

Supply chain diversity

Program aims to boost prospects for suppliers of color

[Sandra Larson](#) | 1/24/2018, 10:18 a.m. | Bay State Banner

The Greater Boston Chamber of Commerce has launched a new initiative to encourage large companies and institutions to direct more of their substantial purchasing dollars to local minority-owned enterprises.

The Pacesetter program, modeled after the Minority Business Accelerator program of the Cincinnati Regional Chamber, encourages companies to commit not only to increasing their contracts with suppliers of color and participating in Chamber-sponsored matchmaking and networking events, but to measure and report their increased spending with MBEs and share best practices on economic inclusion.

“Economic inequality is closely tied to racial inequality,” said Sheena Collier, the Chamber’s director of economic opportunity, speaking to a full room of attendees at a Jan. 17 reception to celebrate the program launch. “The Chamber recognizes that we must show leadership, both as a civic obligation and a business imperative.”

Collier explained that the initiative was crafted over the past year by the Chamber’s Committee on Economic Opportunity, led by Steve Wright, a partner with the law firm Holland & Knight, and Bob Rivers, chairman and CEO of Eastern Bank, together with a group of prominent Greater Boston businesses that are Chamber members and span a range of sectors.

The 10 initial Pacesetter firms are the Boston Red Sox, Comcast, Eastern Bank, Gilbane Building Company, John Hancock, Northeastern University, P&G Gillette, Partners HealthCare, Tufts Health Plan and the Chamber of Commerce itself.

“These are organizations that get it,” said Chamber President and CEO Jim Rooney. “They are stepping up and saying this is important. They will serve as a model to the entire business community.”

Rooney described Pacesetter program objectives as channeling the collective purchasing power of large companies to support local MBEs; helping to address significant racial wealth inequalities and build generational wealth; and making the Chamber of Commerce more relevant and helpful to local businesses of color.

Win-win situation

Partners HealthCare has had a supplier diversity program in place since 2004, but participating in the Pacesetter program will help the organization reach new suppliers they may not have located

on their own, said Ingrid Beckles, manager of minority business enterprise for Partners. “And more suppliers who understand what it takes to handle large contracts,” she added.

“What the Chamber of Commerce is offering is, they will coach and mentor the suppliers in order to increase the chances of their being able to supply companies like Partners,” she told the Banner.

For any large organization, contracting with smaller suppliers can pose challenges for both the small businesses, who may not be ready to keep up with the large and time-sensitive demands of larger contracts, and the large company, for whom new suppliers can mean more work and risk.

“As we look for suppliers, we need to be assured that they can supply the services or products when needed,” Beckles said. “Maybe they don’t have the warehousing space. For instance, we use millions of gloves, so it may make sense for Partners to look for a larger distributor — but sometimes there’s an opportunity to carve out a smaller niche in one of the community hospitals.”

Examples of services and products MBE suppliers have been able to provide for Partners include home care temporary staffing, lab equipment and data destruction services, according to Beckles.

And what’s in it for Partners? Beckles said finding new local suppliers taps into increased competition and can bring rewards on many fronts. Partners could find lower prices or the same price but a chance to support a local business; local businesses obviously benefit from increased revenue; and as businesses grow, they often hire from the local community.

“I look at it as three pillars,” she said. “The community, the supplier and Partners all benefit.”

Reinier Moquete, who founded Advoqt Technology Group in 2012, said major companies that stick with one established supplier to reduce risk may miss out on better prices and fast-moving innovations.

“Small companies are doing the cutting edge work and are more nimble,” he pointed out. “They can respond faster and more cost-effectively. It’s a win-win.”

Breaking through

Moquete said he already is in discussions with some of the Pacesetter companies about contracts for Advoqt’s technology products and services.

“These are very large companies with difficult structures to penetrate,” he said. “Often they only engage with the largest suppliers. Seeing them willing to engage with small businesses is very encouraging.”

Moquete framed the issue also in larger economic justice terms.

“The purchasing power of communities of color has increased dramatically in the last 30 years, and yet the greatest beneficiaries of that is corporations,” he said. “And then those corporations often do not spend money in communities of color in return. We need to recognize those companies that are taking a proactive stance on this.”