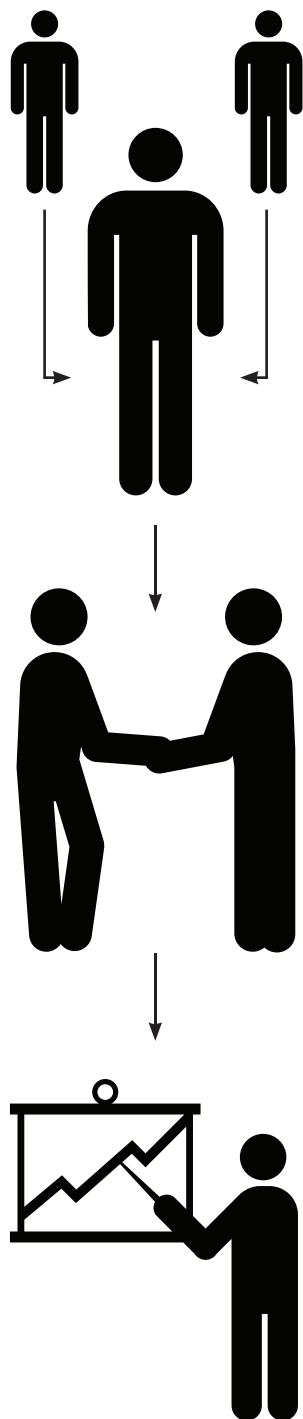


DIVERSIFYING YOUR SUPPLIERS

NEED HELP CONNECTING WITH MINORITY-OWNED BUSINESSES? YOU ARE NOT ALONE. BUT ACT FAST BECAUSE DEMOGRAPHICS AND BUSINESS REALITIES ARE QUICKLY CHANGING.

by Kevin Fritz



Instituting supplier diversity as part of your business plan is not only politically correct and the socioeconomic thing to do; it's simply smart business. Here's the bottom line: Not recognizing that Florida will have a "majority-minority" population — more people from minority groups — by 2025, according to the U.S. Census Bureau, is a decision that could eventually put you out of business.

At least, that's the contention of Malik Ali, president of the Florida Minority Supplier Development Council in south Orlando. Ali's job is to assist the private sector in developing, installing, improving and benchmarking minority supplier diversity programs.

"It's about changing demographics," says Ali, who started the Walt Disney Co.'s diversity program in 1983.

FMSDC helps corporations identify minority-owned suppliers; the council also certifies suppliers — at \$100 a year — as minority-owned businesses. As a nonprofit, FMSDC is associated with a national database of 150,000 suppliers, ranging from those in the aerospace industry to providers of food and clothing.

In existence since 1980, FMSDC is one of 39 regional councils across the United States and overseas. It has a membership of 175 corporations, representing many of the largest companies in North and Central Florida.

At present, supplier diversity programs are dominated by major corporations. If you Google "supplier diversity," you will find the leading returned searches are PepsiCo, Marriott,

Home Depot, UPS, P&G, Office Max, the U.S. Postal Service, Apple and Dell. Not coincidentally, the local council's board of directors includes representatives from Disney, Office Depot and IBM, among others.

It's Ali's job to monitor those larger corporations as well as entice small businesses to enter the process. He says the problem is that most companies — he guesses 99.9 percent — don't have minority business programs of any kind.

"Some have not gotten the message that they need to diversify their supplier base," he says.

Enter assistance from Robert McCormes-Ballou, who is serving his second term as volunteer chairman of FMSDC.

"We are in the business of developing suppliers so they can do business with corporations," he explains, noting that while the council's overall mission is to provide a direct link between minority businesses and corporations, following certification, the council also supports suppliers through education at local and national conferences.

McCormes-Ballou believes the same vendor-development reasoning applies to his work at Office Depot, where he is director of merchandising. "It's about empowering the businesses to increase their capacity and service leads," he says. For example, Office Depot is a mentor for Historically Underutilized Businesses (minority and woman-owned businesses); offers scholarships for suppliers to attend the Kellogg School of Business at Northwestern University in Evanston, Ill.; and, like the council,

provides training at conferences, even to those who aren't suppliers.

Talking Socioeconomics

Furthermore, diversity programs, in general, could have a positive impact on society as a whole. They can reduce crime, since people who have jobs are less likely to commit burglaries, Ali says.

Nancy Gidusko agrees. As the director of minority business development at Disney, she suggests that the effect of supplier diversity programs is much broader than people realize. "It impacts the economic development of the minority community," she says, pointing out that employed people typically spend more money on education and pay more taxes than the unemployed.

At Disney, diversifying the supply chain broadens the number of people she talks to, says Gidusko, allowing Disney to see more new products as well as different ideas and solutions. Notably, she says, Disney doesn't have quota systems, but instead establishes internal goals and measurements, and through that process has fashioned a well-publicized role in supporting diversity.

A supplier-diversity program, she concludes, benefits everyone.

"We can be part of working with today's suppliers and filling the pipeline for tomorrow," says Gidusko. "Nurturing and investing in your community makes great business sense."

For more information about the Florida Minority Supplier Development Council, go to www.fmsdc.org.