Building a Community of Diverse Suppliers for over 50 Years

IBM’s Supplier Diversity Program
Overview

Three basic principles underscore IBM’s ongoing commitment to diversity—its workforce, customer base and supply chain. IBM’s Supplier Diversity Program is over 50 years old. Building and maintaining a community of diverse suppliers increases IBM’s opportunity to explore new ideas, apply different approaches and gain access to additional solutions that respond to customer needs.

Such collaboration helps IBM deliver innovation, quality products and world-class service to a growing global marketplace that is characterized by an eclectic array of cultures and diverse populations.

IBM’s commitment to diverse suppliers is demonstrated by its rich corporate history. Founded in 1968 as IBM’s Minority Supplier Development Program, IBM has placed billions of dollars of business with its diverse suppliers over the last four decades. By 2000, IBM was purchasing in excess of USD 1 billion, first tier, with diverse businesses in the US and became the first information technology company to join the ranks of Minority Business News USA’s “Billion Dollar Roundtable”. IBM spent in excess of USD 1 billion annually in the US since that timeframe and USD 2 billion, first tier, worldwide since 2006.

IBM’s award winning, global supplier diversity program expands purchasing opportunities for businesses owned and operated by minorities, women, disabled people, veterans, and the lesbian, gay, bisexual, transgender (LGBT) community. This program increases opportunities for non-profit organizations that employ people with disabilities and for small businesses located in historically under-utilized business zones (HUBZones). IBM’s commitment to supplier diversity is an initiative pursued with vigilance and zeal: it is an integral part of IBM’s heritage, business plan and more importantly, its future. That is the reason that IBM provides opportunities for diverse suppliers to participate within our supply chain in every geography in which we operate.

For additional information on the information contained within this brochure, please contact Global Procurement’s Program Director for Global Supplier Diversity:

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Corporate leadership

In corporate Policy Letter 137B, IBM’s Chairman and Chief Executive Officer states:

“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 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.”

IBM’s Program Director for Global Supplier Diversity, Michael K. Robinson has corporate responsibility for implementing supplier diversity programs and measuring the success and growth of these programs for businesses owned and operated by minorities, women, LGBT, people with disabilities and other under-utilized groups.
The IBM Supplier Diversity Program

Spans the globe by promoting the utilization of diverse suppliers in every country where IBM operates.

Adheres to the local laws and regulations regarding the implementation of global supplier diversity objectives.

Recognizes that a diverse supplier base is integral to its corporate objectives and strategic imperatives—solidifying the connection between customer satisfaction and winning in the marketplace.

Invests significantly in its supplier diversity initiatives each year—funding is made available for outreach event sponsorship and attendance, scholarship programs mentor/protégé programs, and the Tuck/WBENC Executive Program for Women hosted by IBM.

Recruits with Historically Black Colleges and Universities (HBCUs) some with on campus engagements and virtual engagements.
IBM's Global Supplier Diversity initiatives ensure that diverse suppliers who can provide value to our supply chain are given the opportunity to participate in IBM's procurement process. These initiatives are centrally driven with the support of all business units and geographic locations.

Procurement category teams, diversity program managers, community relations managers, market development executives and technical teams support the overall effort. Together, these individuals help ensure the successful implementation of IBM's supplier diversity strategy.
Goal setting

**IBM Global Procurement** requires purchasing managers and global category teams to submit strategies for acknowledging our overall diversity objectives. Spend is measured in both percent and dollars, but we also focus on growth and capacity building. The penetration level of each of the category teams is assessed based upon the availability of qualified suppliers. Plans are aggregated upward for review by our procurement executives. Goals are reported to and reviewed by the supplier diversity program director and IBM’s chief procurement officer. Upon agreement, the objectives are combined to form the corporate-wide IBM goal. Performance to established goals is then tracked on a monthly basis and is reviewed by first line through executive management levels.
Supplier development

Mentoring and education
IBM has a variety of business and technical resources dedicated to the development of its diverse suppliers. These programs include:

- Federal Mentor Protégé Programs
- Commercial Protégé Program
- Federal Veteran Small Business Advocate Program

IBM has mentor/protégé programs operating in several Geo’s. The first program began in the US in 1997 with five protégé firms and is sponsored by the Defense Information System Agency (DISA). Each relationship involves a three-year engagement and suppliers are added as funding is allocated. Examples of assistance provided through the mentor-protégé program include:

- Partnership Executive Program
- Business Developmental Assistance
- Needs assessments
- Financial services through IBM Global Finance
Several educational programs have been designed to enhance and improve the business skills of diverse suppliers. Programs cover subjects such as quality, financial and management skills, strategic planning and technology. These suppliers also participate in various procurement strategy and cost management courses at IBM with our procurement personnel.

**External sponsored joint program**
IBM through a joint collaboration with the Tuck School of Business at Dartmouth College, created the Tuck-WBENC Executive program for the Women’s Business Enterprise National Council and it has been held at IBM since its inception in 2003.

The program features a full week of exciting classes, meaningful discussions and networking opportunities. To date, IBM has directly assisted over 750 women business owners through this program. In 2017, a second program, the Strategic Growth Program, was created. This curriculum builds upon the fundamentals taught in the Executive Program, focusing on growth strategies, including organic growth, mergers and acquisitions, and strategic alliances. The Tuck-WBENC Program is offered annually and the Strategic Growth Program is offered bi-annually.

**Commercial Mentor Protege Program**
The IBM Supplier Diversity program implemented a commercial Mentor Program in 1997 to facilitate the development of diverse suppliers. Suppliers are provided with training and education ranging from one-on-one discussions with IBM executives and program managers as part of the on-going relationship building to offerings designed to enhance business skills. The program intends to foster long-term relationships with suppliers that will help IBM deliver innovation, quality products, and remain competitive in the market.

**Regional town meetings**
One day sessions that provide an interactive discussion between IBM procurement executives, managers, procurement personnel and selected current and potential diverse suppliers.

**Performance feedback**
Procurement provides suppliers with timely feedback in order to recognize success and identify areas where additional effort is needed to meet our business needs.
Resources available

IBM SME Toolkit
An initiative launched by IBM and the World Bank’s International Finance Corporation promises to make accessing key information about managing small and medium businesses a lot easier. The SME Toolkit was developed specifically to provide small and medium businesses owned by Blacks, Asians, Hispanics, Native Americans and Women in the U.S., as well as small business owners around the world, with highly developed business information, tools and training services usually reserved for Fortune 1000 companies.

IBM Global Financing
IBM Global Financing (IGF) offers specialized financing programs for IBM suppliers. The relationship as an IBM supplier qualifies suppliers to take advantage of many financial service offerings.

Specialized Small Business Investment Companies
Specialized Small Business Investment Companies (SMBIC), licensed and regulated by the SBA, provide equity and long-term financing, in addition to management assistance, to small business concerns owned by socially and economically disadvantaged individuals.
Global expansion

In 2003, IBM launched a non-U.S. Supplier Diversity Program to promote the utilization of diverse suppliers in every country where IBM operates. The four global constituency groups are minority, women, LGBT and People with Disabilities (PWD). However, aboriginals, native peoples and groups from disadvantaged zones are defined on a regional or country basis. Each geography has established unique definitions for their diverse constituencies.

A supplier diversity program manager is assigned to each geography and is responsible for ensuring compliance to local legal requirements, overall program design and management, and the development of diverse supplier verification processes. Our goal is to advocate a program that provides economic opportunities to historically disempowered diversity groups in each country that we operate.
Support for suppliers in disadvantaged zones

In 2014, IBM added support for suppliers in disadvantaged zones, as defined by the European Union’s Cohesion Policy. This group of suppliers are from geographic regions that are considered economically disadvantaged when providing job creation, competitiveness, economic growth, improved quality of life and sustainable development. IBM worked closely with local authorities to understand the program details and identification of affected regions as the new definition was introduced into the IBM Supplier Diversity Program. Companies that have implemented supplier diversity are reporting that they have stronger business relationships, are able to find the best suppliers from a more diverse candidate pool and they can make supply chain opportunities accessible to a wider range of suppliers.
Affiliations and memberships

This is a sampling of what IBM supports and is not inclusive.

IBM is a founding member of, and has actively participated with since their inception, the two oldest organizations which certify minorities and women, respectively, in the US:

- National Minority Supplier Development Council (NMSDC) and its regional councils
- Women’s Business Enterprise National Council (WBENC) and its Regional Partner Organizations

We are also a founding corporate member of:

- National Gay and Lesbian Chamber of Commerce (NGLCC) and its Regional Partner Organizations
- Disability:IN

In addition, IBM participates with:

- Billion Dollar Roundtable (BDR)
- Department of Commerce’s Minority Business Development Agency (MBDA)

- Diversity Information Resources (DIR)
- Federal government Offices for Small and Disadvantaged Business Utilization (OSDBU)
- National Center for American Indian Enterprise Development (NCAIED)
- Small Business Administration (SBA)
- The Conference Board

International/Global Affiliations

IBM is a foundering member of WEConnect International and its affiliates.

In addition, IBM participates with:

- Canadian Aboriginal and Minority Supplier Council
- Minority Supplier Development China
- Minority Supplier Development UK
IBM’s commitment and dedication to the diverse supplier community is evidenced through the participation of IBM executives who have served in significant roles with external organizations such as the National Minority Supplier Development Council and The Women’s Business Enterprise National Council.

A sample of current participation includes:

- Board Member, National Minority Supplier Development Council
- Clark-Atlanta University Supply Chain Leadership Advisory Board
- Board Member, Georgia Minority Supplier Development Council
- The Conference Board, Council on Supplier Diversity
- Board Chair, WEConnect International
- Member, Diversity Information Resources (DIR)
- Minority Business News National Board of Advisors Committee
- Board Member, Women’s Business Enterprise National Council (WBENC)
- Board Member, Women’s Business Enterprise Council of Pennsylvania, New Jersey and Delaware
- Board Member, Women’s Business Council – Southwest
- Procurement and Certification Board Member, Disability:IN
- Board Member, NY NJ Minority Development Council
- Board Member, Minority Supplier Development UK

Business community
Awards and recognition

IBM is rated and recognized by publications, advocacy groups, governments and non-governmental organizations around the world. IBM, or its employees have been recognized over 300 times for contributing to the advancement of global supplier diversity since 2004. These are just some of the many awards that we have received from local, regional, national and international organizations:

- **WBENC Top Corporation** — Winner for over 15 consecutive years
- **National Minority Supplier Development Council (NMSDC)** — Top Global Program and Corporation of the Year, each three time
- **Disability:IN** — Corporation of the Year, twice
- **WE USA** — 100 Corporations of the Year, Who’s Who in Supplier Diversity Development
- **Professional Woman’s Magazine** — Top Diversity Employers; Top Supplier Diversity Programs for Women; Top Lesbian, Gay, Bi-Sexual, Transgender-Friendly Companies; and Top Disability Friendly Companies
- **US Agency for International Development** — Excellence in Mentoring
- **US General Services Agency** — Mentor Protégé of the Year
- **European Diversity Awards** — Supplier Diversity Programme of the Year, twice
- **DiversityBusiness.com** — One of America’s Top 50 Organizations for Multicultural Business Opportunities
- **Minority Business News** — One of America’s Most Admired Corporations for Supplier Diversity, and Leader in Supplier Diversity Development
- **Minority Supplier Development** — China, Corporation of the Year, three times
- **Minority Supplier Development** — UK, Corporation of the Year
- **Nun-Perry Award by the US Small Business Administration** — twice
- **NGLCC**, Corporation of the Year, twice
- **WEConnect International China**, Corporate Diversity Leaders of the Year, twice
- **IBM is inducted into the Women’s Business Enterprise Hall of Fame**
How to engage with IBM as a diverse supplier

There are multiple ways to engage with IBM depending on the size and ownership of your company. If you meet any of these criteria, contact us to learn more.

Are you a Certified Diverse company?
All commodities except Technical Services need to submit a Diverse Supplier Registration form. Initiate the request by going to our [web page](#) or emailing ibmsd@us.ibm.com

Do you provide Technical Services?
It is IBM’s policy to maintain a certain number of core predominant technical services suppliers to direct its technical services requirements to those suppliers. You are encouraged to partner with IBM’s current core suppliers to pursue second tier opportunities by sending a note requesting “How to become a tier two supplier to IBM” to supinfo@us.ibm.com

Do you want to be considered for our federal subcontracting opportunities?
The US Federal market provides opportunities for small businesses to engage with IBM in a multi-faceted approach as subcontractors, as small business primes with IBM as their major subcontractor, or as IBM Business Partners reselling IBM solutions to Federal Agency customers. To learn more, contact Ray Nowden at ranowden@us.ibm.com or Mary M Hellem at mmhellem@us.ibm.com
Diverse supplier eligibility

Disabilities supplier
People with disabilities (PWD) owned businesses must be 51 percent owned, managed and controlled by one or more disabled person, service disabled honorable discharged veteran or be an organization that employs a substantial number of people with disabilities.

Women supplier
A business that is 51 percent owned, managed and controlled by one or more women.

Minority supplier
To qualify as a minority supplier, a company must be at least 51 percent owned and controlled by one or more ethnic individuals as defined by the individual countries and/or geographies.

LGBT supplier
LGBT owned businesses must be 51 percent owned, managed and controlled by one or more LGBT individuals.
Diverse supplier information

IBM accepts certifications and documentation from the following organizations:

Established criteria must be met before suppliers or business relationships can attain diverse designation within IBM systems.

**Minority owned:** The National Minority Supplier Development Council (NMSDC) and its regional affiliate councils. The Small Business Administration (SBA) and other federal, state or local (county, city) government agencies.

**Woman owned:** The Women Business Enterprise National Council (WBENC), WEConnect International, the National Women Business Owners Corporation (NWBOC), the SBA and other federal, state or local government agencies.

**Person with disability:** Copy of letter from public health department, which establishes eligibility for benefits or Disability:IN, indicating that the business owner has a disability. For organizations that employ people with disabilities, documentation from a federal or state agency.

**Veteran:** Verification from Department of Veterans Affairs indicating that the business owner was honorably discharged from the armed services.

**Disabled veteran:** Verification from Department of Veterans Affairs that indicates that the business owner has a service-connected disability and was honorably discharged from the armed services or Disability:IN, indicating that the business owner has a service-connected disability and was honorably discharged from the armed service.

**LGBT owned:** National Gay and Lesbian Chamber of Commerce (NGLCC).

**Non-US Based Diverse Suppliers:** CAMSC, MSD-China, MSD-UK, Supply Nation or any of the WEConnect International Organizations member.

For more information or if you’re located where there isn’t a certification agency, contact our Supplier Diversity team: ibmsd@us.ibm.com

Learn more

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