

# Supplier Diversity Management Best Practices



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DiversityInc  
Director of Client  
Fulfillment

# Resources

## **For technical assistance:**

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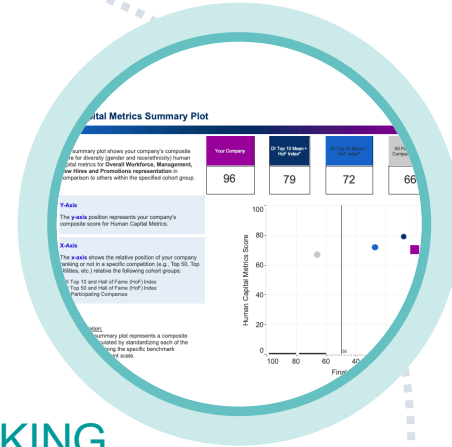
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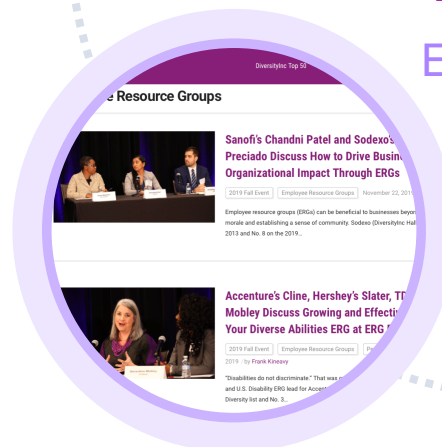
This presentation and recap will be available for download in 72 business hours. If you have questions, email us at [customerservice@diversityinc.com](mailto:customerservice@diversityinc.com).

# What We Do

- Top company rankings
- Employer branding
- Training, best practices, research
- Media, ESG, diversity, inclusion and belonging
- Connecting the right talent to the right employer: job board and executive search



MEDIA  
BENCHMARKING  
BRANDING  
EDUCATION



# DiversityInc Top 50 Hall of Fame

2019



**AT&T**

**No. 1 2019**

2018

*Johnson & Johnson*

**No. 1 2018**

2017



Building a better  
working world

**No. 1 2017**

2016

KAISER PERMANENTE® **thrive**

**No. 1 2016**

2015/2014



**NOVARTIS**

**No. 1 2015-2014**

2013

*sodexo*

**No. 1 2013**

2012



**pwc**

**No. 1 2012**



# 2020 Top 50 Companies for Diversity

1. Marriott International
2. Hilton
3. Eli Lilly and Company
4. ADP
5. Accenture
6. Mastercard
7. Comcast NBCUniversal
8. Abbott
9. TIAA
10. Toyota Motor North America
11. Wells Fargo
12. KPMG
13. Target
14. BASF
15. Northrup Grumman
16. Procter & Gamble
17. Cox Communications
18. TD Bank
19. AbbVie
20. Nielsen
21. The Hershey Company
22. Dow
23. Aramark
24. CVS Health
25. Humana
26. Southern Company
27. Boeing Company
28. Sanofi US
29. Exelon Corporation
30. General Motors
31. Allstate Insurance Company
32. Walmart
33. Medtronic
34. Kellogg Company
35. KeyBank
36. Colgate-Palmolive
37. Randstad
38. AIG
39. Ecolab
40. U.S. Bank
41. JCPenney
42. Cigna
43. HP
44. McCormick & Company
45. Moody's Corporation
46. United Airlines
47. AztraZeneca
48. HSBC
49. Centene Corporation
50. Capital One Financial

# Top Noteworthy Companies - Alphabetically

- Ally Financial
- American Family Insurance
- American Water
- Amerisource Bergen
- Asurion
- BBVA
- Becton Dickinson
- Best Buy
- Cardinal Health
- Citizens Financial Group
- Flagstar Bank
- Guidehouse
- Herman Miller
- Hillrom
- Honda North America
- International Flavors & Fragrances
- Johnson Controls
- Kohl's
- Linde
- MUFG Union Bank, N.A.
- Nutrien
- Owens Corning
- PepsiCo
- Rockwell Automation, Inc.
- Royal Caribbean Cruises Ltd.
- State Street Corporation
- Tata Consultancy Services
- Ulta Beauty
- Ultimate Software
- Unisys Corporation
- Walgreens
- Wyndham Hotels and Resorts

# 2020 Specialty Lists

1. Noteworthy Companies
2. Top Regional Companies
3. Top Hospitals and Health Systems
4. Top Utilities Companies
5. Top Companies for Talent Acquisition
6. Top Companies for Talent Development (New)
7. Top Companies for Talent Acquisition - Women of Color
8. Top Companies for Supplier Diversity
9. Top Companies for People with Disabilities
10. Top Companies for Board of Directors
11. Top Companies for LGBT Employees
12. Top Companies for Employee Resource Groups
13. Top Companies for Mentoring
14. Top Companies for Sponsorship
15. Top Companies for Executive Diversity Councils
16. Top Companies for Diverse Leaders
17. Top Companies for Veterans
18. Top Companies for Executive Women
19. Top Companies for Philanthropy
20. Top Companies for Environmental, Social & Governance (New)

# Supplier Diversity Best Practices

Beyond the Spend Zone

Moving Beyond the Numbers to Sustainable Growth

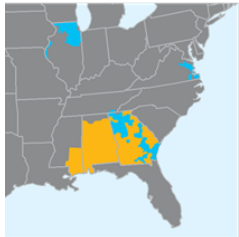
June 3, 2020



Southern  
Company

# Southern Company Footprint

We provide clean, safe, reliable, affordable energy and customized solutions.



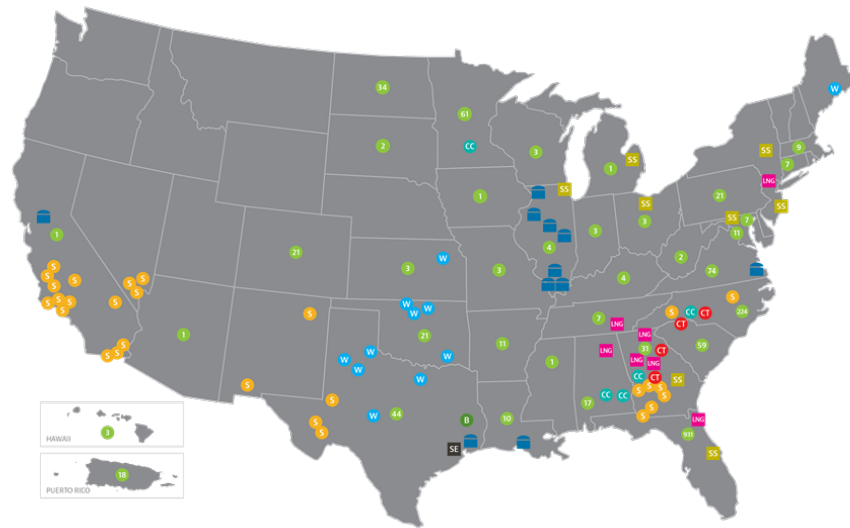
Service territories

- Electric
- Gas



Gas pipelines

- Southern Natural Gas
- Southern Company Gas
- Pipeline projects



## Southern Power

- CC Combined-cycle facility
- CT Peaking facility
- B Biomass facility
- S Solar facility
- W Wind facility

## Southern Company Gas

- LNG LNG facilities
- SE Sequent Energy Management
- SS SouthStar
- Natural gas storage

## PowerSecure

- # Owned and managed sites per state

Capabilities in  
**50 States**

**7**  
Electric & Natural  
Gas Utilities

**9 Million**  
Customers

Approximately  
**29,000**  
Employees

Approximately  
**44,000 MW**  
of Generating Capacity

# Our Diversity Strategy



- Create an environment in which every employee can contribute and reach his or her full potential.
- Develop and sustain relationships with diverse suppliers, including minority-owned businesses, women, LGBTQ+, Veteran, people with disabilities and small to broaden access to products and services and provide economic inclusion.
- Form partnerships to ensure the growth and vitality of the diverse communities we serve and in which we work and live and create business alliances.

Our Team
<ul style="list-style-type: none"><li>• Monthly Supplier Diversity (SD) performance updates to Exec. Leadership</li><li>• Alignment with office of D&amp;I and ERGs</li><li>• Quarterly engagement with suppliers</li><li>• Strategy teams of senior decision makers</li></ul>

Connecting with Community Groups
<ul style="list-style-type: none"><li>• SD &amp; Small Business Advocacy orgs.</li><li>• Industry orgs.</li><li>• Connect with our Southern Company Corp. Relations &amp; Economic Development teams</li></ul>

Supplier Engagement & Touchpoints
<ul style="list-style-type: none"><li>• Relationship building with business units and supply chain teams</li><li>• Prime to Diverse business TII Engagement</li><li>• B2B Engagement</li></ul>

Supplier Development & Capacity Building
<ul style="list-style-type: none"><li>• Internal Mentoring programs with senior decision makers as mentors</li><li>• Collaboration with SBDC and Advocacy orgs.</li><li>• Business development programs (TUCK, Goldman Sachs)</li></ul>

# Southern Company's COVID-19 Response & Impact



- **Supplier Education & Resources**
  - » Webinars on PPP & CARES Act process and resources available through advocacy partners
  
- **Opportunities within Southern Company ~ Strong lines of Open Communication with Supply Chain**
  - » How to pivot your business to align with industry
  - » Southern Company's purchasing strategy
  
- **Making an Impact In The Communities We Serve**
  - » Masks
  - » Sanitizers
  - » Key PPE & Services for Critical Infrastructure and Buildings
  
- **ONE MARKETPLACE**
  - » Promote local, small and diverse suppliers across entire Southern Company territory
  - » Listing of key low risk services
  - » Employees can request users to be vetted and added to listing

# Success Factors Beyond the Numbers



## Opportunity Zone

- # of Opportunities with Small & Diverse Suppliers within Supply Chain
  - ✓ Transactional Purchases / Category Management / Alliance Partners (Critical)
  - ✓ B2B Transactions
  - ✓ Joint Ventures
- Spend Growth Across Southern Company
- New Suppliers added to Pipeline

## Industry Growth

- Small & Diverse supplier successes on winning new contracts & expanding footprint with key industry partners including regional utilities in adjacent service areas:

Edison Electric Institute (EEI)

Institute for Electrical & Electronics Engineers (IEEE)

Nuclear Energy Institute (NEI)

POWER-GEN

Electric Power

Illinois Utility Business Diversity Council (IUBDC)

Utility Purchasing Management Group (UPMG)

Southern Gas Association (SGA)

Utility Supply Management Alliance (USMA)

Southeastern Electric Exchange (SEE)

Electric Power Research Institute (EPRI)

American Association of Blacks in Energy (AABE)

## The Pipeline

- Capacity Builder Toolbox: High Potential ~ Pipeline
- Opportunities to present to B/U, SCM & Prime Suppliers
- Tier II Prime Reporting & Engagement Sessions
- Supplier Risk Management
- Economic Inclusion Impacts
- Event Management ROI
- Tailored meetings with various affiliate groups – NMSDC, WBENC, NGLCC, NAVOBA, USPAAC, Disability:IN



# Tier II: Increase Diverse Spend and Capacity Building

- Regularly focused meetings with prime and diverse suppliers to communicate initiatives, opportunities, annual orientation and goals performance progress
  - Key business unit partners attend and promote participation and accountability
  - Get open feedback to improve processes and communications
  - Typical Engagement Sessions below:

<b>Virtual Meetings</b>	<b>Coffee &amp; Conversations</b>	<b>Matchmakers</b>
<b>Webinars</b>	<b>MOBI / SharePoint Reporting</b>	<b>Digital Learning Series</b>
<b>Capacity Building Presentations</b>	<b>Industry Events : Power Pitches</b>	<b>Get To Knows: B2B</b>

- Best Practices: Supplier Engagement
  - Contract language (All who have spend over \$750K per contract / per PO)
  - Procurement Stakeholder: SD incl. in the procurement strategy process; feedback sessions
  - Quarterly Supplier Meetings: Tier 2 performance management, model and performance feedback (scorecards)
  - Review award summaries over \$150k to identify spend trends, balance of work & segmentation in B/Us
  - Top Primes – Target top 35% to encourage maximum diverse inclusion and ongoing engagement
  - Voluntary participants (i.e. Small businesses)
  - Encourage large, small and diverse suppliers to collaborate and engage (B2B)
  - Informal & Formal mentoring relationships (Prime to Diverse)
  - How we Execute: Contract enhancements gas & electric; Category management process, supplier relationships, strategy teams, intentional follow-up & strategy planning to exceed target performance goals.

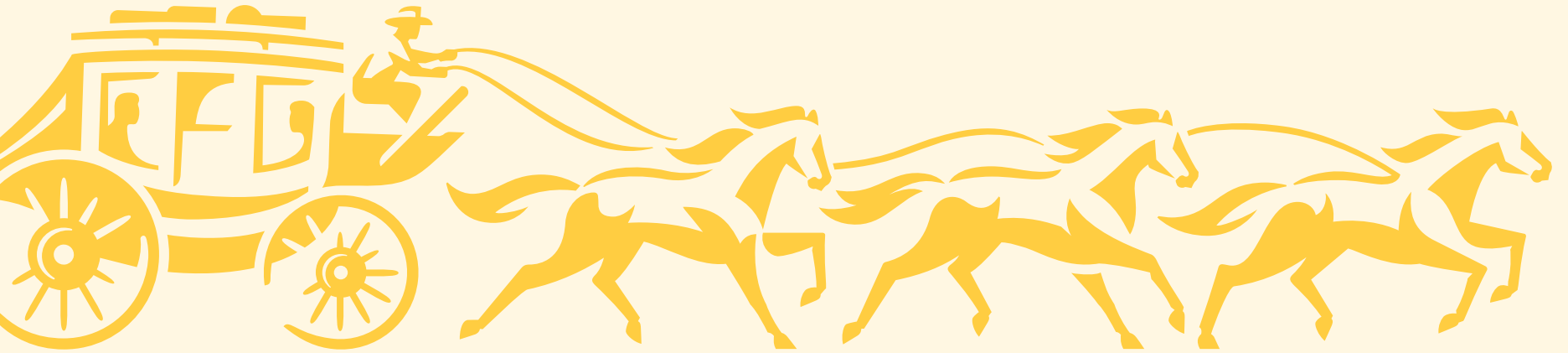
# How to Contact Supplier Diversity



**To contact the Southern Company  
Supplier Diversity team by email:**

**[SupplierDiv@southernco.com](mailto:SupplierDiv@southernco.com)**

WELLS  
FARGO



# Wells Fargo Supplier Diversity Overview

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June 3, 2020

# When we work together, we grow together

## Our Vision

To be a world class supplier diversity organization that is recognized as an industry leader in inclusive procurement and supplier development.



# Supplier diversity approach



## Diverse Spend Growth

- Support strategic thinking and align with businesses around strategic opportunities that include diverse suppliers in competitive sourcing and procurement opportunities.

## Supplier Development

- Invest in building capacity and expertise for high potential diverse suppliers.

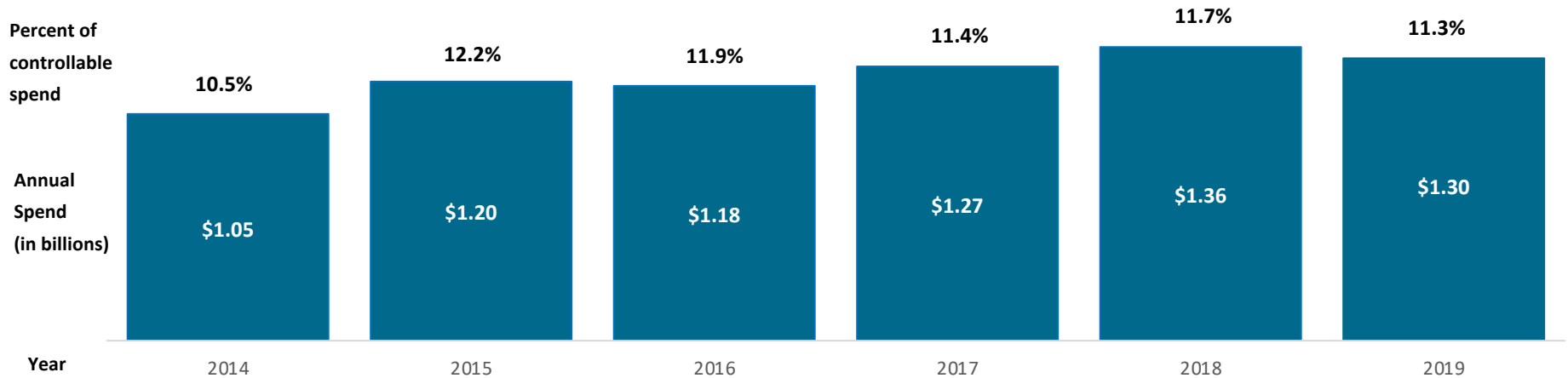
## Outreach

- Partner with internal and external stakeholders to deliver information to the diverse supplier community.

# Supplier diversity performance

Wells Fargo achieved its sixth consecutive year of spending over **\$1 billion** with diverse suppliers.

Wells Fargo's Supplier Diversity performance 2014 – 2019



# Effective supplier development

- Right Collaborators
- Formal Networking
- Focus on Technology
- Engineered for Growth and Scaling



# Supplier diversity capacity building programs 2020

Program	Impact (500+ individuals)
Stanford Latino Entrepreneurship Initiative	Hispanic Business Enterprises
Dartmouth University Diversity Business Programs	Diverse Business Enterprises
Million Women Mentors Entrepreneurship Initiative	Women Business Enterprises
Avanzar	Hispanic Business Enterprises
XLR8	LGBT Business Entrepreneurs
Game Changer	Women Business Enterprises
WBE Traction	Women Business Enterprises
Business Leadership Academy	Minority Business Enterprises

## Our Collaborators





# Outreach strategy

## We maximize external outreach by:

- Integrating with the business for aligned approach
- Engaging in over 80 conferences, match makers and category sessions annually
- Leveraging over 200 Wells Fargo team members as 'Supplier Diversity Liaisons'
- Collaborating with over 60 national and global advocacy and non profit organizations
- Utilizing virtual platforms for greater impact and reach

## USPAACC Webcast: Rebooting The Economy



## National Association of Minority Contractors (NAMC) Webinar





# 2020 Supplier Diversity Program

*Jalayna Bolden, Director Supplier Diversity*

## **AT&T Proprietary (Restricted)**

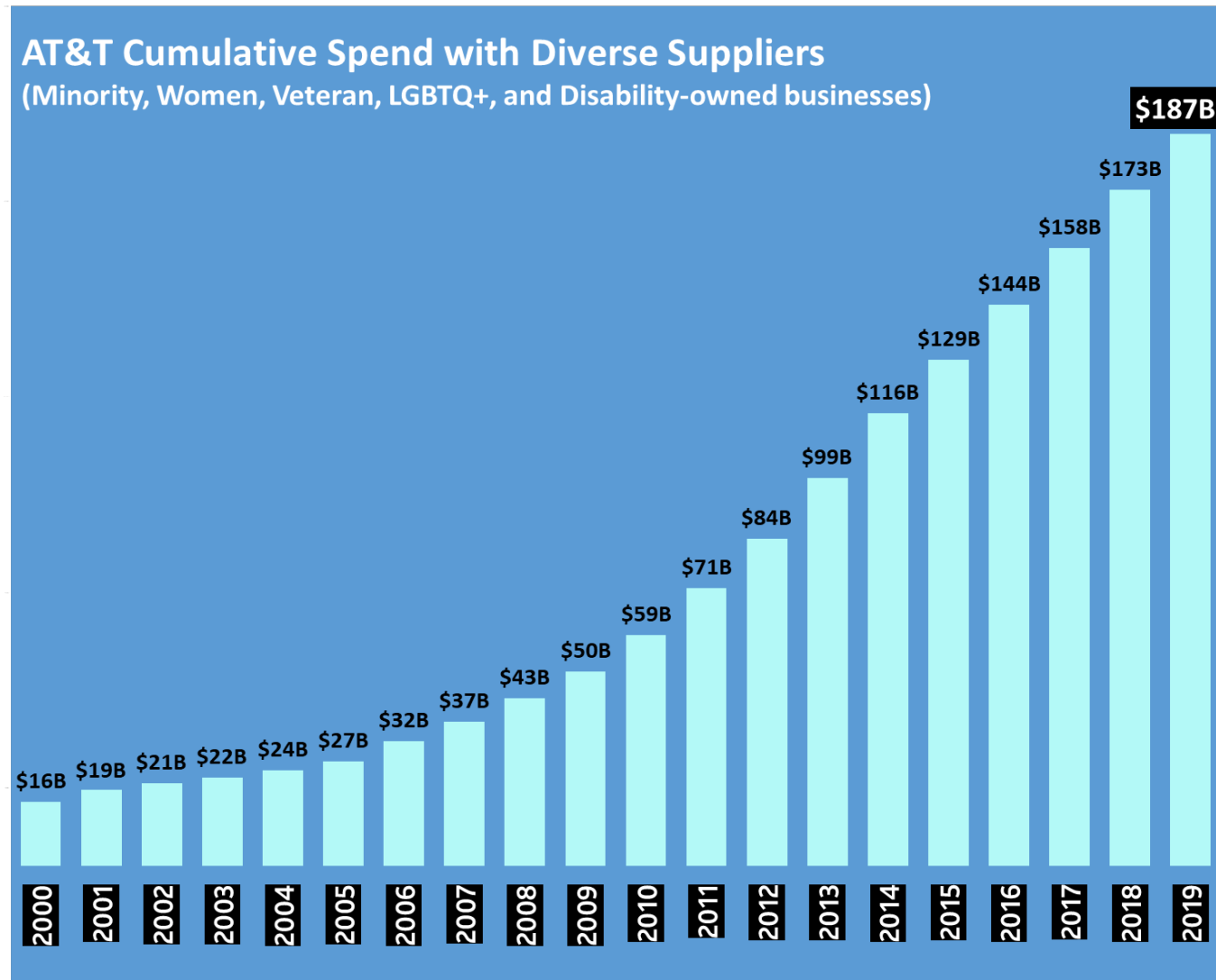
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# AT&T Supplier Diversity - leading the way for half a century

- ▶ 1968: Program established; country faced with systemic racial and economic challenges
- ▶ 2019: Commemorated 51st Anniversary of our Supplier Diversity Program
- ▶ Since 1968, **\$187 billion** with certified diverse businesses



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# Best Practice: Start at the top

**Chairman  
Commitment**

“At AT&T, diversity and inclusion are essential components of a successful business strategy. By respecting and including different viewpoints, we are better able to serve our customers, employees, business partners and communities.”

*Randall Stephenson, AT&T Inc. Chairman*



**Accountability**

Chairman set 21.5% Supplier Diversity goal  
Results are a measure of organizational success  
Metrics analyzed and distributed at all levels

**Resources**

Global Supply Chain Leadership and  
Supplier Diversity team establishes and  
implements best practices



“Supplier Diversity has always been an important component of our identity at AT&T and within Global Supply Chain. Our supply base should represent our customer base. Supplier Diversity isn’t about compliance, AT&T promotes our Supplier Diversity program because it makes good business sense.”

*Susan Johnson, Executive Vice President – Global Connections & Supply Chain*

# Best Practice: Understand your WHY

Because it reflects the diversity of our customers, employees and the communities we serve!



**Brand  
Enhancement**



**Community  
Impact**



**Customer  
Loyalty**



**Better  
Business  
Solutions**

# Best Practice: Ensure Supplier Diversity program is meaningful (impact communities) and measurable.

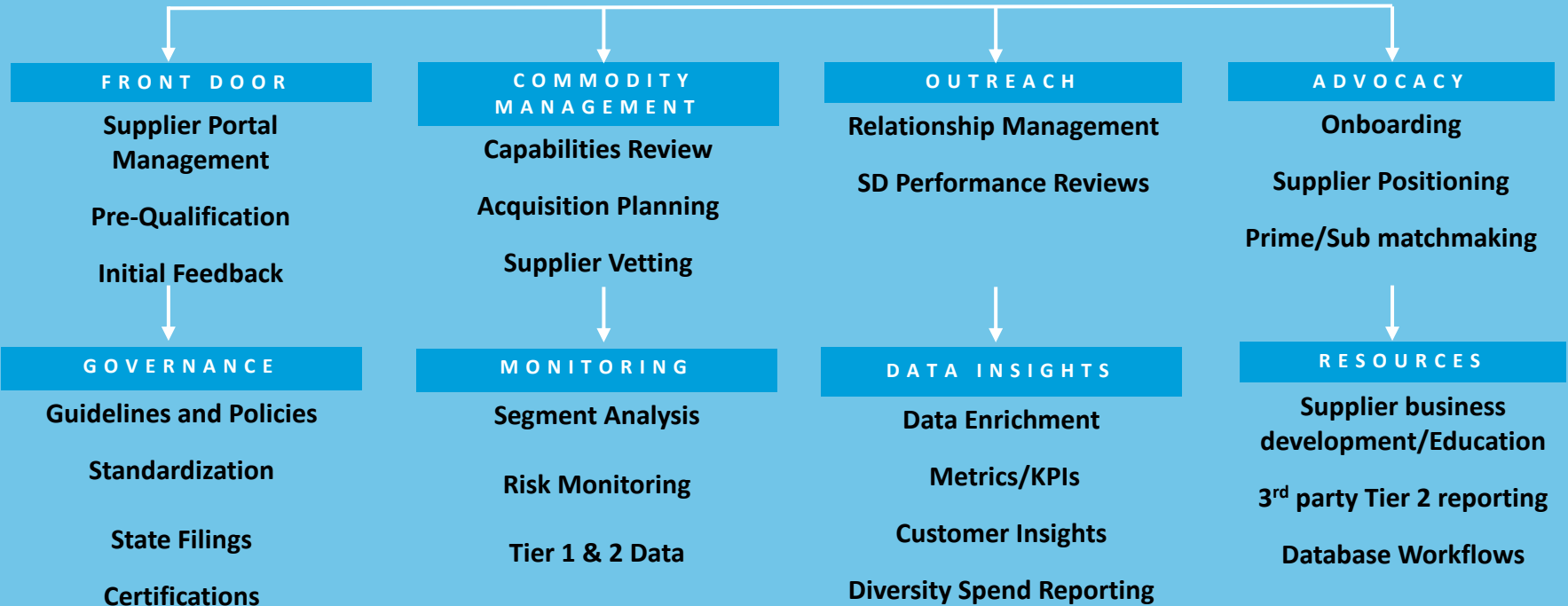
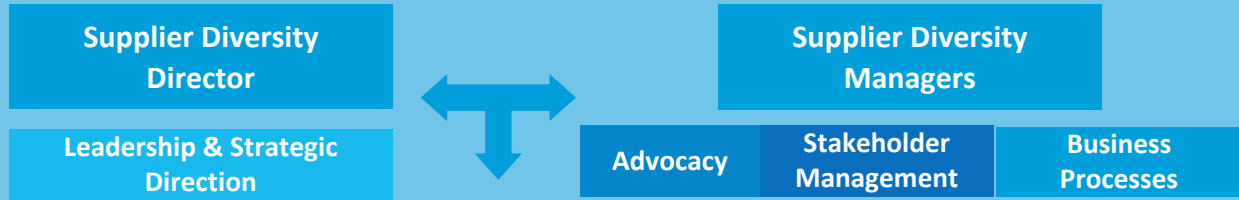


## Assign “preferred supplier” designation to prioritize companies with diversity as a core value

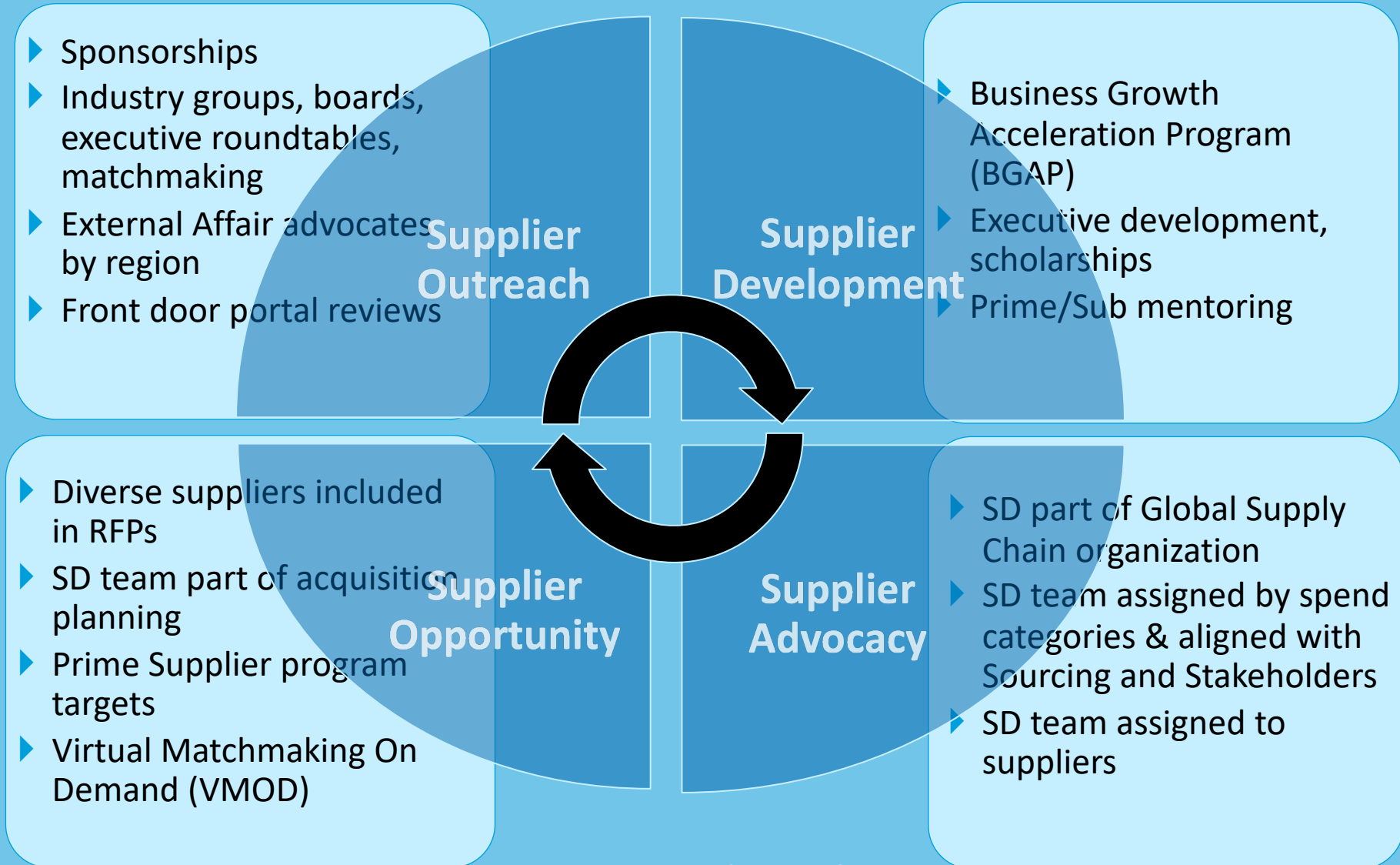


# Best Practice: Devote proper resources to a Supplier Diversity Program with intentional focus

13



# Best Practice: A supplier centric approach

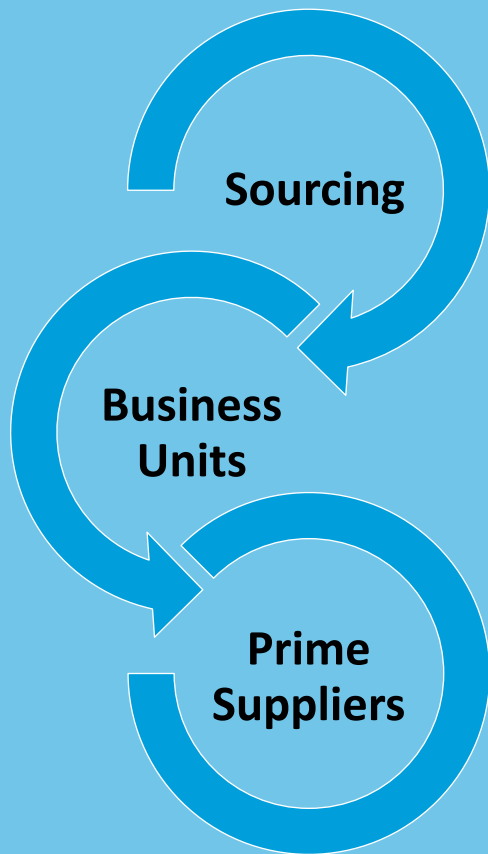


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# Best Practice: Supplier Advocacy taken to the next level



## Sourcing

Proactively engage Sourcing teams

- ▶ Participate in acquisition planning
- ▶ Connects diverse suppliers to Sourcing teams for specific opportunities
- ▶ Showcases new suppliers to Sourcing teams
- ▶ Annual Plan reviews with leaders

## Business units

Proactively engage Business Unit (BU) leaders

- ▶ Engages with BU leaders where decisions are not driven by Sourcing
- ▶ Collaborate with non traditional orgs to increase diverse supplier utilization (i.e., Legal, Finance)

## Prime Suppliers

Proactively engage Prime suppliers

- ▶ Annual Supplier Diversity plans submission & follow-up
- ▶ Report Tier-2 results monthly/quarterly
- ▶ Identify and expand subcontracting opportunities

# Best Practice: Accountability drives results

**Supplier Diversity** professionals are not just goodwill ambassadors, but each individual is accountable to metrics and deliverables tied to overall strategy

## Supplier Outreach

- ▶ Review **100%** of new prospective supplier registrations and provide feedback (approx. **1000** per year)
- ▶ Vet **100%** of all qualified registrations and provide feedback (about **300** per year!)

## Supplier Advocacy

Advocacy effort results in multiple opportunities for diverse suppliers:

- ▶ Increase in incremental diverse spend
- ▶ Increase in no. of diverse suppliers
- ▶ Increase in YoY Tier 2 spend
- ▶ Establish new Bus to Bus mentoring
- ▶ Establish Tier 2 targets for specific awards
- ▶ **235** positioned with Sourcing
- ▶ **172** suppliers positioned with Primes
- ▶ **166** positioned for RFPs consideration
- ▶ **81** included in RFPs invites

## Corporate Initiatives

- ▶ Diversity manager assigned to **1** specific diverse category/ethnic segment to lead & coordinate overall effort
- ▶ Diversity manager support **\$3B** Black spend 2020 goal by identifying, engaging, and positioning **2** Black suppliers in engagements
- ▶ Engage a minimum of **3** suppliers in each “AT&T Believes” city

# Best Practice: Internal Stakeholder Management is critical to success

Ensuring **Supplier Diversity** remains relevant and at the forefront of each organization's priorities is a demanding challenge in an ever evolving environment

## Performance Transparency

- ▶ SD performance distributed to Officers and down
- ▶ Results can be compared against peers and other organizations

## Communicating

- ▶ SD initiatives and results highlighted in leadership meetings
- ▶ SD participates in Sourcing and BU staff meetings
- ▶ Officer Scorecards distributed quarterly

## Training

- ▶ SD training part of Sourcing's training curriculum and vice versa
- ▶ Supplier Diversity members conduct ongoing training sessions

## Influencing

- ▶ SD Ambassador Program – over 600 employee volunteers
- ▶ SD Awards and recognition aligned with program core values

**Best Practice:** To attain our goals, develop a program to recognize and reward those most aligned with the Supplier Diversity Program (there is something in it for everyone!)

### Supplier Awards

- ▶ Diverse and non-diverse suppliers receive Top Corporation recognition
- ▶ Diverse and non-diverse suppliers receive Diversity Excellence awards

### Employee, Executive and Partnership Awards

- ▶ Employees who support Supplier Diversity initiatives - Advocate of the Year
- ▶ Officers who support Supplier Diversity initiatives
- ▶ Employee Groups (EGs) who support Supplier Diversity initiatives

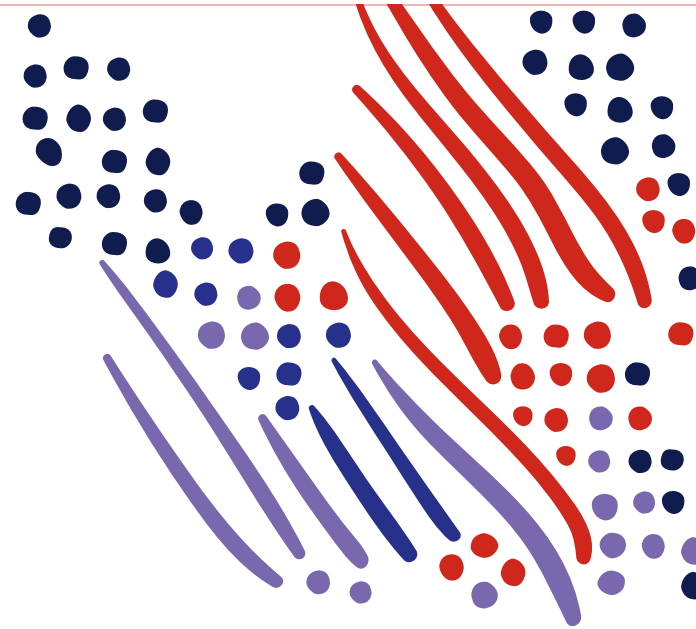
### Preferred Suppliers

- ▶ Suppliers who demonstrate a commitment to all aspects of Corporate Social Responsibility in Diversity and Sustainability earn Preferred Supplier status and are given higher consideration during RFP engagements



AT&T

# Supplier Diversity-The ADP Success Story



June 2020 | Laurinda Thomas

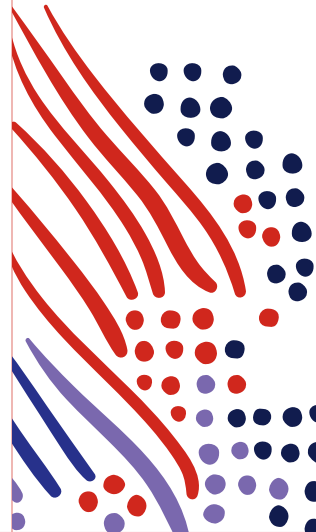




**Laurinda Thomas**

Director Supplier Diversity & Vendor Assurance

Global Procurement, ADP LLC

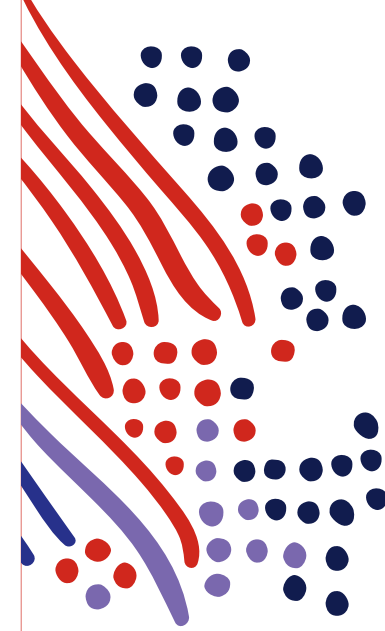


Who is ADP

Methodology

Results

What's Next





# Who we are



## ADP is the industry leader in global HCM



Grow a complete suite of cloud-based **HCM Solutions**

- 1 or #2 in most categories
- 810,000+ clients globally<sup>1</sup>



Scale our market leading **HRO Solutions** by leveraging our platforms & processes

- #1 in PEO and HRO
- 562,000 worksite employees<sup>2</sup>



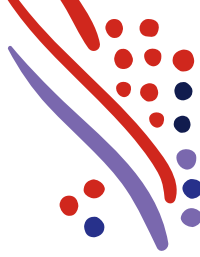
**Leverage** our **global** presence to offer clients **HCM Solutions** wherever they do business

- #1 in multinational payroll
- 140 countries and territories

1: All ADP clients

2: As of 06/30/2019

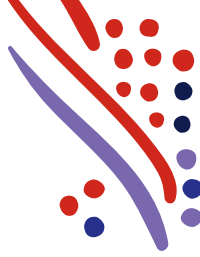
# Supplier Diversity Initiatives



Methodology



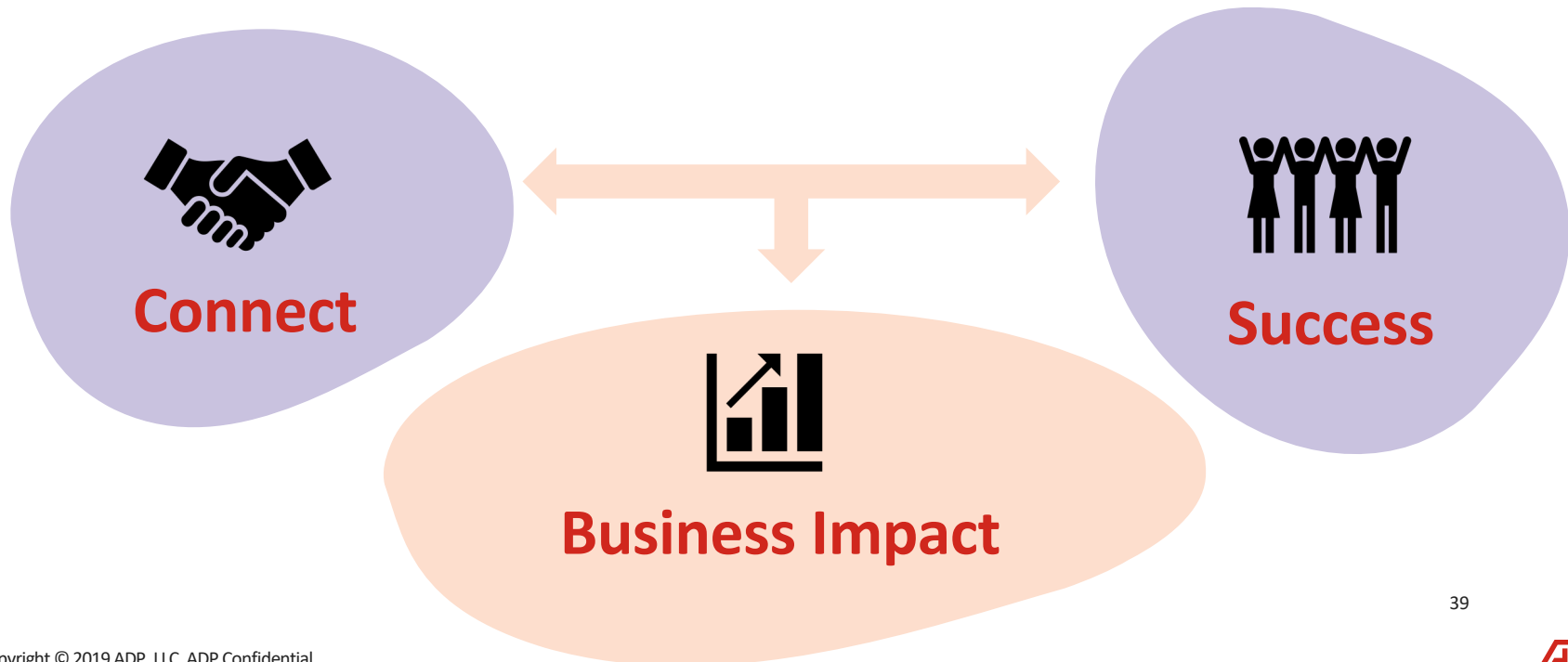
# Supplier Diversity=> what are we solving for



## Methodology



- ✓ *The SMART thing to do*
- ✓ *Brings innovation different perspectives from diverse sources*



# Plan: Supplier Selection



Qualification



Vendor onboarding



Determine  
Thresholds  
&  
Goals

Methodology

# Outlook: The Results & Impact



## ADP's Diversity Efforts

As a global leader in business outsourcing solutions, ADP continues to recognize that creating partnerships with diverse suppliers is a major competitive advantage and a way to grow our presence with small businesses in our local communities. ADP's supplier diversity mission is to build relationships with and purchase goods and services from certified diverse enterprises owned by minorities, women, veterans, persons with disabilities, and lesbian, gay, bisexual and transgender individuals, all of whom reinforce our commitment to diversity and help ADP achieve its growth objectives.

### Program Initiatives

- Introducing Sales to Supplier Diversity
- Identify diverse suppliers for category spend within procurement
- Increase Tier 2

### Results

- **27% Diverse Spend Increase** from FY2016 to FY2019
- Competitive supplier base
- Strengthening economic development of our communities



# What's Next...



# DiversityInc Best Practices Webinars



DiversityInc Top 50

Career Advice ▾

Best Practices ▾

Events

Webinars

Meeting in a Box

**June 17, 2020** | Importance of D&I During Unprecedented Times

**June 24, 2020** | Multicultural Marketing Teams That Drive Business

**July 15, 2020** | Leveraging Self ID Campaigns to Increase Percentages of People with Disabilities, Veterans and LGBTQ

DiversityInc is now an SHRM Recertification Provider!  
SHRM members can earn PDCs for participating in DiversityInc webinars.



**Sign Up Now**

[DiversityIncBestPractices.com](https://DiversityIncBestPractices.com)

# Meeting in a Box



lazylama/Shutterstock.co.

## How to utilize:

- **People leaders** spotlight various cultures and heritage month celebrations during team meetings and Town Halls.
- **Diversity Councils and ERGs** share the content and use it to educate employees.
- **Business teams** leverage MIBs for best practices – ex. Supplier Diversity Meeting in a Box.
- **Communications teams** provide monthly diversity & inclusion content to their organizations.
- **HR teams and Talent teams** educate employees on different dimensions of diversity ex. People with Disabilities and Veterans.





**November 4, 2020**  
**Cipriani Wall Street**

2 SEPARATE EVENTS  
1 CONVENIENT LOCATION

**8am – 3pm**

*Women of Color  
& Their Allies  
Event*

**5pm – 10pm**

*DiversityInc Top 50  
Companies for Diversity  
Reception and Dinner*



**Register Now!**

[DiversityInc.com/events](https://DiversityInc.com/events)

QUESTIONS?