

VIRGINIA TECH SWaM Gateway

A publication of the Procurement Department - Supplier Diversity at Virginia Tech

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UPCOMING EVENTS

August 13th
Department of Minority Business Enterprises/Virginia Tech Matchmaking Event
 Sheraton Roanoke
 2801 Hershberger Road, N.W.
 Roanoke, VA

September 16th
SWaM Opportunity Fair and Industry Day
 The Inn at Virginia Tech
 901 Prices Fork Road
 Blacksburg, VA

October 16th-17th
SWaMFest IX
 Hilton Richmond Hotel & Spa/
 Short Pump
 12042 West Broad Street
 Richmond, Virginia



Supplier Diversity Program

Welcome to the first issue of VT SWaM Gateway, an informative newsletter for SWaM (small, woman and minority-owned) vendors to highlight supplier diversity efforts at Virginia Tech. The three objectives of the Supplier Diversity Program are:

- C** **Create** – procurement opportunities for diverse vendors to participate
- C** **Connect** – vendors to resources and opportunities
- C** **Cultivate** – help vendors grow sustainable, successful businesses

For nearly 30 years, increasing the dollar amount spent with small, minority-, and woman-owned businesses (SWaMs) has been part of Virginia Tech’s procurement efforts. Over the years, the program has evolved and grown to reflect changes in the local and national demographic landscape. Today, the program mirrors diversity efforts throughout the Commonwealth, allowing Virginia Tech to remain strong in its efforts to provide the university with more options in securing goods and services, setting both quarterly and annual goals to increase diversity spend. We look forward to continuing to be a leader in providing a “gateway to opportunity” for SWaM vendors.

Small Business is BIG Business!

Supplier Diversity at Virginia Tech



In collaboration with Virginia Tech's Principles of Community, adopted in 2005 to support the local community, supplier diversity at Virginia Tech is a proactive business process that seeks to provide all suppliers equal access to purchasing opportunities to promote supplier participation reflective of the diverse business community and encourage local economic development. Our supplier diversity program is built upon a successful collaboration between the university and its supplier community. The health and vitality of Virginia Tech are wholly linked to the quality of life and economic development in the cities that Virginia Tech reaches.

Money to Spend

Higher education is not just for educating. There are numerous business opportunities within higher education. For the fiscal year 2012, it is estimated that VASCUPP¹ member colleges and universities within the Commonwealth of Vir-

ginia collectively spent over \$1.3 billion. For small, minority and women business enterprises (SWaMs), most institutions have specific procurement goals designed to increase their spending with diverse suppliers. For nearly 30 years, increasing the dollar amount spent with small, minority-, and woman-owned businesses (SWaMs) has been part of Virginia Tech's procurement efforts. Over the years, the program has evolved and grown to reflect changes in the local and national demographic landscape. Today, the program mirrors diversity efforts throughout the Commonwealth, allowing Virginia Tech to remain strong in its efforts to provide the university with more options in securing goods and services, setting both quarterly and annual goals to increase diversity spend.

Last fiscal year, Virginia Tech spent approximately \$300 million in goods and services, with more than \$88 million, or 29.55%, of that amount going to SWaM businesses. Although the university had

a 9% spending goal in place for both minority- and woman-owned businesses, the school actually spent over 10 percent, with 4.12% and 6.43% with minority and women-owned business, respectively. The goal for this program is to use this as a benchmark and increase it when feasible. While the university's Procurement department works to do business with more SWaM suppliers, the office also strives to make its major strategic suppliers part of the effort as well. By encouraging them to do business and establish partnerships with SWaM businesses and requiring large construction prime contractors to report second and third tier spending with SWaM businesses allows Virginia Tech to take a "top down" approach to increase the depth and breadth of its efforts.

"The university wide goal for SWaM spend is 28 percent," says Kathey Porter, Assistant Director of Procurement – Supplier Diversity. "In addition to working to integrate SWaM firms in the procurement process, we work to encourage more spending in order to make each department responsible for supplier diversity. SWaM participation is something we monitor across all departments and is the responsibility of all the departments. If a department is not meeting benchmarks, when possible and depending on what they are buying, we try to develop a plan for that department to increase their numbers and continually work to streamline the process to make it easier for them to find qualified SWaM businesses," says Porter.

Last fiscal year, Virginia Tech spent approximately \$300 million in goods and services

Making the Case

For most universities and colleges, doing business with SWaM vendors is about more than “doing the right thing.” In fact, for many institutions, widening the supplier base benefits the university as a whole. As the largest private employer in Blacksburg, Virginia, Virginia Tech works to make its many business opportunities, which reach into nearly every industry and specialty, available to the most diverse supplier population possible. With a pool of small, minority businesses competing, often there are potential successful stories. By being patient and helping them get past the learning curve, these firms are very competitive, flexible and are often willing to go beyond expectations to make the relationship work.

The reach of Virginia Tech extends throughout the state and internationally in some instances. However, due to the geographic location of the main campus, sometimes SWaM businesses do not immediately realize the opportunities that exist. Forging partnerships with organizations with similar missions and access to diverse firms such as the Virginia Minority Supplier Development Council (VMSDC) and the Virginia Department of Minority Enterprises (DMBE) allows Virginia Tech to further leverage and develop relationships with SWaM firms looking for business opportunities.

The Future of Supplier Diversity

While more and more universities are recommitting themselves to supplier diversity, and SWaM firms are taking advantage of the new opportunities, there still remain challenges for higher education institutions and diverse firms looking for opportunities to grow.

It is widely believed that not enough minority and woman entrepreneurs are pursuing contracts within higher education, an unfamiliar industry to most that is well-known for bureaucracy, red tape, and stringent requirements. Many firms have never done business with higher education, leaving them intimidated and confused by large university purchasing procedures. However, it remains an untapped market for many SWaM businesses. The core business for universities is educating students. Thus, many universities spend hundreds of millions of dollars and, like small cities or corporations, purchase everything from computers and equipment, art supplies, building materials, books, food and groceries, automobiles, auto supplies and repair work, plumbing services, gardening and nursery work, janitorial services, paper projects, film processing. And with research schools, the opportunity is even greater.

Additionally, like many small businesses, universities have been forced to consolidate and cut costs, which has been difficult to overcome for many supplier

diversity programs still committed to embracing diverse suppliers. Further, many universities now allow departments to make their own purchases under a set amount, usually purchasing under \$3,000 to \$5,000 range, which makes cost even more of a deciding factor when considering vendors.

In order to make this process less daunting for firms and encourage greater SWaM participation, Virginia Tech is offering potential SWaM suppliers training and workshop sessions to ensure they are successful within the system such as department meet and greet sessions, Breakfast with the Buyer sessions (focusing on upcoming projects), and Vendor Opportunity events, well as ramp up its partnership efforts to offer supplier recruitment forums and mentorship opportunities.

Looking to the future and the obvious and often time unavoidable fiscal challenges universities face, Virginia Tech is committed to staying dedicated to the mission of the university, with supplier diversity being a significant part the university’s social responsibility program. We have invested a significant amount of resources to establish policies and/or goals that encourage campus departments to work with SWaM businesses in order to be more socially responsible and will continue to place a strong emphasis on supplier diversity in an effort to provide socially responsible procurement.

¹ VASCUPP, or the Virginia Association of State College and University Purchasing Professionals, is comprised of representatives from the purchasing departments of nine of the largest public institutions of higher education in the Commonwealth of Virginia: George Mason University, James Madison University, Old Dominion University, Radford University, University of Virginia, Virginia Commonwealth University, Virginia Military Institute, Virginia Tech, and the College of William & Mary.

7 Essential YouTube blogs for small, women and minority business owners



YouTube is a great place to find practical business advice from top leaders and business owners. ConnXus has searched for quality video blogs that will help your business grow.

You can find advice on meeting short-term challenges and planning “big-picture” strategy from individuals, organizations and publications that want to help small business owners.

YouTube makes it easy for you to look through these videos, and to subscribe to channels that create videos. If you haven't already, create a YouTube profile, take a look at the YouTube video bloggers below and subscribe to the channels that speak to your business needs!

1. WBENC's Official Channel (www.youtube.com/user/WBENCNews)— The Women's Business Enterprise Na-

tional Council (WBENC), is the largest third-party certifier of businesses owned, controlled, and operated by women in the United States. The nonprofit, partners with 14 Regional Partner Organizations to provide its world class standard of certification to women-owned businesses throughout the country. WBENC is also the nation's leading advocate of women-owned businesses as suppliers to America's corporations.

2. American Express Small Business (www.youtube.com/americanexpressopen)— This is the official American Express channel for Small Business. You'll find expert advice, ideas, and insights for small businesses and merchants.

3. Google and your Business (www.youtube.com/user/GoogleBusiness)— Videos and webinars on Google's

business solutions. Learn about online advertising and Google's other business products.

4. U.S. Small Business Administration (www.youtube.com/user/sba)— The U.S. Small Business Administration has delivered millions of loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.

5. Battelle (www.youtube.com/user/BattelleInnovations?feature=)— Committed to science and technology for the greater good, Battelle is a global research and development organization creating value through innovation for our clients, the nation and the world.

6. Harvard Business Review (www.youtube.com/user/HarvardBusiness)— Harvard Business Review (hbr.org) provides leaders with the ideas, insights, and tools they need to become better managers.

7. Score (www.youtube.com/user/SCORESmallBusiness?feature=)— SCORE provides FREE, confidential mentoring from a national network of 13,000 volunteers with business expertise across 62 industries. A nonprofit resource partner of the U.S. Small Business Administration (SBA), SCORE also provides workshops and events around the country to connect entrepreneurs with the people and information they need to start, grow, and maintain their businesses.

<http://blog.connxus.com/2013/04/22/7-essential-youtube-blogs-for-women-and-minority-business-owners/>

Purchasing moves to new building and changes name to Procurement



In March, the Purchasing department moved into its new state of the art building on Turner Street. The building built by Virginia Tech Foundation houses several other university administrative offices and provides a more centralized location to campus which should also

provide easier access by vendors, potential suppliers and visitors.

The Purchasing department is now the Procurement Department. Touching virtually every department on campus, the new name reflects a more current and up-to-date picture of the breadth and depth of the services that Procurement provides across campus. As an industry, procurement has evolved from a transactional based function to an integral part of overall long-term strategic planning. The new name is more reflective of Procurement's role to support the various campus schools and departments.

Supplier Diversity... On the Go!

The Supplier Diversity Program participated in several events this spring to talk about opportunities at Virginia Tech. Be sure to look for upcoming events for us and our partners on the front and back covers of this newsletter.



VAGP/CAPA
Reverse Trade Show
Richmond, VA
May, 2013



The Governor's Small Business Summit
Richmond, VA • June, 2013

Virginia Tech participates in Skanska Diversity Week



Skanska USA celebrated its first Diversity and Inclusion Week to raise awareness and understanding of its corporate commitment to diversity and inclusion as a key part of our business strategy. Across the country, our employees hosted and participated in activities that celebrated the diversity of our workforce, clients and partners.

As the construction manager for the Human and Agricultural Biosciences Building I (HABB I), the event was held at the job site. SWaM vendors were treated to lunch and watched a presentation on Skanska's commitment to diversity.

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SWaMfest9

Connecting your business to our **PURCHASING POWER**

October 16th-17th | Hilton Hotel and Spa Shortpump | Richmond, VA
www.vmsdc.org

**Don't miss these exciting events from
our diversity partners!**

VMSDC – Central event
July 10th
www.vmsdc.org

James Madison University Vendor Fair
August 7th
Festival & Student Conference Center
Harrisonburg, VA
www.jmu.edu/procurement/vendorfair

**NMSDC Conference and Business
Opportunity Fair**
October 27th-30th
Henry P. Gonzalez Convention Center - San Antonio, TX

VMDSC – Western event
November 14th
www.vmsdc.org