

Minority Purchasing and Vendors: Some Highlights of the Question and Answer Session

Question:

What is the real motivating force behind the vendor program, and is the help provided to minority vendors really different from standard operating procedure?

Mr. Hill

I think that the help, as you call it, really isn't any different from that required in the development of any new supplier. When one decides to broaden the supply base for any reason — competitive reasons, a supply and availability problem, continuity of availability, or whatever — the problems I refer to are common to the development of any new supplier. There is still a saleable attitude in terms of supporting our own (local) community. I think that it is still very saleable. The other point is simply enlightened self-interest. There's value to it. I didn't mention the fact that some companies become more competitive than other small companies with whom we do business.

Mr. Gooding

There are people who like the extra dimension of doing something a bit beyond a relatively narrow definition of their job; they will be turned on by that challenge. The trick is to make it happen to every individual: some people are turned off, too. But I would say that a successful strategy is to get the chief executive officer to say that we're going to do this, in addition to meeting all other management objectives. We on the Board of Directors of the Purchasing Council are constantly discussing how we can get more chief executive officers involved in the minority purchasing effort. A corporation should develop its successful buyers, the ones that are really into the program, and build on that strength, and maybe a spirit of competition will develop within that corporation.

Mr. Guscott

I realize that I am the moderator, but I feel that I have to comment on this particular thing also. And that is to put to bed the idea that a minority supplier needs extra help, that it is imperative that you supply extra help to

all minority suppliers. The fact of the matter is that most large companies in need of a particular product which was not available have in many instances encouraged their present suppliers to go out and find someone with the potential of supplying that product, and they give all possible help to develop that product for their company. So we should remember that it is not only minorities that require this service, and not only minorities that receive it.

Question:

How can a majority company ensure a successful program, despite the supposed lack of qualified suppliers?

Mr. Royster

One example was at Harvard University, where they specified that a certain portion of the contract should involve minority participation as subcontractors. When the general contractor came in and said, "I'm sorry, we can't find any," the answer was, "I guess you don't want the business." So, the contractor reevaluated his ability and found a contractor who could perform \$2 million worth of work on that contract. In this particular case, the University had to bond the subcontractor because he could not get a large enough bond himself. We believe in the American system, and the American way, but we do want to be part of it. Don't keep us on the outside.

Question:

How can you make sure that members of the New England Minority Purchasing Council have a sincere commitment?

Mr. Hill

It is the expectation that majority companies that join the New England Minority Purchasing Council will have a sincere commitment and make an effective effort. There is a need to recognize that different companies would make different progress at different rates of speed. Each member of the Council was asked to identify its goal each year and report (to a third party) its performance at the end of the year.

Mr. Gooding

We feel that at this stage, it is very important to get large businesses into the system. Some companies are doing very good jobs in terms of dollar purchases and in the rate of growth of dollar purchases from minority businesses. There may be a few firms that will get a relatively free ride as members of the Council. However, on the part of the Board of Directors, we feel that there should be a sincere commitment over time. In three or

four years, the Board will review members who are not participating in the full sense of the word in Council activities. There are ways other than seeing the numbers to know how effective a company's program is. There is an informal grapevine and the Council does get feedback from minority vendors. We have an Advisory Board of minority vendors and while the system is not perfect, it's a lot better than the efforts we were making a few years ago.

Mr. Roundtree

The Purchasing Council does not care where a firm starts, but only wants to see, in time, how much progress it is making.