



City of Austin Small and Minority Business Technology Workshop

Ron Wilt

Client Unit Manager, Texas Public Sector

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Agenda

- Supplier Diversity Program Overview
- Becoming a Supplier
- Developing Key Relationships
- Subcontracting Opportunities

IBM Corporate Policy Letter

“Commitment to Diverse Business Relationships”

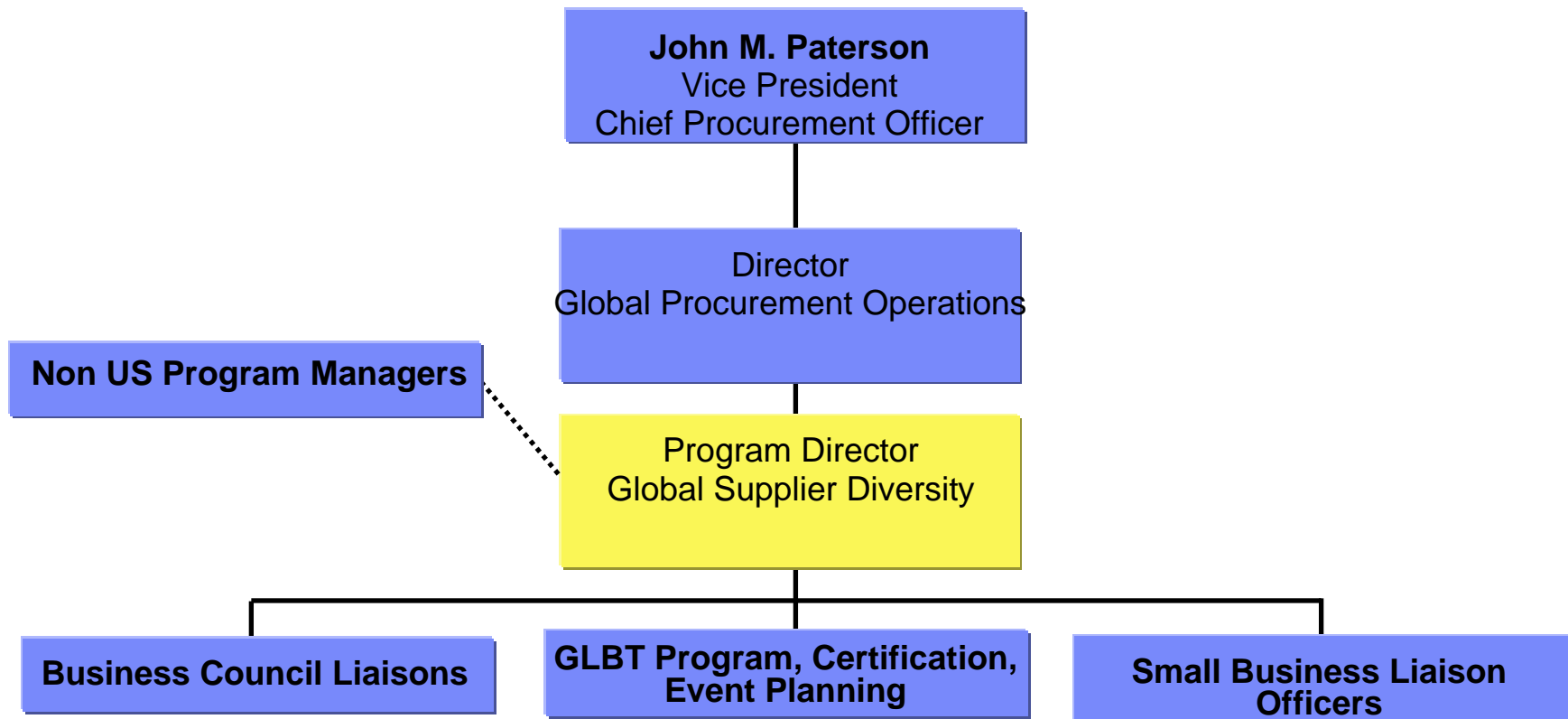
Wherever IBM operates around the world, we strive to conduct our business in a fair and equitable manner. Consistent with this objective, we follow local laws and customs of the countries in which we operate, and we actively seek to establish close working relationships with businesses indigenous to those countries. The policy of the IBM Corporation is to provide diverse businesses the opportunity to participate in all areas of IBM's marketing, procurement, and contracting activities.

This policy applies to all firms or institutions regardless of the business owner's race, color, religion, gender, gender identity or expression, sexual orientation, national origin, disability, age, or status as a special disabled veteran or other veteran.

In the United States, these activities comply with all applicable federal, state and local laws, including those dealing with the use of small business; small disadvantaged business; women-owned small businesses; HUBZone businesses; veteran-owned businesses and service disabled veterans.

This policy applies to all areas of expenditures, whether for products or services. Action should be taken by all IBM organizations to ensure that this policy is implemented and that there are programs which ensure IBM's performance against this commitment.

Global Supplier Diversity Program Organization



Supplier Diversity Goals and Results Visibility



Continual Focus

**Results Linked to
Personal
Performance**

**Annual targets/goals established
SD Team interlock with Commodity Councils**

Results tracked monthly

**Meetings with councils and SD Program Managers
to highlight success and address weaknesses**

**Reviewed by:
SD Director
Director of Procurement Policies & Practices
Chief Procurement Officer**

What IBM Buys From Diverse Businesses

ALMOST EVERYTHING WE PROCURE EXTERNALLY

- Technical Services
- Software
- Marketing Communications
- Telecommunications
- Facilities Maintenance
- Connectivity
- IT Equipment
- Travel
- Business Services
- Complementary Workforce
- Facilities Services, Operating Supplies & Printing Services
- Manufacturing Equipment
- Printing Services
- ECAT
- Memory
- Tapes/Media
- Chemicals
- Transportation Services

Supplier Diversity Initiatives



First Tier Performance

- ✓ Performance tied to compensation
- ✓ Diverse suppliers participate in competitive bid where work is performed in US
- ✓ Aggressive US and Non US goals



Second Tier Program

- ✓ First tier suppliers must have supplier diversity programs and report performance
- ✓ Aggressive goals
- ✓ Contract language requirements



Education and Development

- ✓ Select suppliers mentored and have IBM executive access
- ✓ Supplier sponsorships granted to highly acclaimed NGO programs
- ✓ Signature events that deliver IBM intellectual capital



Outreach

- ✓ Participation and support of government and non government organizations promoting diverse businesses
- ✓ More than 50 networking events attended annually and across the globe



Customers

- ✓ Contractual language defines detailed requirements
- ✓ IBM's diversity performance reported to approximately 200 of its largest customers
- ✓ Ongoing support of customer events that promote diverse businesses

IBM: Industry Leader in Spend with Diverse Suppliers

- ✓ **Member of the “Billion Dollar Roundtable”**
- ✓ **2006 Global Diverse Spend - \$2.3 Billion**
- ✓ **Affiliations with Numerous Global, National, and Local Organizations**
- ✓ **Sponsorship and Development of Internal/External Education Programs**
- ✓ **Enhancement and Expansion of Second Tier Program**
- ✓ **Direct Business Development of Multiple Suppliers**

Supplier Diversity Strategic Imperatives

- Gain recognition as the corporate leader in Supplier diversity from suppliers, partners and customers

Recognition Highlights – 2005 and 2008



- Corporation of the Year
 - National Minority Supplier Development Council (2005)
 - National Gay and Lesbian Chamber of Commerce (2004)
 - Women's Business Enterprise National Council (2005)
 - United Indian Development Agency (2006)
 - National Supplier Diversity Leader of the Year (2007)
- One of the Top Corporations
 - Asian Enterprise (2005,2006,2007, 2008)
 - DiversityBusiness.Com (2005,2006,2007, 2008)
 - Women's Business Enterprise National Council (2005, 2006, 2007, 2008)
- Other
 - Frances Perkins Van Guard Award (2005)
 - Dwight D. Eisenhower Award for Excellence (2008)

How to Become a Supplier to IBM

- **Articulate Your Companies Business Value**
 - Core competencies and competitive differentiators
 - What is your company's value proposition?
- **Know Your Competition**
 - Who are they and what are their strengths & weaknesses
- **Know IBM's Business**
 - Be prepared to discuss how your business will benefit IBM
 - Determine specific capability requirements and bid schedule
 - Be willing to become a 2nd tier supplier
- **Develop a Strategy for doing Business with IBM**
- **Master the 3 P's: Patience, Persistence, Perseverance**
- **Establish communication with IBM Core Suppliers in relevant Commodity Council(s)**

Online Resources and Contacts

- How to become a supplier
 - <http://www-03.ibm.com/procurement/proweb.nsf/ContentDocsByTitle/United+States~How+to+become+a+supplier#Diverse>

- Supplier Diversity Information
 - <http://www-03.ibm.com/procurement/proweb.nsf/ContentDocsByTitle/United+States~Supplier+diversity>

- SME Tool Kit
 - us.smetoolkit.org
 - Resource to Aid Small and Minority Enterprises to start and grow their businesses

Central Texas – Diversity Supplier Focus

- **Southwest Minority Supplier Development Council (SMSDC)**
 - smsdc.org
 - IBM Premier Sponsor

- **Raj Shah**
 - Board Member - Southwest Minority Supplier Development Council (SMSDC)
 - Resource to aid with questions regarding IBM Supplier Diversity Program
 - rajshah@us.ibm.com
 - 512-382-4170



SME Toolkit - IBM small business toolkit - free small business information - SME Toolkit - US - Microsoft Internet Explorer

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Address <http://us.smetoolkit.org/us/en> Go Links

SME Toolkit

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Toolkit Resources

- + Accounting & Finance
- + Business Planning
- + Green Business
- + Human Resources
- + International Business
- + Legal & Insurance
- + Marketing & Sales
- + Operations
- + Technology
- + Asian-owned Businesses
- + Black-owned Businesses
- + Hispanic-owned Businesses
- + Native American owned Businesses
- + Women-owned Businesses
- + Business Success Stories

Email Us Feedback

Help new customers find your business.

Join the network of businesses already registered in our complimentary directory. →

Locate Free Help and Innovative Business Solutions to Start, Grow and Succeed in Business

CHOOSE A STATE TO BEGIN

About the SME Toolkit

Are you looking to build your business.... or are you starting a business?

The SME Toolkit, brought to you by the International Finance Corporation (IFC) and IBM is designed especially for Asian, Black, Hispanic, Native American and Women-owned businesses with essential business tools. Whether you have five minutes or five hours, you can find the tools, content, resources, advice, mentoring and more to serve your needs.

MicroMentor
Find a mentor, be a mentor, build a business.

Small Business Learning Series

Listen to advice on how to survive an economic downturn. See videos detailing answers to frequently asked questions.

Small business startup videos →

Testimonials

LANGUAGE
English • English

Impact of the Stimulus Package on Small Businesses

Click to hear

Free Help for Small Business →

Deborah's Biz Basics

"Listen to Deb's podcast about how the stimulus package will benefit small businesses"

Developing Key Relationships

Developing Key Relationships

- ✓ **Articulate business value and differentiation**
- ✓ **Meet and exceed expectations**
- ✓ **Deliver goods, services, and responses that are on time**
- ✓ **Understand that quality is not a differentiator, its just expected**
- ✓ **Know a lot about IBM**
 - Where is the best fit?
 - How can we expand?
- ✓ **Communication with IBM Core Suppliers**

Texas Subcontracting Opportunities with IBM

- **Texas State and Local Government Requests for Proposal**
- **Texas Education Requests for Proposal**
- **Commercial Opportunities**

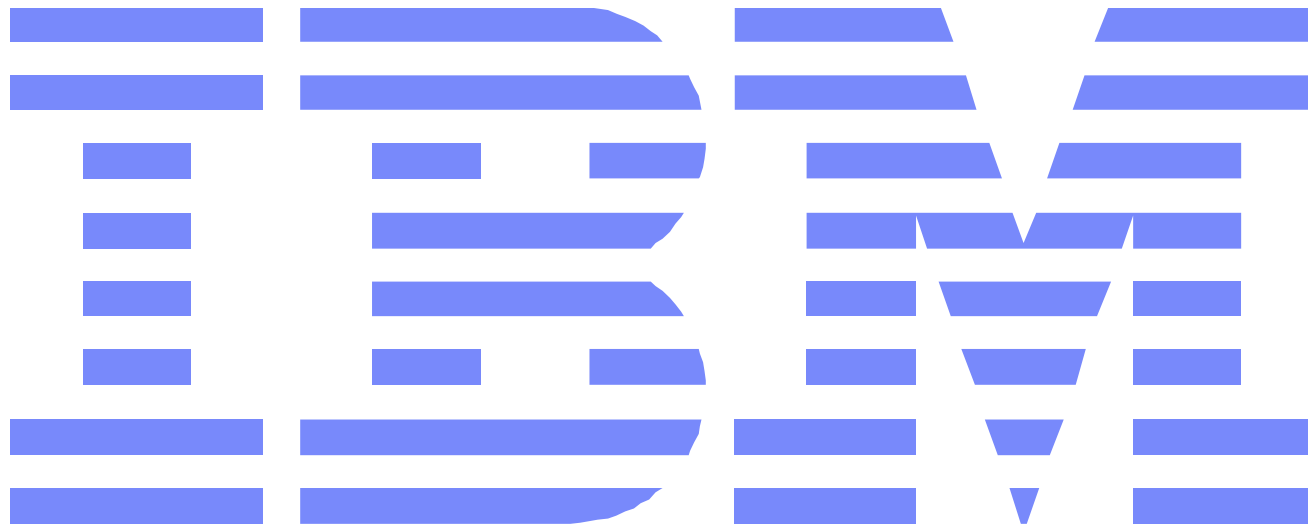
Supplier Relationship Management

The transformation of supplier relationships into partnering relationships is fundamental to IBM's successful delivery of its value proposition.



The optimum supplier relationship promotes mutual interest and gains through cooperative actions to maximize financial return for both parties.

Through relationship management with the world's best suppliers, IBM is able to deliver on our value proposition – 'effective relationship management' enabling both parties to perform with the agility and speed required to be On Demand.



Thank You