MINORITY BUSINESS ENGAGEMENT AND CONTRACTING
TEAM GOALS

| Goal 1: Develop a three-year business plan to enhance engagement and participation |
|---------------------------------|--------|-----------------|--------|-----------------|--------|-----------------|
| **Strategy & Benchmark**        | **Phase 1** | **Evidence**         | **Phase 2** | **Evidence**         | **Phase 3** | **Evidence**         |
| Spend driven                    | Establish the current baseline | ERP data and reporting | Develop SMART targets that support a three-year plan | Actual impactable spend, and estimated growth rates | Communicate targets and expectations to key stakeholders | Management reporting and appropriate corrective or enhancing actions |
|                                |                    |                  |                                                |                                                 |                                                 |                                                  |
|                                |                    |                  | • Current YR-5%                                |                                                 | • Minimum allocation of ten percent of the total contract spend |                                                  |
|                                |                    |                  | • YR1 – 10%                                    |                                                 |                                                  |                                                  |
|                                |                    |                  | • YR2 – 15%                                    |                                                 |                                                  |                                                  |
|                                |                    |                  | • YR3 – 20%                                    |                                                 |                                                  |                                                  |

1. Commitment from top down

Supplier Diversity is a program that requires commitment from the top of the organization to drive transformational change of diversity and inclusion by senior management and procurement. Top executives must own diversity and inclusion transformation and have the will to change. The executive’s ownership that diversity and inclusion are important initiatives is demonstrated through verbally supporting and visually leading the program’s communication to all. The University’s investment in an effective Supplier Diversity program, supported by appropriate resources, will be instrumental in fostering a sustainable enterprise for future administrations and generations.

2. Determine the goods and services required by the supply chain

Where to start? How are goals set that feel tangible and achievable, yet impactful? How are years or even decades of underrepresentation and institutionalized spending practices reversed?

Start by outlining all the types of goods and services purchased by the University for a minimum of two previous years. Also, who are current vendors engaged in securing these goods and services? What percentage of these goods and service purchases are awarded to MWBEs? Does the University have policies surrounding procurement practices that may be roadblocks for MWBEs? This will help build a pipeline of diverse suppliers that meet the University’s unique business qualifications.

The evidence will be a report that outlines the prior 2 year spend. The actual spend report should show women, minorities by race with actual spending for the categories for the past 2 years. This will require an additional investment in a robust eProcurement system that will
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allow capturing and reporting spend for all the categories mentioned above, including spend with local ethnic minority companies.

years. Example, the categories for services include as professional services, information technology, security and safety, outside facility maintenance, o/s engineering services and other major spend categories. Construction is a single category. Goods should be segregated by major spend category, based on an established codification system.

3. Develop SMART Targets that support your three-year goals.

Goal setting starts at the top with President Rudd. Dr. Rudd By adopting a Year-1 goal of 10% for the University communicates by his actions that this is serious. By setting this goal for himself with the Board of Directors, it communicates to students, professionals, and the community that the University is serious about this change.

The President should require that each subsequent level of management have a MWBE goal in performance objectives in their performance plans for the coming year. The key to setting MWBE goals after understanding the types of goods and services purchased is to avoid the tendency to set easy achievable goals, and unrealistic goals. Companies often set simple goals that focus on easy tasks that give them a sense of accomplishment which does not require real change such as making a token spend with the MWBE company which is transactional versus awarding X number of multiyear contracts for goods and services which is transformational. The focus should be transformational which requires the University to focus on processes and setting goals that zero in on changing traditional bias procurement practices.

It is the old adage of “walk before you run”. Addressing systematic barriers, bureaucratic complexities and needed structural changes must be baked into goal setting. Set goals that help change the way the organization is operating and use results to measure success and plan future changes. Aim to broaden the supplier pool, rethink vendor qualifications, vendor mentoring and development, and educate procurement managers. Set goals of all varieties (short-, mid- and long-term) and be sure to continuously contextualize these steps within a broader view of what every company should be playing toward: actually representing the world we live in.

University of Memphis Recommended Goals

A. 10 % in year one minimum target should be achievable since other companies in the Memphis area are achieving goals of 20%.

   a. What goods and services contracts are expiring in Year 1-2?
   b. Establish a program to award MWBEs 10% of procurement contracts with the goal to increasing the amount MWBEs contracts awards for small goods and services contracts under $50,000. Low hanging fruit
MINORITY BUSINESS ENGAGEMENT AND CONTRACTING
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c. Work with minority agencies, Chamber of Commerce, City of Memphis and Shelby County Government to identify MWBE companies who provide goods and services for the expiring contracts.

d. University Department Managers and Procurement review the list of contracts expiring and develop plans to cultivate and attract MWBEs to bid. Review the final list and plans with the President for challenge and approval.

e. Evidence will be tracked monthly quarterly by reporting MWBEs goals versus actual by department and good and service category. In addition, add this goal to the University Balance Score Card since ‘what gets measured gets done.’

f. Host pre-bid meetings for construction projects
   i. Low hanging fruit – Implement Key Actions to achieve 20 10% MWBE goal for constructions projects for both the GC and subcontractors.

B. 15% target in Year 2
a. What goods and services contracts are expiring in Year 2-3?

b. Establish a program to recruit and cultivate MWBEs through Key Actions to bid on small goods and services contracts under $50,000. Low hanging fruit

c. Continue to work with minority agencies, Chamber of Commerce, City of Memphis and Shelby County Government to identify MWBE companies who provide goods and services for the expiring contracts.

d. University Department Managers and Procurement review the list of contracts expiring and develop plans to attract MWBEs to bid. Review the final list and plans with the President for challenge and approval.

e. Evidence will be tracked monthly quarterly by reporting MWBE goals versus actual by department and good and service category. Also, add this goal to the University Balance Score Card since ‘what gets measured gets done.’

f. Host pre-bid meetings for constructions projects
   i. Seek goal of a minimum of 10 25% awarded to MWBEs for construction contracts for both the GC and subcontractors.

C. 20% goal in Year 3
a. What goods and services contracts are expiring in Year 3-4?

b. Establish a program to cultivate and recruit MWBEs through Key Actions to bid on small goods and services contracts under $50,000. Low hanging fruit

c. Continue to work with minority agencies, Chamber of Commerce, City of Memphis and Shelby County Government to identify MWBE companies who provide goods and services for the expiring contracts.

d. University Department Managers and Procurement review the list of contracts expiring and develop plans to attract MWBEs to bid. Review the final list and plans with the PRESIDENT for challenge and approval.

e. Evidence will be tracked monthly quarterly by reporting MWBEs goals versus actual by department and good and service category. Also, add this goal to the University Balance Score Card since ‘what gets measured gets done.’

f. Host pre-bid meetings for constructions projects
MINORITY BUSINESS ENGAGEMENT AND CONTRACTING
TEAM GOALS
Low hanging fruit – Seek goal of 20% MWBEs awarded to both the GC and subcontractors.
GOAL 2

Goal 2: Enhance current diversity supplier program and establish measurable objectives connected to performance reviews

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<tr>
<td>Program based</td>
<td>• Develop appropriate staffing plan to implement the Annual Supplier Diversity Program • Update current Diversity Supplier Program to reflect the evolution of University’s business requirements and objectives</td>
<td>• Staffing Plan • Updated Diversity Supplier Program</td>
<td>Implement approved staffing plan Obtain leadership sign off and commitment on achieving designated objectives</td>
<td>Detailed objectives and accomplishments reports Specific target goals by business unit</td>
<td>The program components are fully implemented and there are no gaps in commitments made by BUs</td>
<td>Project documentation and reporting</td>
</tr>
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**Key Actions**

1. Develop a budget which outlines the expected costs of the Supplier Diversity Program
2. Identify a staff person (whose responsibilities will increase over time) who will be responsible for and evaluated on the following immediate and future duties which may include:
   - Encouraging Diverse-Minority suppliers to get certified, and ensuring current suppliers certification status is up to date
   - Tracking and reporting Diverse-Minority spend for each Diverse-Minority spend category
   - Developing an annual report highlighting the accomplishments of the Supplier Diversity Program
   - Attending supplier networking events
   - Assisting other University Faculty and Staff in identifying Diverse-Minority suppliers
   - Ensuring the efficient matching of Diverse-Minority suppliers with procurement opportunities
   - Co-chairing the Supplier Diversity Council and collaborating with the other Co-Chair to develop its goals
   - Continue enhancing the Supplier Diversity Program

**Updated Current Supplier Diversity Program**

**MISSION**
GOAL 2

ADD: Create a culture of diversity and inclusion. The University board, officers, staffing, recruitment and spend will mirror the community, state, country that we serve.

SUPPLIER DIVERSITY PROGRAM GOALS

Goal 1 - Develop annual Tier I and Tier II goals to increase spend with minorities in accordance with the University's Strategic Plan. The specific minority goals will be set individually for women-owned and other ethnic minorities as separate goals. This will prevent issues currently experienced with many programs of over utilization of small and women-owned business

Goal 2. Enhance current diversity supplier program and establish measurable objectives connected to performance reviews

Goal 3. Conduct outreach to identify, build relationships with and match Diversity Minority suppliers with specific University procurement opportunities. No comment

Goal 4 - No comment

Goal 5 - Supplier Diversity Program Enhanced Visibility. Communicate through leadership by the University CEO and Sr. Staff utilizing performance planning, identifying Diversity and Inclusion as strategic objective and using University's broad communication tools to share results with the community through board reports, balanced scorecards and school media, etc. Also use traditional social medial to ensure the visibility and knowledge of the University's Supplier Diversity Program throughout the University, community, the State and nationally.

ANNUAL SUPPLIER DIVERSITY SPEND ENHANCEMENT

Key Actions

- Establish a position of a Supplier Diversity Management office to oversee the development and implementation of a robust and successful program
- Analyze and report by department, by major spend categories and the overall University's performance on meeting each supplier diversity goal each year. No spend will be classified as OTHER without the approval of the Dept Chair
- Institute a Diversity Council that meets four times a year to review University's goals versus actual performance, upcoming events, upcoming major expiring contracts and upcoming construction projects and upcoming outreach events.
**Goal 3: Expand and optimize community partnership and impact**

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<tbody>
<tr>
<td>Partnership Driven</td>
<td>Identify potential partners in the Memphis Metro Area</td>
<td>-</td>
<td>Establish memberships in the selected organizations</td>
<td>Align the strengths of selected organizations to the business needs of UofM</td>
<td>MWBE portfolio by category of spend</td>
<td>Actively engage qualified MWBE suppliers with category initiatives</td>
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<td></td>
<td>- MMBC - Shelby County - City of Memphis</td>
<td>-</td>
<td>- Conduct Supplier workshops - Leverage supplier registrations to increase UofM’s existing portfolio by category</td>
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**Phase 1**

The ‘Contracting with Minority Businesses’ working group is charged with: (1) raising the number of minority businesses capable of securing major contracts with UofM, and (2) evaluating how the University facilitates growing and strengthening minority business opportunities broadly in Memphis. The MBE (Minority Business Engagement) transformational work team is to boost member engagement continuously from the student bodies, the business communities, and university employees. UofM has continued to expand membership and identify minority business entities who could be successful in gaining and delivering products and services for the University. However, there is an opportunity to make a real impact on our community by building stronger partnerships with local and State organizations that can help identify and engage qualified MWBEs that can be successful in helping the University achieve its objectives.

**Evidence**

Membership affiliations and established memberships with the following organizations:

- GoDBE
- MMBC
- Shelby County
- City of Memphis
- BBA of Memphis
- Memphis Chamber
GOAL 3  Expand and optimize community partnership and impact

Phase 2
Actively collaborate with the above organizations to identify opportunities for collaboration and resource leveraging. Identify and actively engage in events and forums that promote the removal of current barriers for success, and enhance the ability to engage with local minority-owned businesses.

Evidence
- Number of Partnerships that are initiated
- Events and forums we have participated in
- Surveys and feedback received from minority-owned suppliers

Phase 3
Work closely with selected local minority business organizations to identify opportunities for collaboration and resource optimization in order to achieve the following objectives:

- Develop a robust list of pre-qualified suppliers in all key categories of spend
- Implement a series of round table meetings with pre-qualified suppliers and key internal stakeholders to discuss current and upcoming initiatives, and associated key qualifications and competencies for success

Evidence
- Increase participation of pre-qualified minority-owned suppliers in all relevant initiatives, by at least the designated percentage for that category of spend
### GOAL 3  Expand and optimize community partnership and impact

Goal 4: Identify opportunities to further develop academic programs that support MWBE businesses in our region

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<td>Partnership Driven</td>
<td>Recognize/diagnose current gaps and the need to create and commit to funding undergraduate and graduate programs in entrepreneurship and small business management that would distinguish from and compete successfully with the existing regional (TAM, Tennessee, Arkansas, and Mississippi) and other relevant programs</td>
<td>Document entrepreneurship and small business management-related programs at U of M</td>
<td>Develop and customize unique entrepreneurship and Small Business Management Certificate and Degree Programs with a core emphasis on the economics of personal finance and minority-owned small businesses</td>
<td>Admissions yield rates (source: OIR dashboard)</td>
<td>Create entrepreneurship incubator program that adopts 10 to 15 ‘wrap-around’ services to include training sessions in sales, strategies, and legal. Perform assessment of each SBE to provide ‘one on one’ counseling.</td>
<td>Business growth, stability, and viability.</td>
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<td></td>
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<td>Data evidence (source: OIR dashboard)</td>
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**GOAL 3** Expand and optimize community partnership and impact

<table>
<thead>
<tr>
<th>Year</th>
<th>Objective</th>
<th>Target</th>
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<tbody>
<tr>
<td>1</td>
<td>Program Design, Admission of entrepreneurs</td>
<td>at least 25% minority entrepreneurs</td>
</tr>
<tr>
<td>2</td>
<td>Number of minorities who complete certificate programs</td>
<td>100% minority</td>
</tr>
<tr>
<td>3</td>
<td>Number of minorities graduated in entrepreneurship/small business management programs</td>
<td>100% in Certificate &amp; Degree (Target: 100%) Programs</td>
</tr>
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- Establish Programs
- Admission Yield (source: OIR dashboard)
- Graduation rates (source: OIR dashboard)

- Create and fund CEER, a new Center for Entrepreneurship Education (to engage in diversity outreach events) and Research (conduct surveys, prepare reports and case studies, and publish in high-quality nationally ranked peer-review journals)

| Phase 1 | The ‘Contracting with Minority Businesses’ working group is charged with: (1) raising the number of minority businesses capable of securing major contracts with UofM, and (2) evaluating how the University facilitates growing and strengthening minority business opportunities broadly in Memphis. The MBE (Minority Business Engagement) transformational work team is to boost member engagement continuously from the student bodies, the business communities, and university employees. While the team successfully expanded membership and identified minority business entities who have succeeded in contract awards from the University, exhaustive attempts to recruit MBA students studying entrepreneurship or businesspeople in small business operations were futile, as the University currently lacks academic (undergraduate and graduate) degree programs in entrepreneurship and small business management. Besides, the working group shall work seamlessly and intentionally to provide the competitive edge that local students and businesspeople need, such as internship and mentoring programs. |

| Evidence | While UoM currently offers several graduate certificate programs (https://www.memphis.edu/gradschool/programs/graduatecertificates.php) including fully-online through UoM Global, none exists at the undergraduate level. Due to COVID-19 pandemic, there is a steady nation-wide rise in small business formation and growth. It is commonly known that most small businesses dissolve within few years post-launch. This evidence presents a timely opportunity for UofM to invest in creating and sustainable growth of entrepreneurship degrees (such as Bachelors, Masters) and certificate programs. The natural home should be The Fogelman College of Business & Economics (FCBE). These programs, with adjustments for the University’s strategic mission, could be patterned after the ‘Top 10’ www.usnews.com/best-
GOAL 3  Expand and optimize community partnership and impact

colleges/rankings/business-entrepreneurship nationally leading entrepreneurship undergraduate programs in Business Schools at Babson College, MIT, UC Berkeley, Indiana U. Surprisingly, none of the mid-South universities in TN, AL, AR, and MS offers nationally ranked degree programs with the entrepreneurship major. More surprising is the scarcity of Entrepreneurship certificate programs (at the graduate and undergraduate degree levels) at major mid-South universities, including at UoM. Currently, UoM Management Department offers courses (MGT 2820, MGT 4821, MGT 4820) for a Minor in Entrepreneurship (https://www.memphis.edu/management/programs/entrep.php), and fully online Graduate Certificates exist in Arts Entrepreneurship https://www.memphis.edu/uofmglobal/degrees/graduate/certificate-arts-entrepreneurship.php and Entrepreneurial Journalism https://www.memphis.edu/uofmglobal/degrees/graduate/certificate-entre-journ.php.

The certificate (four, 3-credit hours courses) and academic degree programs would naturally link the university’s academic resources to engage community participation for the intended purpose of achieving broad-based economic progress through minority business enterprises. These programs would incorporate relevant Memphis small business case studies as well as mentoring and internship components through a capstone course in the degree offerings and certificate (undergraduate, graduate) programs.

**Phase 2**

Starting out, the imperatives for establishing strong entrepreneurship academic programs (including a track in the MBA program) should leverage the existing resources in FCBE, the Crews Center for Entrepreneurship (‘exists to inspire, educate, develop, and support both aspiring and active student entrepreneurs’ https://www.memphis.edu/crews/) and the Memphis Business Community at large to engage students, faculty, and the community in the training and development of Minority Business Owners (MBOs) in the multi-faceted aspects of successful small business operations. The entrepreneurial ecosystem broadly includes the following core structural targets. First, developing a sustainable business model; second, acquiring start-up investment funding and growing operating capital; third, offering general and industry-specific professional mentoring with continuing education (leading to entrepreneurial certificates, degrees and credits); fourth, familiarization of SBOs with UoM’s procurement requirements, processes, and deliverables; fifth, cultivating seamless networking with related entities (e.g., Minority Business Development Agency (MBDA), the Women’s Business Enterprise National Council (WBENC), the U.S. Small Business Administration (SBA) and the National Minority Supplier Development Council (NMSDC).Memphis Chamber of Commerce, the City of Memphis and Shelby County, etc.,); and sixth, risk assessment and management for scaling-up (growth) that facilitate the expansion of contracted minority business spending at UoM.

Currently, US higher educational institutions with successful, strategically targeted MBE procurement programs include Purdue University (https://onlinedegrees.purdue.edu); Rutgers University (https://procurementservices.rutgers.edu/purchasing/...); John Hopkins University (finance.jhu.edu/depts/procurement/procurement...); University of Arkansas (https://procurement.uark.edu/mwob.php); University of Maryland (https://www.umaryland.edu/procurement/minority-business-enterprise-mbe); and University of
GOAL 3  Expand and optimize community partnership and impact

West Florida (https://uwf.edu/offices/procurement/minority). These programs excel in growing university procurements with small businesses in their local communities. Some partner with related academic programs in entrepreneurship.

One actionable Phase II (Year 2) commitment on the part of UofM President and Provost could incentivize the FCBE Dean’s office to develop and nurture graduate and undergraduate degree programs and certificate in entrepreneurship/small business management with appropriate internal (FCBE faculty, faculty in other colleges) and external partners from the local business community. Target 50% of the inaugural class to MBOs (African Americans, Hispanic and Latino Americans, Veterans, etc.) The working group administers and customizes these learning experiences including internship, mentorship, and professional networking.

**Evidence**

Admissions yield (Source: OIR), on-time program graduation (Source: OIR).

**Phase 3**

Year 3 to focus on full implementation of academic and professional development (Certificate) programs with unflinching commitment and continuous monitoring and review of the progress, including an ongoing review and customization of the internship and mentorship programs. Second, create and fund CEER, a new Center for Entrepreneurship Education (engage in diversity outreach events) and Research (conduct surveys, prepare reports and case studies, and publish in high-quality nationally ranked peer review journals). CEER should obtain external grant funding after Year 3 (for instance, from an endowment created in the fall of 2020 by Crews Family Foundation) and use university funding as a supplement. Both Department of Economics\(^1\) and Department of Management\(^2\) currently list nationally leading peer-review academic journals among high-quality publication research outlets.

**Evidence**

Annual reports of The FCBE Dean (academic programs) and CEER (education and research) indicate consistent achievements and continuing quality improvements of Phase III and future target goals.

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1 An example is the highly ranked (Excellent, A quality) *Small Business Economics, an Entrepreneurial Journal*.

2 Examples include: *Entrepreneurship Theory and Practice* (Premier, A+ quality), and (Excellent, A quality) ranked *Family Business Review, Journal of Small Business Management* and *Strategic Entrepreneurship Journal*. 