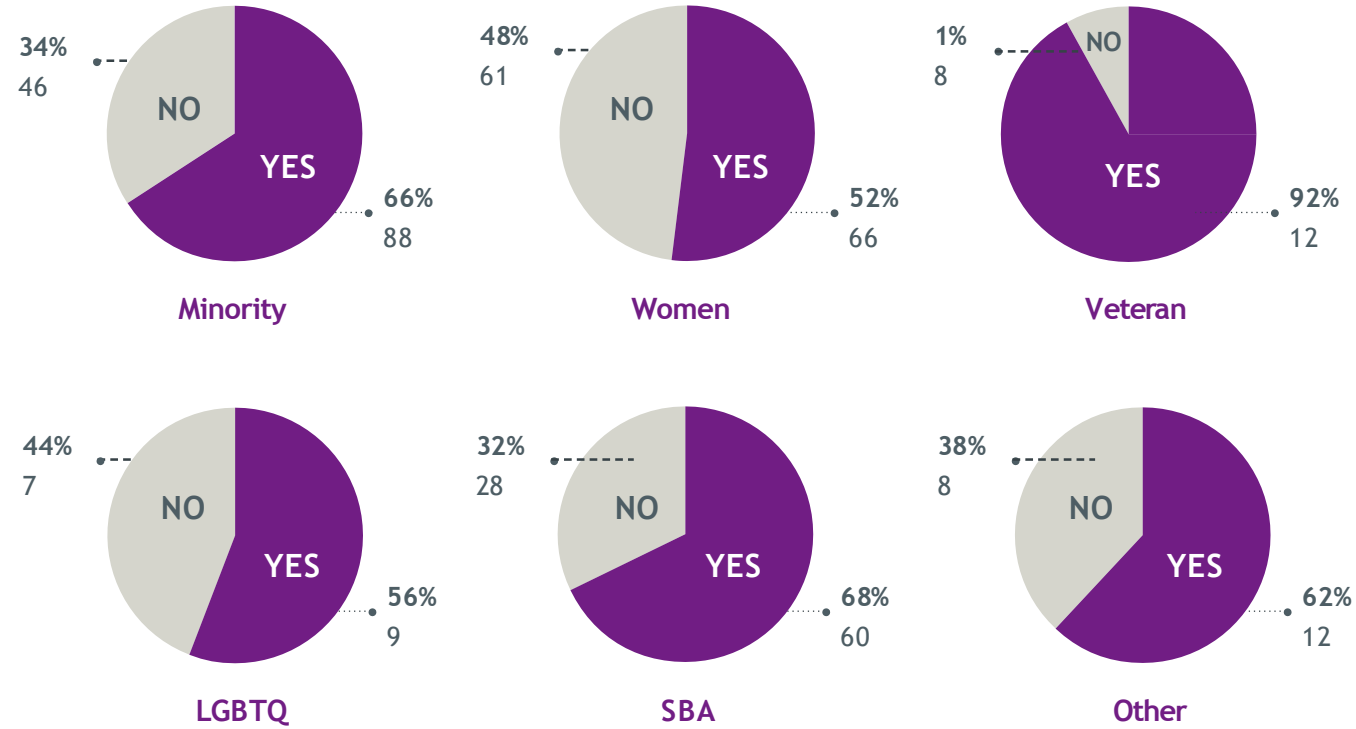
Nearly half of respondents said 25 percent or less of their business is with members of the Fortune 1000. Only about a third reported that they conducted at least half of their business with the largest enterprises. Although the smallest (0-10 employers) suppliers reported less business with the Fortune 1000, surprisingly, the 11-to-50-employee range (61 percent with more than 25 percent business) outperformed the 51-100 classification (49 percent). That might just be a statistical quirk, but it also suggests a diverse supplier doesn't need to be big to attract big clients.

By diversity category:

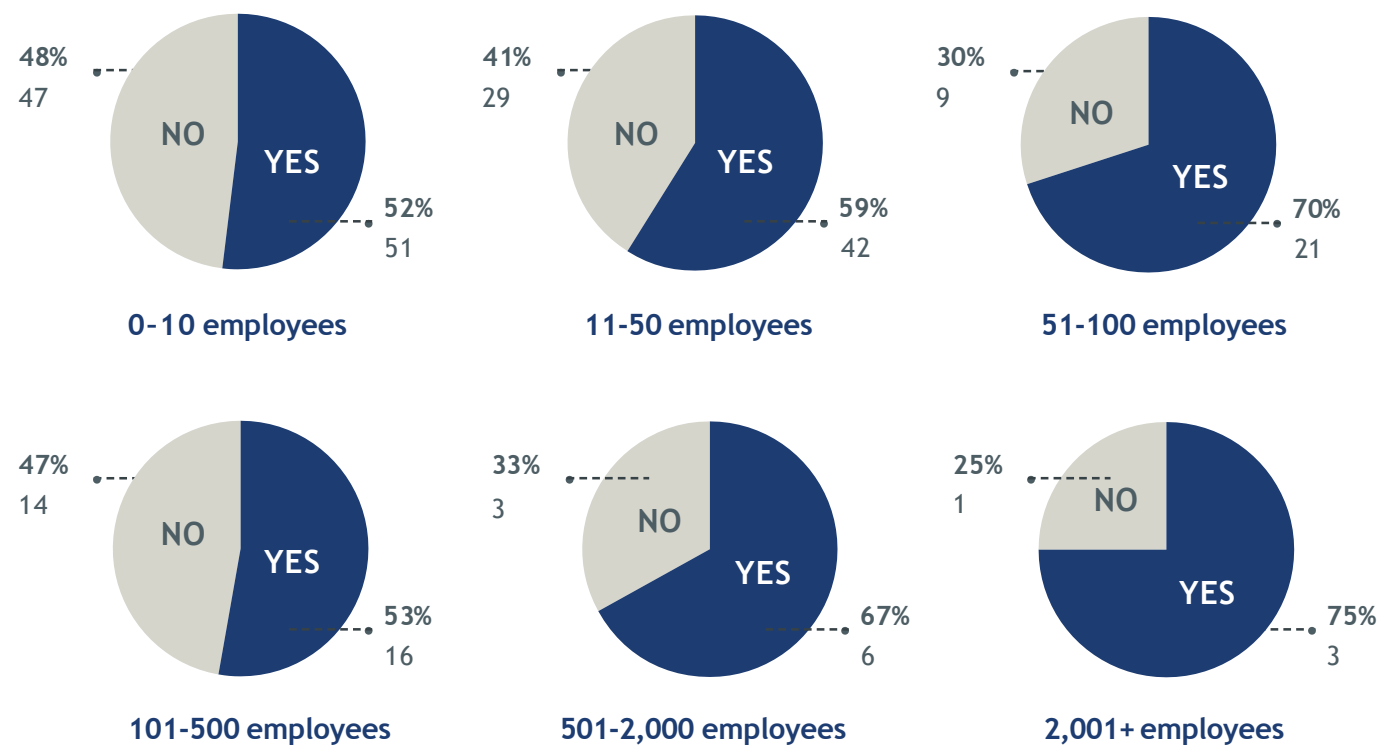


GOVERNMENT CLIENTS 09

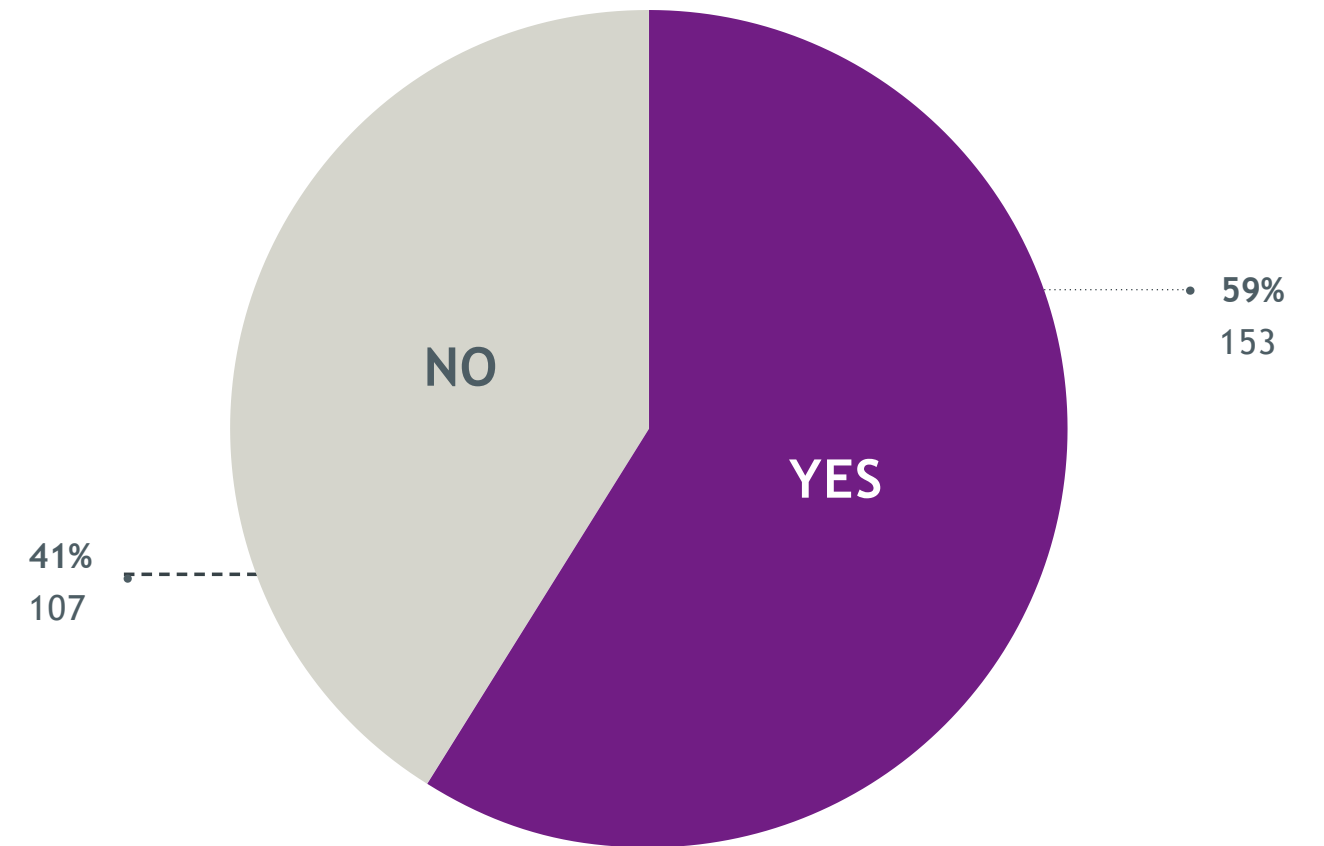
By diversity category:



By company size:



Do you actively pursue government entities as clients?







More than half of our respondents answered yes to this question. Generally, the more employees a diverse supplier has, the likelier it will go for government contracts. Also, veteran-owned businesses were the most active in pursuing government clients—12 of 13 respondents answered yes to this question.

10 FINDING PARTNERS

What are your top three ways to find corporations to partner with?

Networking events are the most popular way to find corporations—two-thirds of respondents cited networking events as a top-three method. Moreover, choosing “other” gave respondents an opportunity to describe what they meant, and many cited conferences, LinkedIn, and industry events, all of which can easily fall under the networking umbrella as well.

Registration sites are the second-most-cited reason at 51 percent, followed by RFPs at 46 percent and email at 39 percent. Some of the more interesting “other” responses were:

-  Bloomberg or other tools that enable you to see who is bidding, incumbents, and so on
-  Invitations from Tier 1 suppliers to be a Tier 2 supplier
-  Social media and marketing
-  Working with procurement

How do you find corporations to partner with? (select all that apply)

Registration sites

51% (136)

Online forms

19% (49)

Emails

39% (103)

Cold calls

28% (75)

Outside sales

24% (64)

Networking events

66% (175)

RFP's

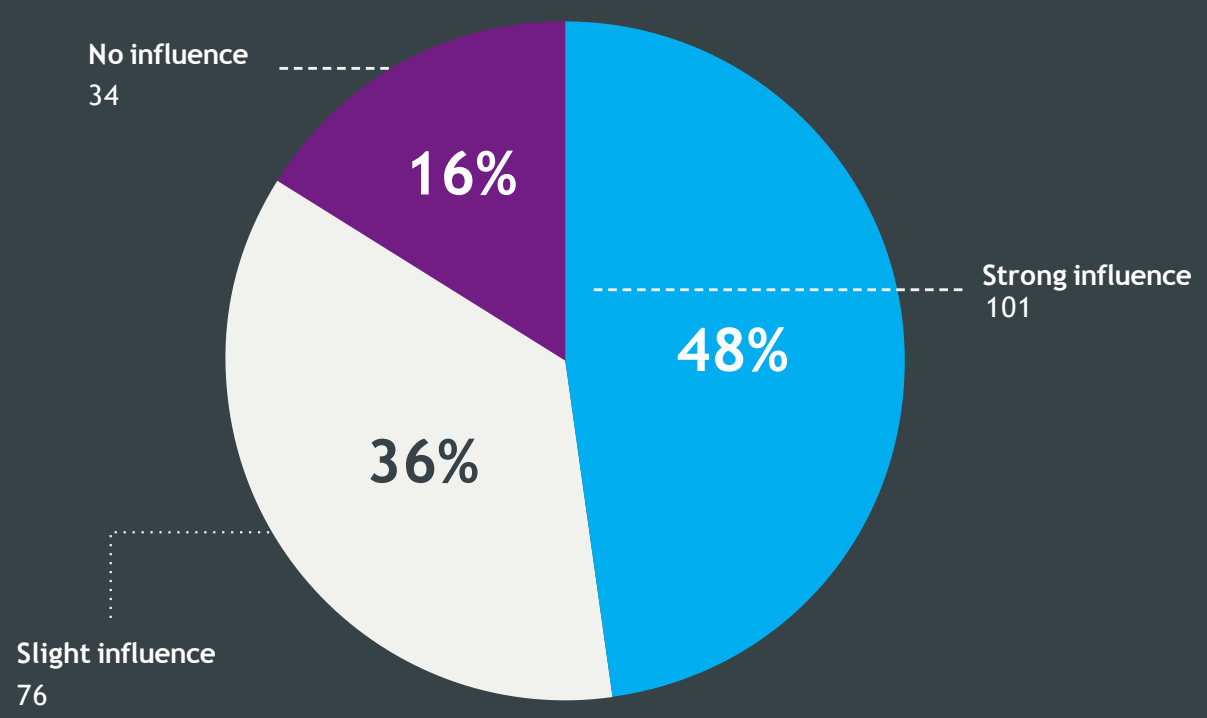
46% (123)

Other

16% (41)

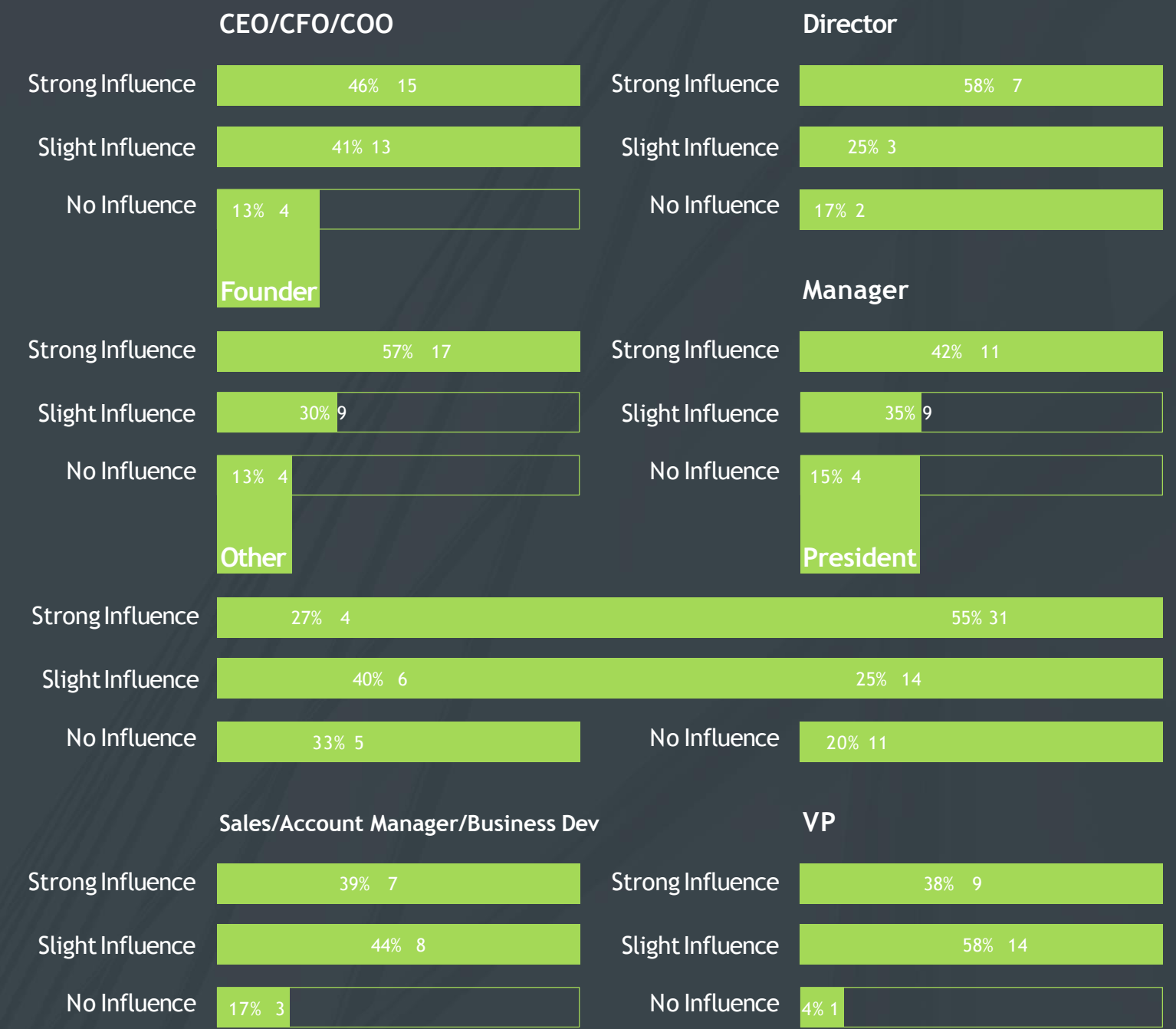
14 SUPPLIER DIVERSITY PROGRAM INFLUENCE

As a consumer, does an organization with a supplier diversity program influence whether or not you will buy from them?



If you need proof that supplier diversity supports the bottom line, here it is: Eighty-four percent of respondents say the existence of a supplier diversity program at least slightly influences their decisions to purchase from such a company; nearly half of respondents say it has a strong influence. The results are not surprising—buying from organizations that believe in supplier diversity is a way to support diverse businesses, and consumers realize it.

By company role:



THE JOYS OF BEING A DIVERSE SUPPLIER 15

What do you enjoy most about supplier diversity?

This question gave respondents a chance to tell us what they like about the importance of supplier diversity. Their answers were enlightening:

- “I firmly believe you cannot have innovation without diversity.”
- “Ability to be competitive with large organizations and play in the same playing field.”
- “Access to resources and information on how to do business with corporations.”
- “It is a source of ideas for innovation. Market intelligence and insights.”
- “I believe it just levels the playing field and allows otherwise disadvantaged companies to have a chance.”
- “It provides a mechanism for large organizations and new, young organizations to connect.”



The opportunity to work with America's best companies.

- “Promotes innovation through the entrance of new products, services, and solutions.”
- “Supplier diversity can only make a business gain better insight into new ideas, innovations.”

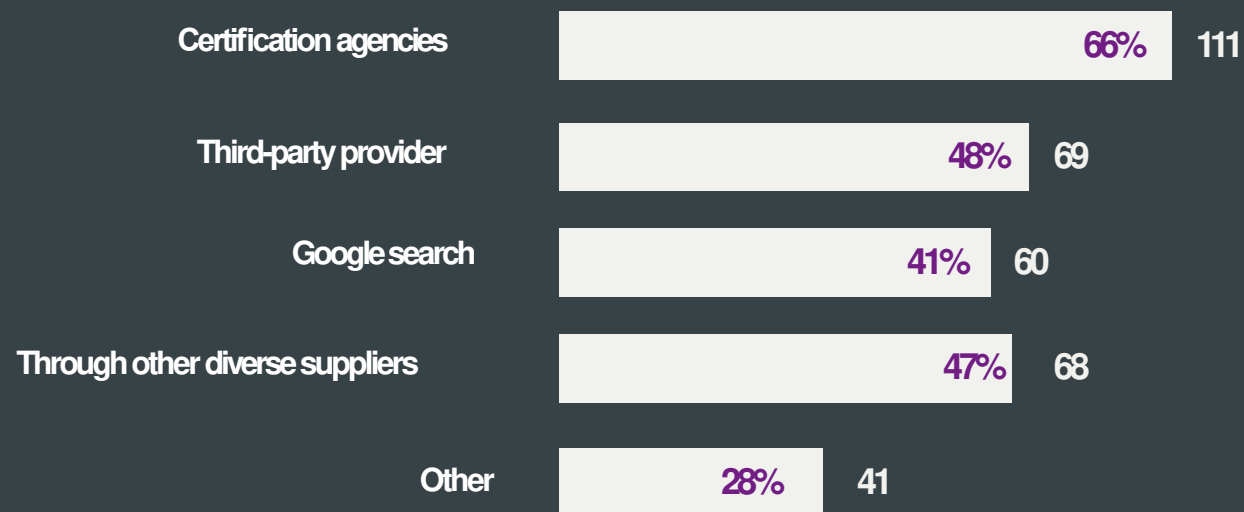
- “Provides multiple channels from which to procure goods and services. Drives competition (on price and service levels) between the company's existing and potential vendors. Allows a company to take advantage of new opportunities for business expansion with the emergence of new consumer needs based upon shifting demographic realities.”
- “Recognition by government agencies, and privileges to work for the esteemed companies and government departments.”
- “Supplier diversity has given our woman-owned business the opportunity to present our capabilities and innovative programs to America's top corporations. This type of access is invaluable and gives us the opportunity to *compete based on our abilities*.”
- “I am proud to be part of a group that is making a positive difference.”
- “Being able to network with like-minded professionals.”
- “Equal opportunity for small and medium business to succeed.”
- “I enjoy the camaraderie!”
- “It helps open doors with customers that have a diversity initiative and puts us on a level playing field. We still have to show our credentials, but at least we get a listening ear.”
- “It leads to a more connected, more inclusive planet.”
- “It is the first time in my career where my personal and professional beliefs fully align.”

2017 STATE OF SUPPLIER DIVERSITY REPORT - SUPPLIER DIVERSITY PROGRAMS

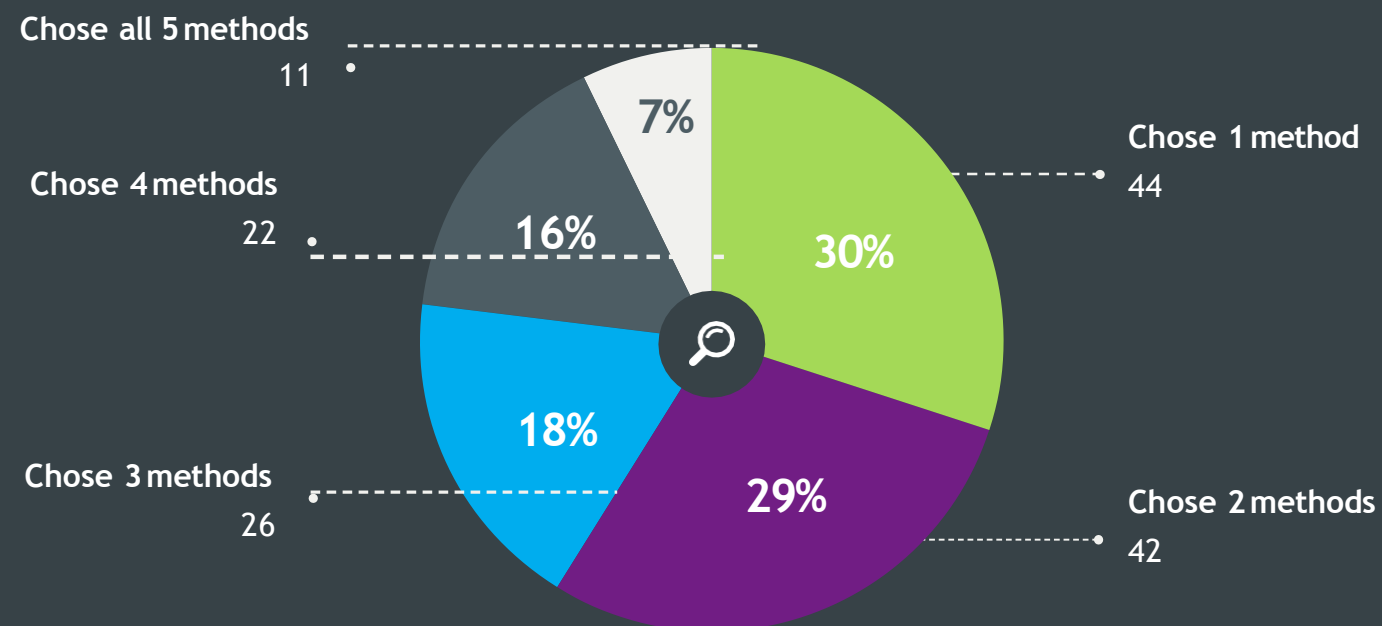
06 FINDING DIVERSE SUPPLIERS

How do you locate diverse suppliers?

Choose all that apply



How many methods did the respondent choose?



These responses confirm that there is no one perfect way to discover diverse suppliers—vendors can be found through a variety of channels and strategies. Almost 70 percent of respondents use more than one method, suggesting a multi-pronged approach is a best practice for supplier diversity programs. Among the “other” methods respondents offered when asked:

- Business assistance programs focused on local businesses, which then can turn into diverse suppliers
- Supplier diversity and matchmaking events
- Business associates

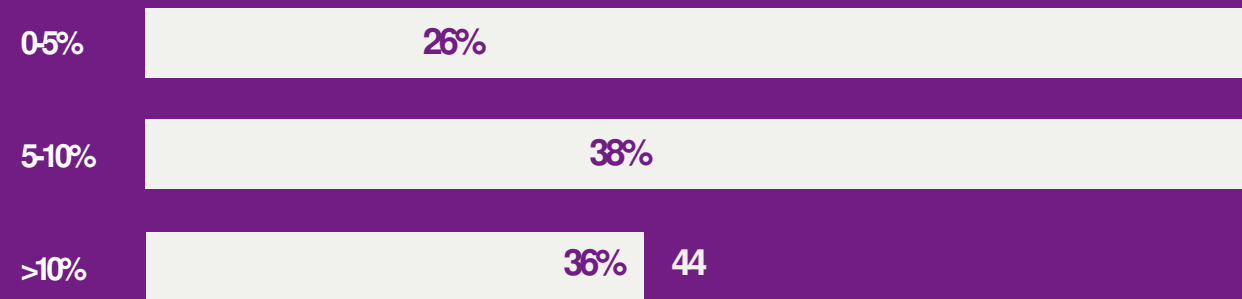
Also notable is that certification agencies were the top method of finding diverse businesses, suggesting that becoming certified should be a top priority for suppliers seeking more exposure. Connecting companies and diverse suppliers is a challenge for vendors as well. We also conducted a complementary survey of diverse suppliers, and one of the responses we received resonated with this challenge:



Connecting with companies that require diverse supplier relationships yet not being in the right place at the right time that would allow us to participate.

08 TIER 1 DIVERSE SUPPLIERS

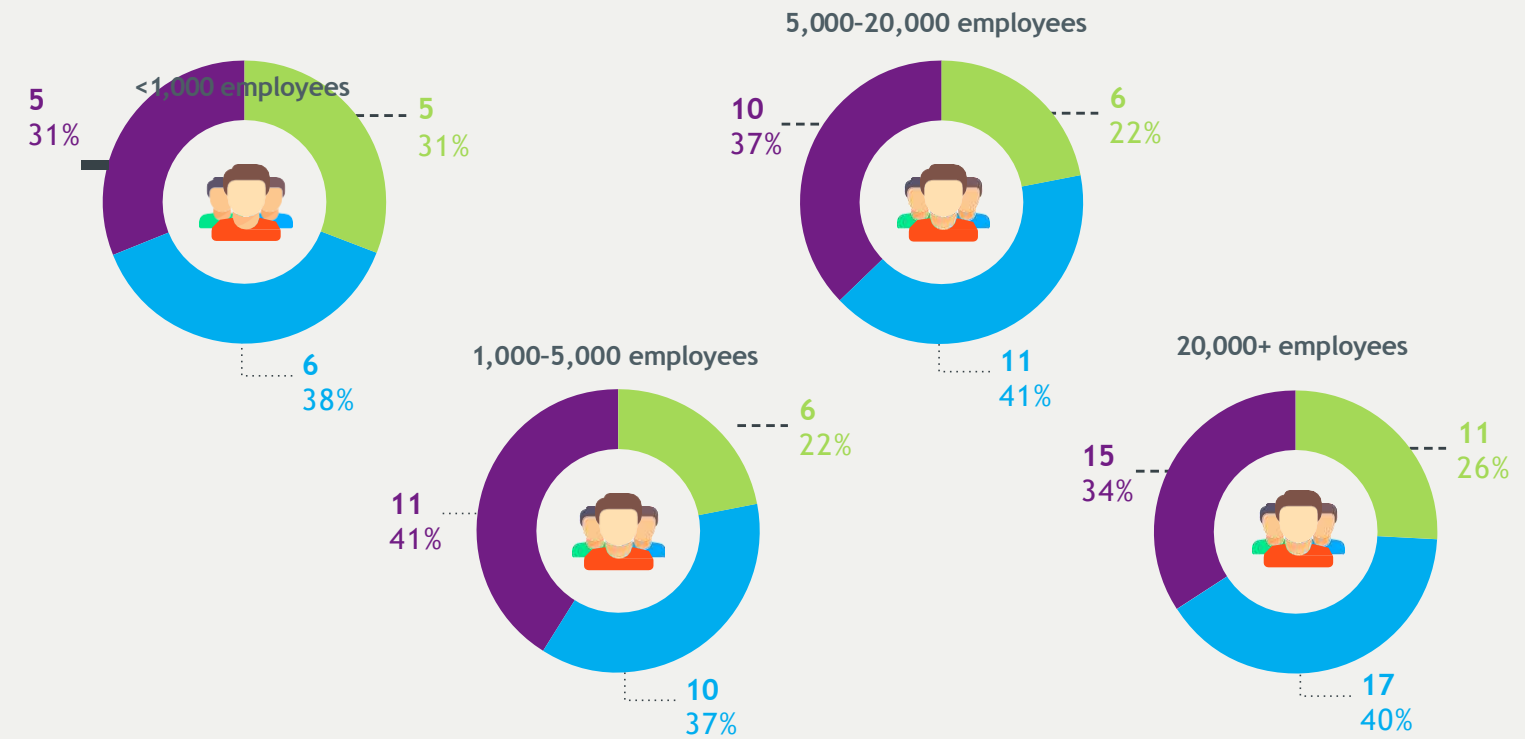
What percentage of your Tier 1 supplier spend is with diverse suppliers?



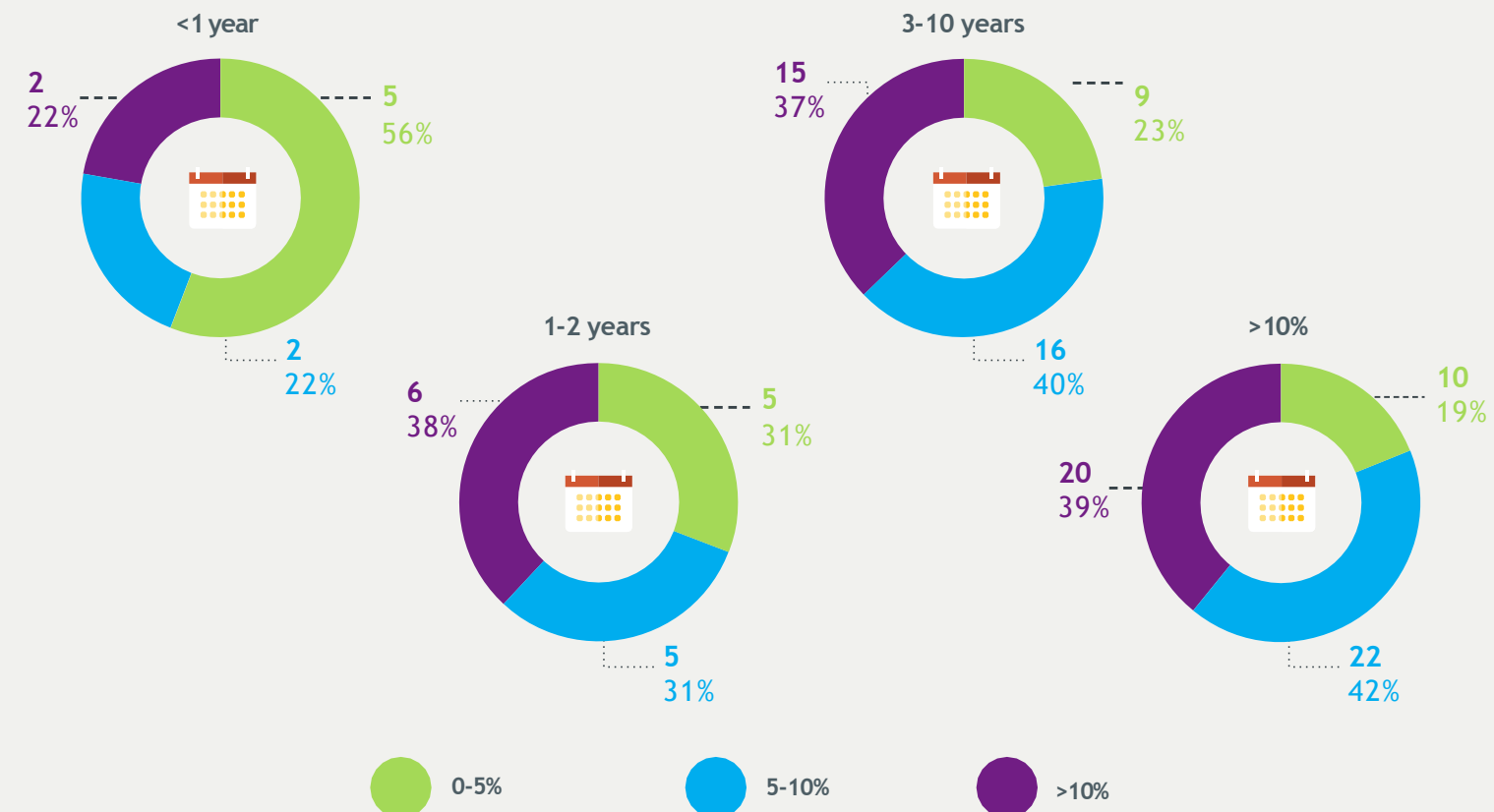
Supplier diversity programs are finding a decent level of success with increasing and maintaining their diverse spend

Almost three-quarters of respondents reported at least 5 percent of their programs' Tier 1 spend is with diverse suppliers. This result isn't exactly unexpected but is a good indicator that supplier diversity programs are finding a decent level of success with increasing and maintaining their diverse spend.

Results by company size

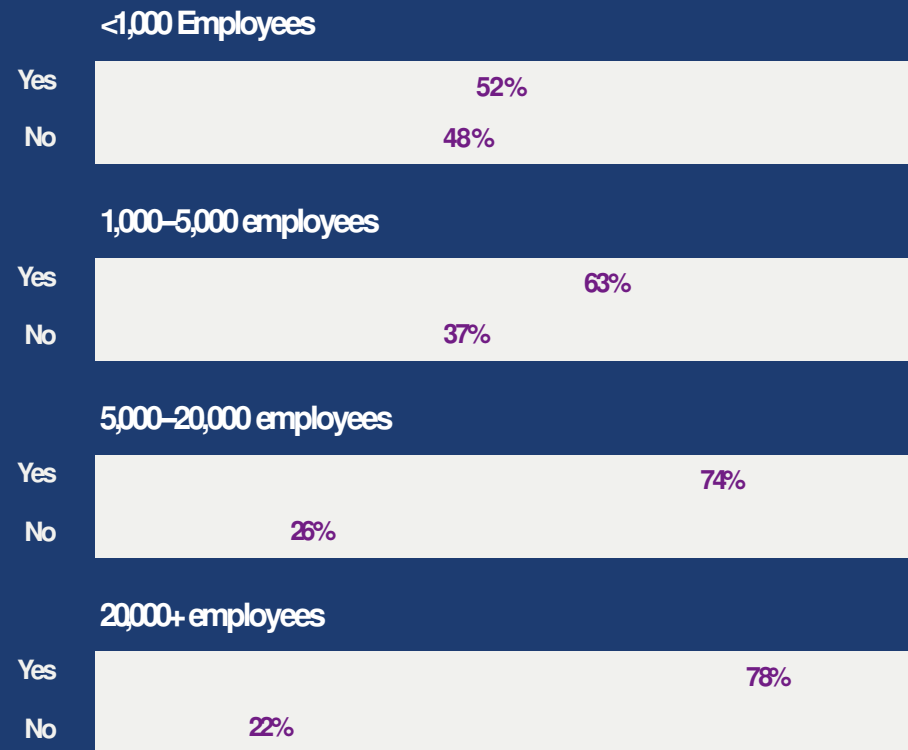


Results by program maturity

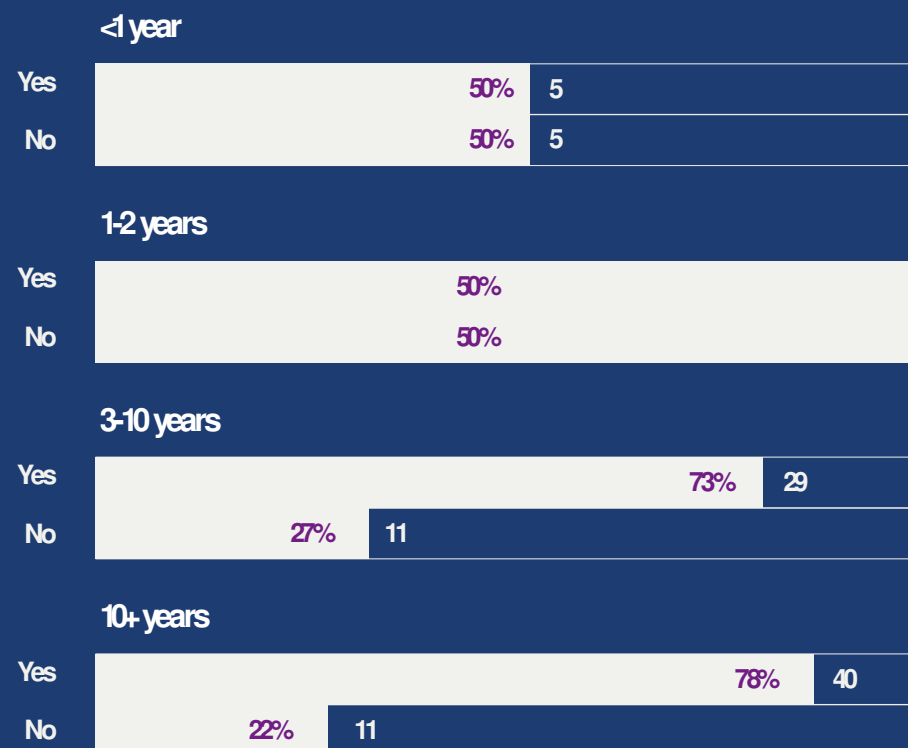


TIER 2 SUPPLIER SPEND

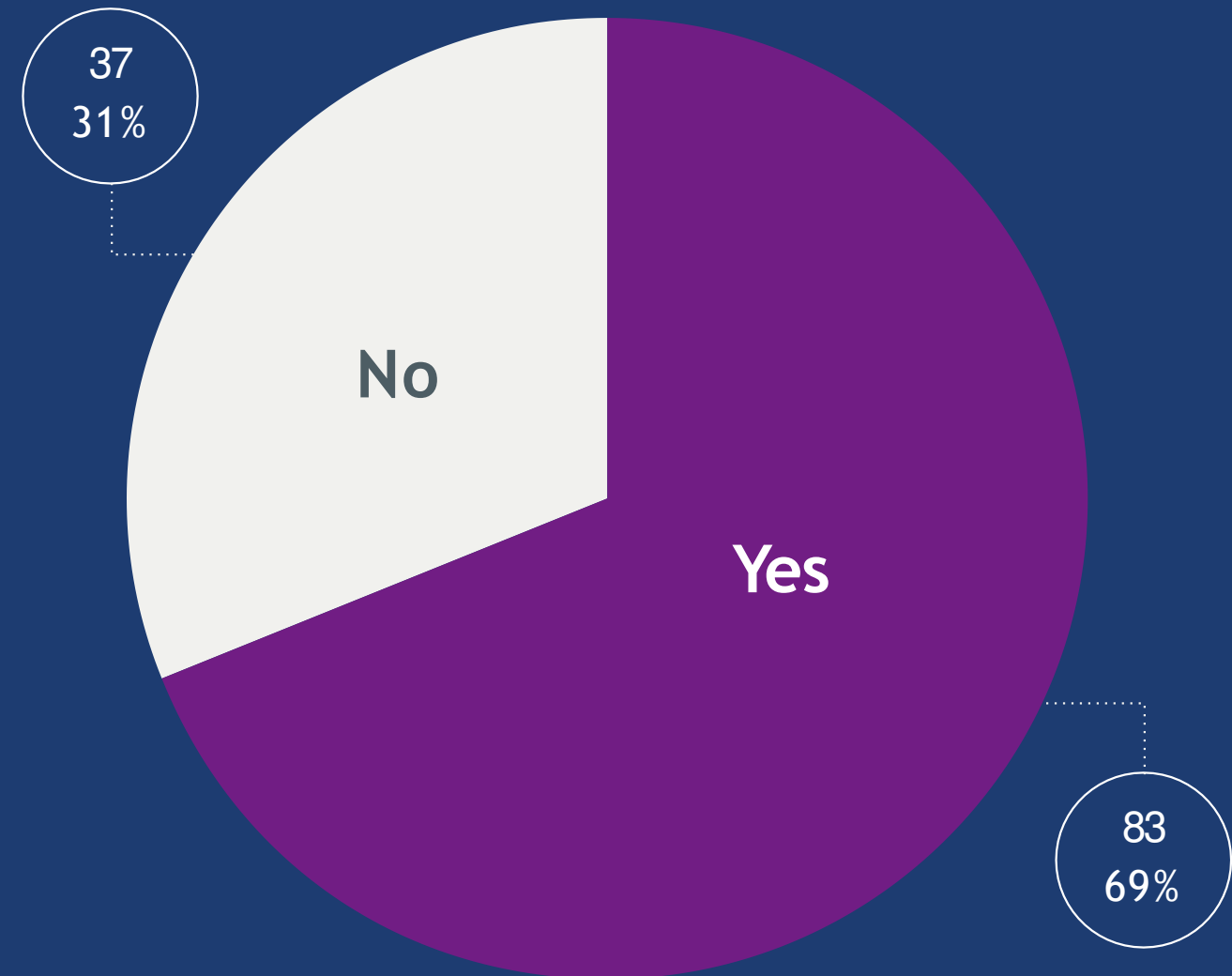
Results by company size



Results by program maturity



Do you measure Tier 2 supplier spend?



More than two-thirds of respondents measure Tier 2 spend. Continuing the trend, larger companies and more mature supplier diversity programs were likelier to track Tier 2 results than their smaller and newer counterparts.

“Contributes to supply-chain excellence, complements our commitment to economic development of our community, strengthens our institutional brand with our key stakeholders, and mirrors our community.”



“Supplier diversity has an impact on our ability to increase market share.”

How do you measure the ROI of your supplier diversity program?

We presented this topic as an open-ended question—rather than check off an answer, respondents described how they measure return on investment. The responses are varied, though, notably, at least a quarter of participants say they do not measure ROI. Here is a sampling of the answers to this question:

- “Our customers require supplier diversity, and it is part of the proposal process. Supplier diversity has an impact on our ability to increase market share.”
- “Small businesses provide lower costs and affordability for our customer. They also bring innovation to current products.”



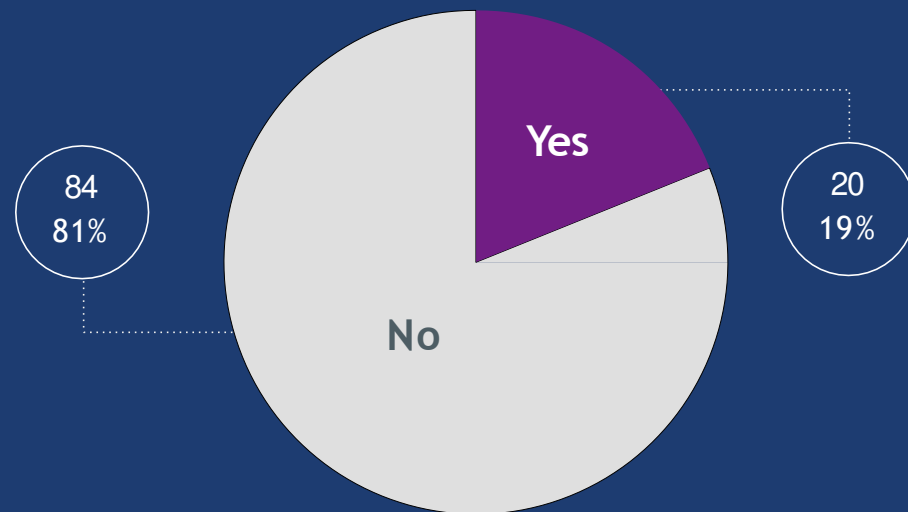
- “In the future, we may measure the ROI by dollars saved switching to diverse suppliers that were less costly, or by the number of grants we receive related to having a successful program.”
- “Cost savings that diverse suppliers bring to new sourcings.”
- “Comparing new cost and diversity versus old or current sources.”
- “We measure ROI indirectly through the evaluation of all suppliers and the proportion of them that are small.”

13

ECONOMIC IMPACT OF SUPPLIER DIVERSITY PROGRAM

This data was also unexpected: Only 19 percent of respondents measure the economic impact of their supplier diversity programs. There was a bit of a jump for the largest companies and the most mature programs, but neither registered above 26 percent. These numbers suggest that supplier diversity professionals seem to be missing an opportunity to quantify the success of their programs—and possibly secure more resources for their efforts.

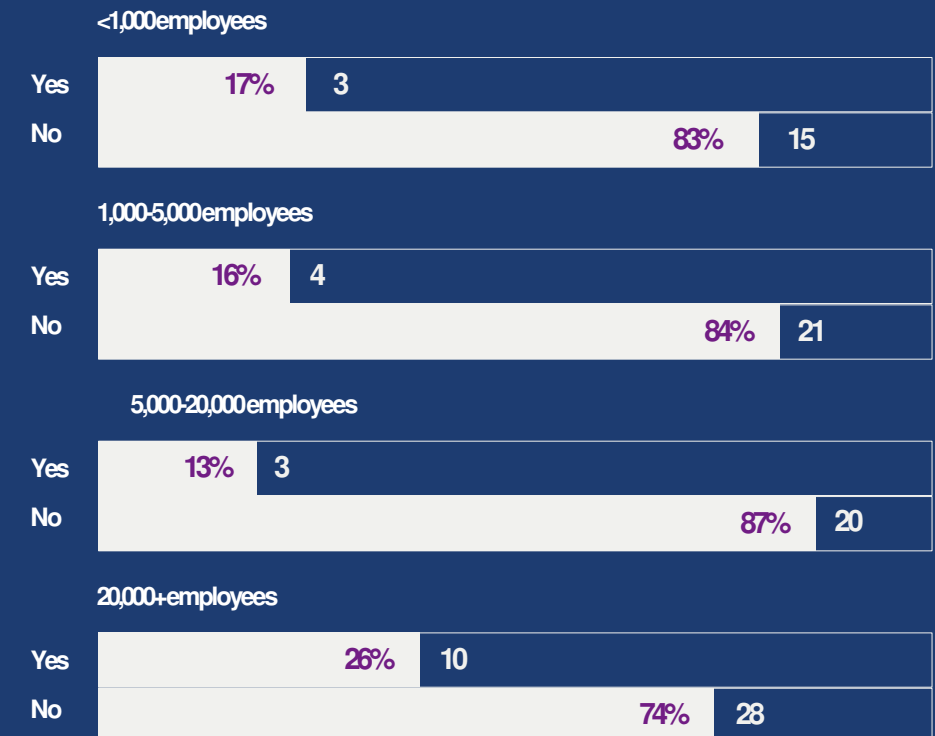
Do you measure the economic impact of your program?



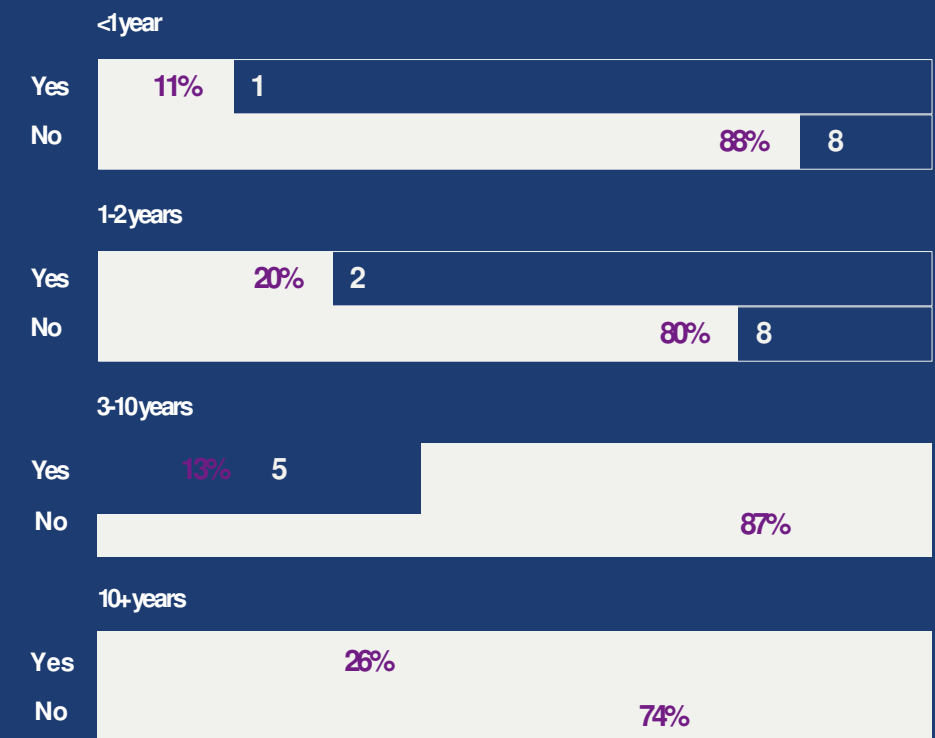
We did ask respondents who answered “yes” a sub-question about how they measure the economic impact of their supplier diversity programs. The responses included:

- By the number of new jobs created
- Through cost reductions
- The number of local employees hired by diverse suppliers in support of a new contract
- Annual economic impact reports
- Affordability for the customer for RFPs and contracts
- The number of contracts awarded and the number of county residents hired
- Overall economic conditions—downturns in the market that lead to less supplier diversity program impact

Results by company size



Results by program maturity



Where do you see supplier diversity going in the next three to five years?

Supplier diversity is always growing and evolving, and our survey's participants have some strong opinions on where it is going. Here are some of their responses to this question:

“Becoming a tool of market development and competitive advantage.”

- “My hope is that it will continue to be a priority for organizations going forward. With that said, it remains an important initiative as corporations should continue to diversify their supply base, consumer base, and employee base. This breeds idea generation and innovation.”
- “Hopefully, still as a viable entity and program in the midst of a changing world.”
- “I feel it has stagnated.”
- “I see it decreasing and not being looked at as a value to companies. Until we can get the government to lead by pushing the bar and holding companies to the fire, they will not do it on their own.”
- “I see supplier diversity growing, in particular for LGBT and disabled vets. I also think there will be political changes that will test the fabric and value of supplier diversity programs.”
- “In the current environment, not much change unless there are significant tax changes.”
- “Corporations will have to make it a necessary business imperative to stay competitive and to keep pace with shifting demographics and the emerging consumer base and its buying power.”
- “Will be more structured and with defined roles.”

“Enable our purchasers (end users) to include themselves in the process of identifying diverse suppliers from our database and then purchase from them.”

- “Becoming a tool of market development and competitive advantage.”
- “Continue to develop a comprehensive program and enable our purchasers (end users) to include themselves in the process of identifying diverse suppliers from our database and then purchase from them.”
- “Becoming more ingrained into our sourcing process and becoming more of a requirement than a nice-to-have.”
- “Due to the procurement practice of consolidation, I believe that most programs will become ‘subcontracting-focused’ programs. The emphasis will be on helping prime vendors find diverse vendors to utilize and on their spend reporting.”
- “Expanding to become a requirement for all companies.”
- “Given the current climate of our country, corporations will have a larger responsibility to empower, partner with, and mentor diverse firms.”

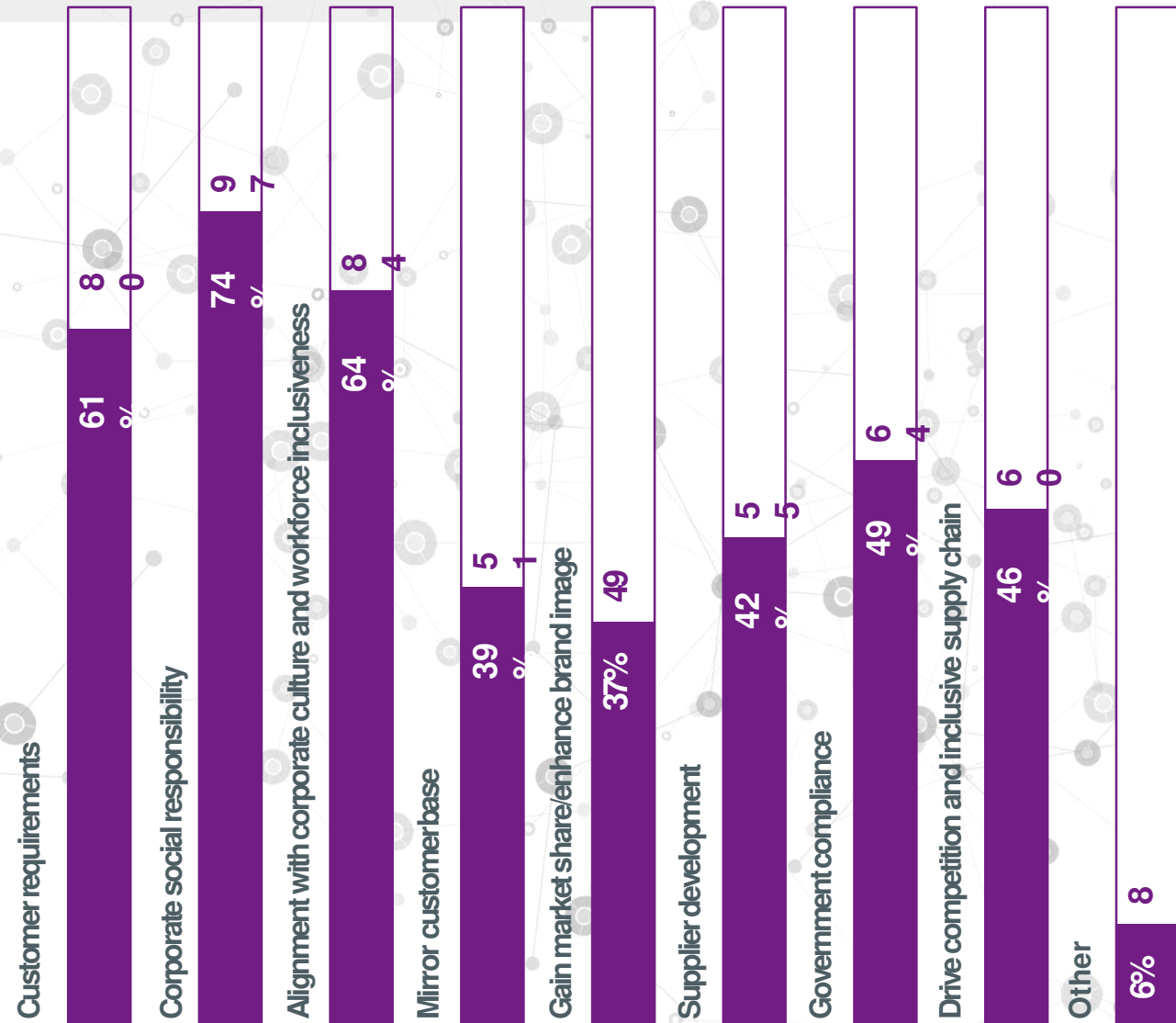
“This breeds idea generation and innovation.”

“I also think there will be political changes that will test the fabric and value of supplier diversity programs.”

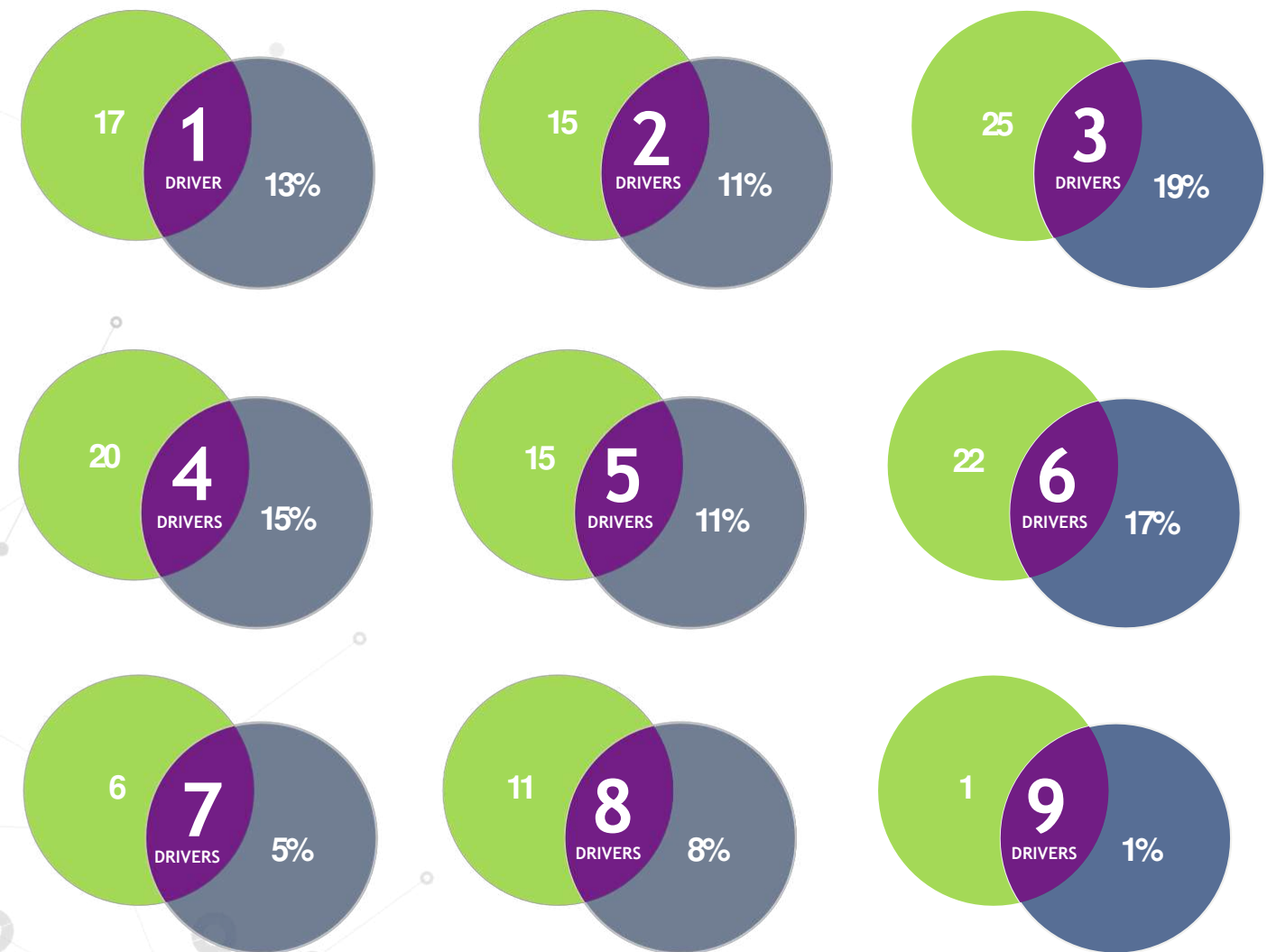
PRIMARY DRIVERS OF SUPPLIER DIVERSITY PROGRAM 05

What are the primary drivers of your supplier diversity program?

Choose all that apply



Number of drivers:



Corporate responsibility topped the results for this question, followed by alignment with corporate culture and workforce inclusiveness, customer requirements, and government compliance. Also, about three-quarters of respondents chose more than three drivers—evidence that a variety of factors are important to companies striving for supplier diversity. Among the “other” responses given, we found this one most interesting:



Our foundation, corporate funders, and supporters necessitate, acknowledge, and understand the impact and benefits of having a supplier diversity program.





Supplier Inclusion and Diversity: Veteran-Owned Businesses

Nancy Conner
Director of Certification, NaVOBA
847-456-5601
nancy.conner@navoba.com



What is Supplier Inclusion & Diversity?

- Corporate programs to measure the impact of their spend within diversity communities
- Originally focused on communities of color, then women, and later disabled, veteran and LGBT owned businesses
- Corporations require third party certification by NMSDC, WBENC, USBLN, NGLCC, etc.
- They expect their suppliers to reflect their values
- They also require an inclusive supply chain, and ask their suppliers to report spend
- The best corporations aspire to become members of the Billion Dollar Roundtable
- These 27 companies spend in excess of \$1 Billion per year with diverse suppliers.



Why is an Inclusive Supply Chain Important?

- Although many believe government mandates are the business driver for Supplier Diversity, the reality is that corporations represent an even bigger buying pool.
- Corporations know that including ALL businesses within their supply chain leads to competitive pricing, better and more agile supplier solutions, increased corporate social responsibility and greater bottom line impact.

A Best Practice for Supporting Veteran Employment:

Entrepreneurship is one area that has proven to help increase post-military success for many veterans. Veterans are twice as likely to start a business as non-veteran counterparts and hire more veterans as employees.



What is NaVOBA?

NaVOBA is an independent 501(c)(3) nonprofit organization led by Corporate Supplier Diversity professionals.

NaVOBA's mission is to create corporate contracting opportunities for America's Veteran's and Service-Disabled Veteran's Business Enterprises (VBEs/SDVBEs) through certification, advocacy, outreach, recognition and education.



Save the Date!

NaVOBA is working together with our friends at the National Veterans Small Business Coalition for the 2018 Veterans Entrepreneurship and Training Symposium (VETS).

This year's event will be in Colonial Williamsburg, Virginia at the Williamsburg Lodge from June 10 - 14, 2018.

VETS 2018 aims to make veteran business owners successful by learning from experts and other small business owners. This is a great opportunity to connect and network with NaVOBA's Corporate Allies.

Visit www.navoba.org/VETS18 to register today.



Abbott Supplier Diversity

1 | March | 2018



Abbott Today

Healthcare Company

- No longer pharmaceutical company
- Created stand alone company, AbbVie, in 2013 which is branded pharmaceutical

Medical Device-Nutritional Company

- Getting people back to doing the things they love
- Acquired St Jude Medical (Minn, MN) Jan 2017
 - Medical device company with heart focus
- Acquired Alere (Waltham, Mass) Oct 2017
 - Rapid, point of care diagnostic testing

Nutrition

Diagnostics

Medical devices

OUS Branded
generic
pharmaceuticals



Abbott Supplier Diversity

Supplier Diversity

- Works to open doors within business functions
- Educate suppliers on how to do business with Abbott
- Cultivating Supplier Diversity Champions
- Providing options for small business like Supply Chain Financing to meet Abbott standard 90 days payment terms.

Veteran Supplier engagement

- Increase participation with
 - ⑩ National Veteran Owned Business Association (NaVOBA)
 - ⑩ National Veteran Business Development Council (NVBDC)

Sourcing opportunities

- Understand category needs and requirements
- Focus commitment in 2018 on Veteran & Service Disabled Veteran Suppliers
- Utilize Veteran business organizations to identify qualified Veteran sources

Tier 2

- Encourage diverse suppliers to be Tier 2 suppliers to large prime suppliers
- Find the right entry point for diverse suppliers
- Crawl, walk, run if there is value in services



THE COMMERCIAL CLUB OF CHICAGO

Veterans Working Group

March 1, 2018



Collins Consulting, Inc. Overview

- Established in 1992
- Capabilities
 - Collins Consulting, Inc. is recognized for providing quality solutions that satisfy the needs of the Government and private industry. Our core competencies:
 - Professional Staffing Services Including Secret and Top Secret Cleared Personnel
 - Information Technology
 - Corporate and Professional
 - Scientific
 - Configuration Management and Training
 - Help Desk Solutions
 - Systems Development, Operations and Sustainment
- Designations
 - Service Disabled Veteran Owned Small Business – certified by VA VetBiz
 - VA VetBiz website - <https://www.vip.vetbiz.gov/>
- Website - www.colcon.com



Our Customers

Commercial Clients: abbvie  UNITED  

 **Abbott**  **Manpower**  **Smithfield** **NAVISTAR**

 **GENERAL DYNAMICS**  **MOTOROLA MOBILITY** **NORTHROP GRUMMAN**

Government Clients:



Collins Consulting, Inc. provides nationwide coverage and support. We currently have contractors working in 26 states.

How to Engage Veteran Businesses

- Create awareness that you are seeking Veteran Owned Businesses
 - The Obvious versus the In-Obvious Prime
- Attend Annual Veteran Business Conferences
 - <http://www.veteransbusinessconference.org/>
 - <https://nvsbe.com/>
- Create a veteran supplier friendly environment
 - Abbott Example – Payment Terms, Engagement
 - Set aside procurements – Common in Government today, limits competition to just Veteran or Disabled Veteran owned businesses

TABLE TALK

Veterans Working Group Members

Table Talk Outline

Small Group Table Talk (15 minutes)

- Assign one person to be **Facilitator** (leads Table Talk)
- Assign one person to be **Reporter** (records answers and reports to larger group)
- Form for summary report is provided at each table
- **Facilitator** questions:
 - I. Does your company have a supplier diversity plan? Do you know your veteran supplier target?
 - II. What is the “value add” for contracting with VBEs and SDVBEs for your company?
 - III. Did you learn anything today that can help your company increase its number of VBE and SDVBE suppliers?

Report of Table Talk Results (10 minutes)

- **Reporter** from each table summarizes discussion for full group

WRAP UP AND MEETING EVALUATION

David Hiller

Robert R. McCormick Foundation

NETWORKING AND LUNCH

Kirsten Carroll
Commercial Club of Chicago