



LEADING PRACTICE



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**INSTITUTE for VETERANS
and MILITARY FAMILIES**

JPMorgan Chase & Co., Founding Partner

Leading Practices Brief #5: Teaming and Small Business Partners

The Challenge: Aside from directly employing veterans, employers also have opportunities to increase veteran and family employment and income by opening their supply chains to veterans businesses.. Supply chains are the networks that businesses use to supply or service their primary business outputs. However, it is not just those products and services the company consumes during its day to day business that can be sources for veteran contracting;

JPMC's Supplier Diversity Network is comprised of certified diverse businesses that have registered within the company's system. The network is the preferred resource used to select diverse

AT&T states that minority-, women-, and disabled veteran-owned suppliers (M/WBE-DVBE) bring value to the company by helping AT&T meet customers' diverse needs and by improving the firm's position in the communications marketplace as an innovative leader. Supplier diversity is a critical initiative of AT&T's business strategy and a key component of its plan to deliver the best products and services to its customers. Some of the firm's diversity goals include: ▶ Look for opportunities to work with diversity suppliers in all aspects of AT&T's business—from advertising to central office engineering, computers, outside plant construction, and network provisioning. ▶ Annually, AT&T's goal is to procure 21.5% of its products and services from MBE, WBE, and Disabled Veteran Business Enterprises (DVBE): 15% MBE, 5% WBE, and 1.5% DVBE.



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some businesses purchase products or services wholesale that is then resold to the public. For example, a “big-box store” may need its facility cleaned during evening hours and needs to contract for such services and a veteran-owned commercial cleaning service may be an ideal contractor for a veteran-friendly big box store. That same store may also wish to resell gourmet, locally-produced salsa. They may be able to purchase salsa wholesale from a veteran-owned business that produces salsa. While these may appear to be easy methods for partnering with veteran-owned businesses, there are still a number of challenges that must be addressed. How does the buyer know that the veteran-owned

The Supplier Diversity program at Walmart aims to expand and advance Walmart’s current pool of more than 3,000 diverse suppliers, through education and mentoring. Walmart’s goal is to support capacity building for minority- and woman-owned businesses. Walmart aspires to create prosperity through empowerment.

business is qualified and capable of delivering the product or service on time, at sufficient quality and quantity? How does the buyer know that the business is wholly or primarily owned by a veteran? What methods does the buyer use to determine how much business is or can be done through veteran business partners so the company can set targets? Supplier diversity is another component of a veteran-friendly employment culture and a number of businesses and initiatives are leading the way in expanding these types of partnerships.

Leadership: Merck seeks to create sustainable, mutually beneficial relationships with diverse suppliers. To do this, the firm establishes annual procurement goals for goods and services from minority-, women- and veteran-owned businesses. It is Merck’s policy to provide the maximum practical opportunities to diverse suppliers to provide goods and services as a part of the corporate procurement process. The use of diverse suppliers is an integral part of Merck’s purchasing





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procedures, just as equal opportunity employment is central to its personnel policies and procedures. Merck recognizes that supplier diversity creates a competitive advantage for the company and has a positive impact on the global community. Merck believes that that the success of the company and society depends on enabling diverse businesses to share and grow in the company, and society depends on enabling diverse businesses to share and grow in the global market.

Support: The US Business Leadership Network® (USBLN®) is a national non-profit, non-partisan business to business network. They help employers foster business success by tapping into the skills, talents and buying power of persons with disabilities and by providing third party certification of disability-owned firms and encouraging the utilization and growth of certified disability-owned businesses. The USBLN® serves as the collective voice of over 60 Business Leadership Network (BLN) affiliates across the United States, representing over 5,000 businesses. This USBLN® flagship program includes a national certification process for disability-owned businesses, including service-disabled veteran owned businesses, and promotes utilization and growth for those firms. Today, the Disability Supplier Diversity Program® (DSDP) is the leading third-party certifier of disability-owned firms and provides information, education and links corporate & government agencies to certified disability-owned firms. For more information about the certification process and requirements, confidentiality of materials, and the DSDP and its corporate and government members, visit:

www.usbln.org.

Prudential believes that its strength is in its diversity. At Prudential, an inclusive supplier base provides access to a wide range of capabilities and perspectives that can increase the company's competitive advantage. The founding principle of Prudential's Supplier Diversity Program is that tapping into suppliers who reflect the demographics of Prudential's marketplace makes great business sense for everyone—customers, suppliers, and the firm. It is Prudential's policy to provide opportunities for minority-, woman- and veteran-owned firms to effectively compete for Prudential's business. Prudential invites third-party certified minority- or woman-owned business enterprises (MWBE) and veteran-owned firms interested in doing business with Prudential to register with the company and then forward a copy of certification.



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TriWest has established a vendor registration application process, which is administered to encourage fair competition and provide interested and qualified vendors with an opportunity to offer their products and/or services.

Business Partner Recruitment as a Core Business Practice: Morgan Stanley pursues diversity in every aspect of the business by seeking out diverse-owned companies that can meet their business needs. Morgan Stanley's partners' ethical business practices and entrepreneurial spirits help to keep Morgan Stanley at the forefront of the financial services industry.

Working with these firms not only fosters strategic and business relationships, but also stimulates economic development and strengthens the communities where they work. Morgan Stanley's goal is for the firm to have access to the highest quality products and services, at the best possible price. A diverse vendor base not only strengthens competition and the potential for cost savings, but it also provides a means for building the economic base of the communities in which Morgan Stanley operates. Morgan Stanley continues to develop and strengthen their supplier pool in order to ensure that Morgan Stanley's hallmarks of quality, innovation and integrity remain paramount. Morgan Stanley understands that diversity is an opportunity, not an obligation.

Humana's goal is to obtain a diverse supplier base, reflective of the overall customers, associates, and communities that the company serves, by identifying procurement opportunities and maximizing participation of approved suppliers. Approved suppliers include MBEs, WBEs, and Small Business Enterprises (SBEs), LGBT, and Disability-Owned Business Enterprises (DOBE). The initiative was founded on the principles of fair and equitable business practices.

Collaborations and Knowledge Exchange: Primarily, there are two reasons for the importance of veteran inclusion in supplier diversity programs: 1) it presents



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an opportunity for businesses to mentor and create a new generation of veteran-owned businesses, which may grow into large suppliers, and 2) veteran-owned businesses tend to hire other veterans. When veterans are hired into a veteran-owned small business they gain training and opportunities for career growth and professional development. In some cases, these veterans can leverage the experience gained during employment within veteran suppliers to forge paths into the businesses with which they have business relationships. Many large businesses invest in supplier development in order to increase their available supplier base, to create suppliers in various geographic regions, and for other business reasons. Including veterans in supplier programs and tracking jobs created by, and for, veterans should be recognized as initiatives to increase the employment of veterans. Additionally, these may align with economic development agendas in particular regions or with Workforce Investment Board plans to meet demand in their regions. As one of the founding members of Supplier Diversity Europe, providing support and leadership on a global scale enables Merrill Lynch to ensure consistency, as a firm, and increases the ability to partner with a wider pool of suppliers. Supplier diversity classifications include: Minority-Owned Business Enterprise (MBE), Women-Owned Business Enterprise (WBE), Veteran-Owned Business (Veteran-Owned, Service-Disabled, Service-Disabled Veteran-Owned Business), Physically-Challenged Business or Disabled Business Enterprise (DBE), Historically Underutilized Business Zone (HUBZone), GLBT, Small Business, and Non-Profit organizations.



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