

# Power Through Partnership

Minority suppliers have become an essential ingredient for companies as they look for growth around the globe.

**C**ORPORATE CEOs are finding new ways to grow their companies in the face of a global economy that they believe won't worsen but may not expand much in the next year either. That's the takeaway from the latest annual CEO survey by PricewaterhouseCoopers.

The National Minority Supplier Development Council (NMSDC), a nonprofit corporate

In Partnership with:



**Gerardo Gonzalez,**  
Founder and  
Partner,  
Gonzalez Saggio  
& Harlan LLP

membership organization, is finding a similar view among its more than 460 national corporate members. "Some CEOs feel we've turned the corner," says Joset B. Wright, president of NMSDC, "but others see soft buying power among consumers. When these companies start hiring again in greater numbers, we'll see some real strength."

Yet even while they operate in a global economy that seems to be going sideways, companies are certain about one thing: Asian, Black, Hispanic, and Native American suppliers are essential for future growth. The ability—and need—to do business around the world means that a diverse supplier base has become a critical competitive advantage for companies of all sizes. It not only allows them to take advantage of the best and brightest for the goods and services they purchase, but it also helps them better connect with their own diverse customer base.

Because minority suppliers are typically more nimble, they are often able to move quickly when customers need change. Furthermore, by doing business with minority business enterprises (MBEs), leading corporations are helping these suppliers grow their own companies, thereby creating new jobs and

strengthening the communities in which they operate.

The numbers tell the story: According to the Census Bureau, minority-owned businesses now employ roughly 6 million people and ring up nearly \$1 trillion in revenues. As these businesses grow, they're in the best position to hire more workers who, in turn, are able to spend money in the communities in which they live and work.

That has certainly been the case with Gonzalez Saggio & Harlan, a Milwaukee-based law firm with 115 lawyers and 15 offices around the country. As a young lawyer in the late 1980s, founder Gerardo (Jerry) Gonzalez was working for a small firm in Wisconsin, mostly handling cases for individual clients. It was interesting work, Gonzalez recalls, but he had visions of something greater.

Since adding partners David Saggio and Emery Harlan in the 1990s, the firm has developed a growing client roster of leading corporations, including Microsoft, Nationwide Insurance, and Johnson Controls, to name a few.

Not that signing corporate clients has been easy. "Individuals at some companies have a preconceived notion of our capabilities as a minority-owned firm," Harlan says. But by demonstrating its talents across a

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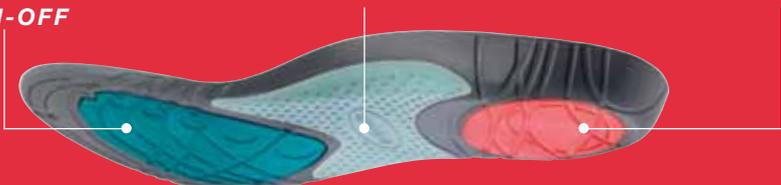
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—Joset B. Wright, President, NMSDC

broad range of practice areas, including employment and litigation, intellectual property, and environmental law, he feels the firm has shattered those misconceptions.

Interestingly, the recession actually helped—rather than hurt—the firm’s business. With companies scrutinizing spending on every level, “we started seeing clients become much more value-driven,” says Gonzalez. “They were asking for proposals and making decisions about which law firms to hire

based on merit and not which ones they might have had a relationship with in the past.”

It’s an approach that should have legs. As NMSDC’s Wright sees it, “Corporations don’t sacrifice a thing by using minority suppliers. In most cases, they offer better price, service, and value.”

As the economy continues to recover and corporations create additional jobs, the opportunities for MBEs will grow as well. Wright says NMSDC is exploring the role of venture capital financing to help fund MBEs that are finding it

difficult to raise money for expansion and capacity building. “The biggest gap we’re seeing in financing comes from large minority-owned suppliers that are looking to get even larger and take on bigger contracts,” she says.

Helping MBEs better grasp their finances is the goal of another NMSDC program. Called the Biz-Fit Challenge, it’s a free online learning tool that allows business owners to understand their business’s health, relative to liquidity, solvency, and leverage—all factors considered by lenders. “If a supplier is considering bidding on a \$1 million contract, it needs to know whether it is financially able to handle it,” Wright says. “When an MBE understands its own finances, it’s more likely to understand the financial needs of its customers.” ●

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Debra Jennings-Johnson, Director of Supplier Diversity, notes: “At BP, we continue to improve our performance and commitment to a more inclusive supply chain. Our relationships with NMSDC affiliates across the country have helped us identify minority businesses that provide products and services in very core areas of our company—engineering at the refineries, offshore transportation in the Gulf of Mexico, pipe for our pipelines, and construction, to name a few.” For more about our commitment to America, visit [bp.com/us](http://bp.com/us)

