
The State of Supplier Diversity in North Texas Study

March 2006

575 completes

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Methodology

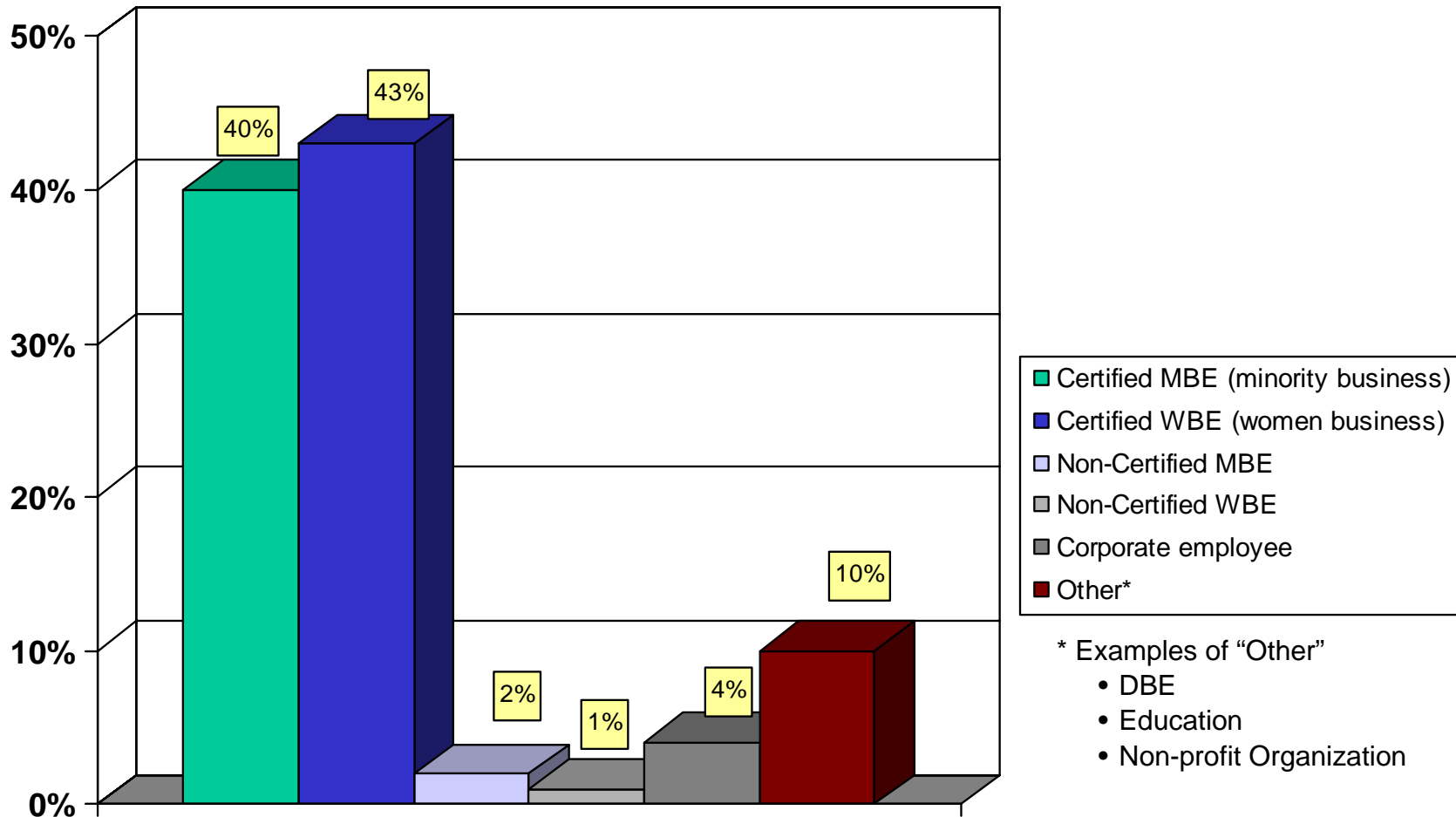
- The study objective was to determine how North Texas minority and women-owned businesses perceive the current state of supplier diversity in North Texas and how corporations rate amongst this group.
- The questionnaire was designed by a team of leaders in the supplier diversity arena.
- The target audience was minority and women-owned businesses in the North Texas area.
- Respondents were invited to participate in an on-line study through email invitations from advocacy organizations and at diversity activities in the area during March 2006.
- Reid Consulting Solutions, a North Texas based minority- and woman-owned consumer and marketing research firm, compiled the results.

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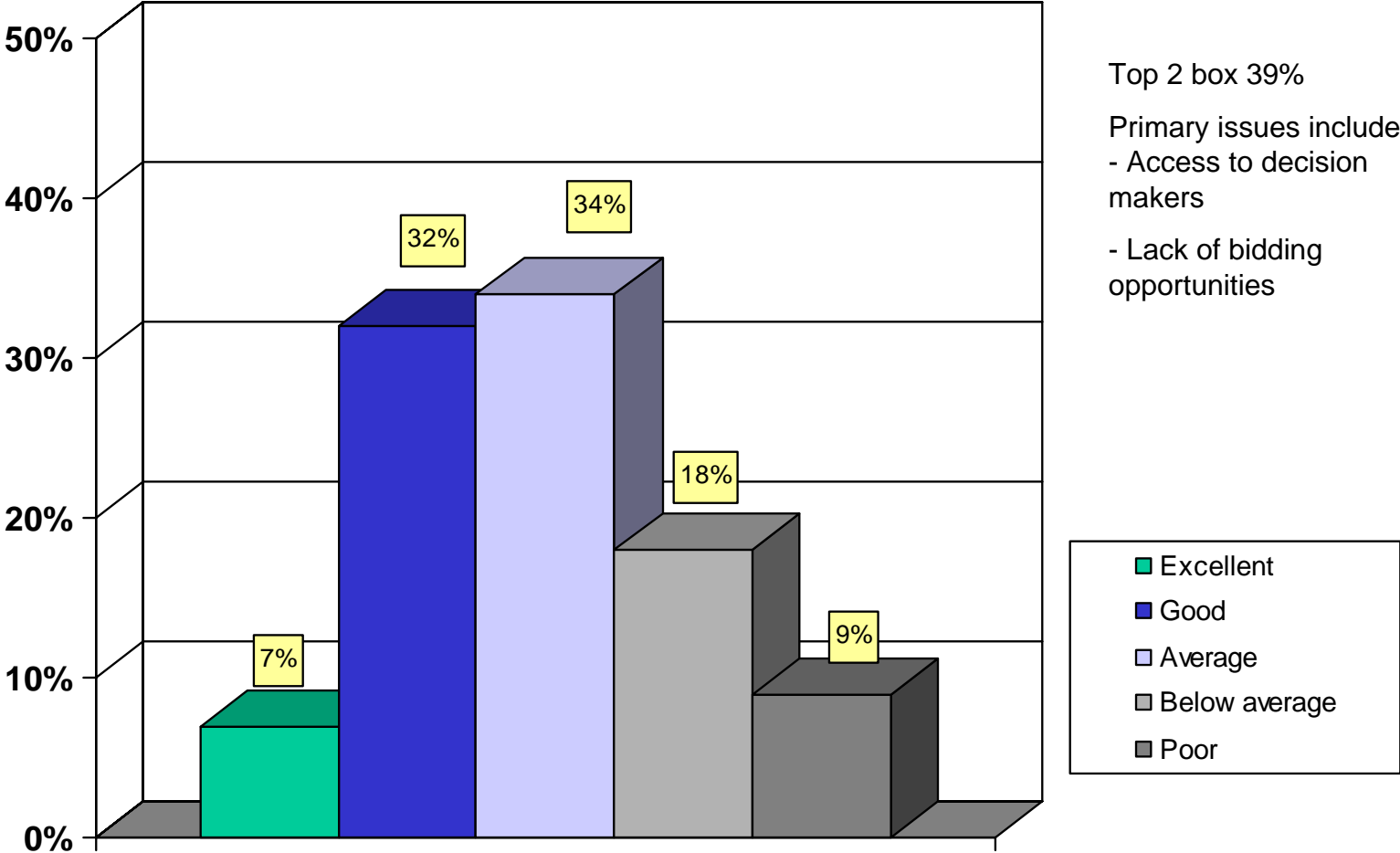
Responder Classification

Please select the category that best describes you.



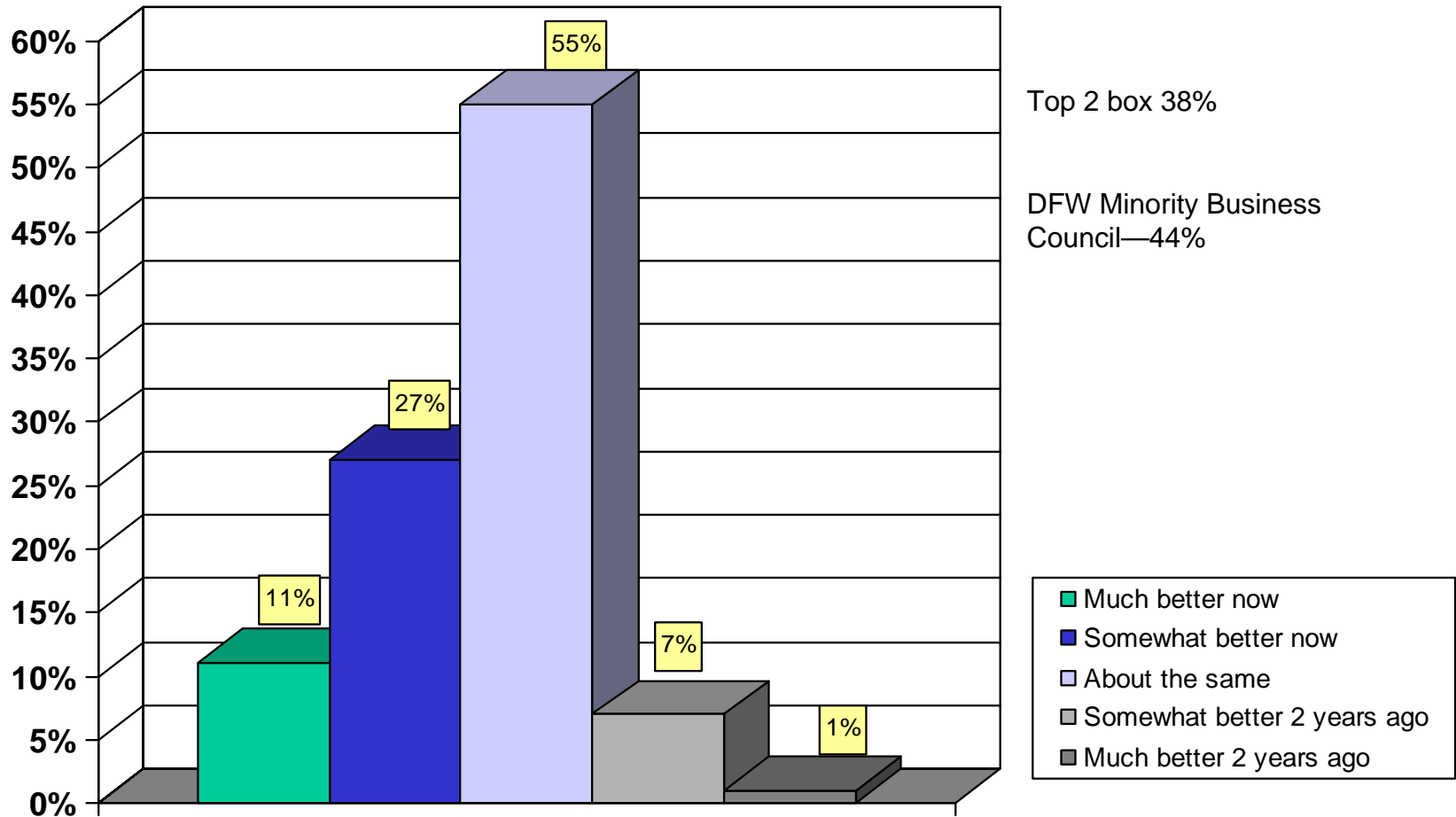
Supplier Diversity Climate

How would you rate the current climate in North Texas for corporate supplier diversity as it relates to your business?



MWBE* Business Climate

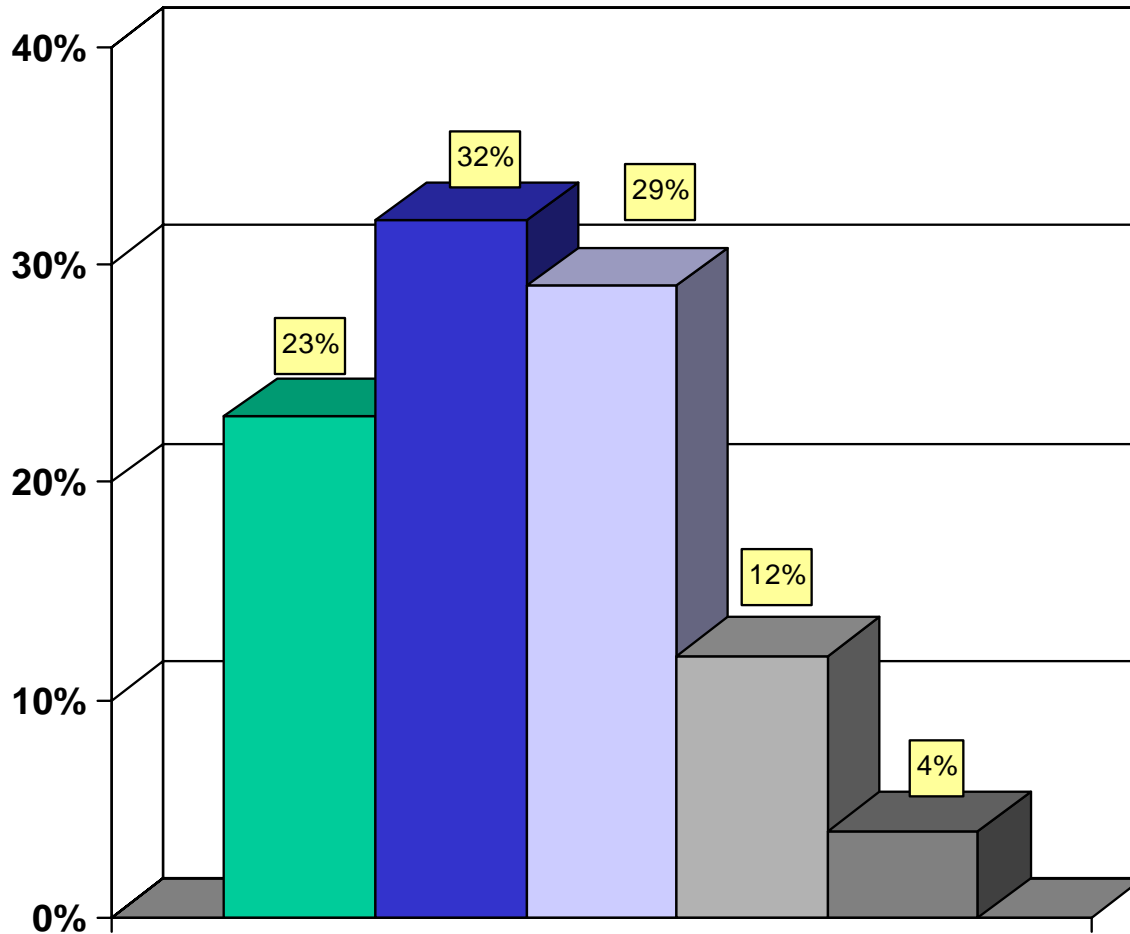
How would you rate the current MWBE business climate compared to two years ago for your business?



* Minority and Women Owned Business Enterprises

Encourage Relocation to North Texas

How likely would you be to encourage another MWBE to relocate to North Texas?



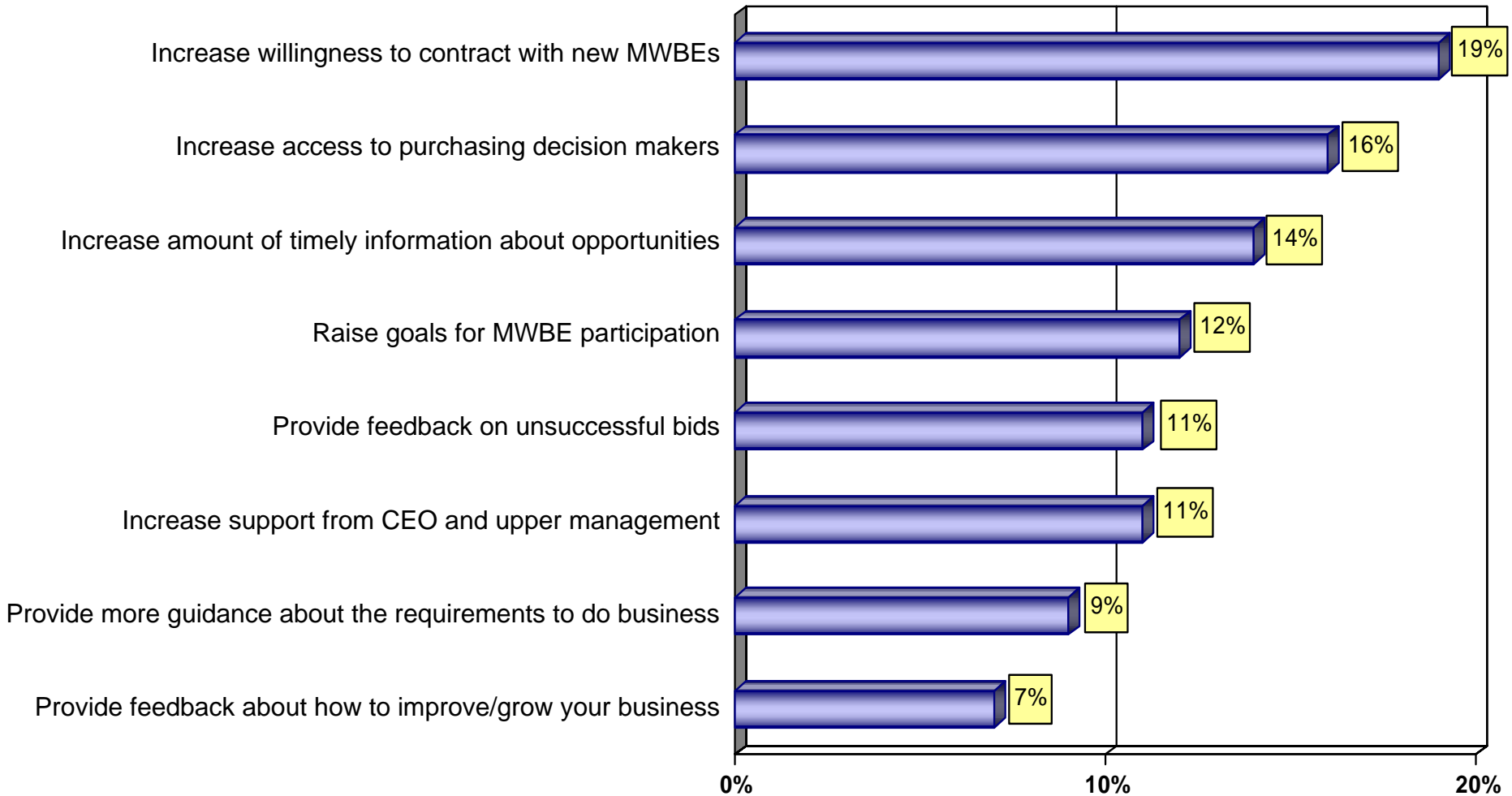
Top 2 box 55%

MBEs responded more favorably (+7% pts), in contrast WBEs responded less favorably (-8% pts).

- Very likely
- Somewhat likely
- Neither likely nor unlikely
- Not very likely
- Not at all likely

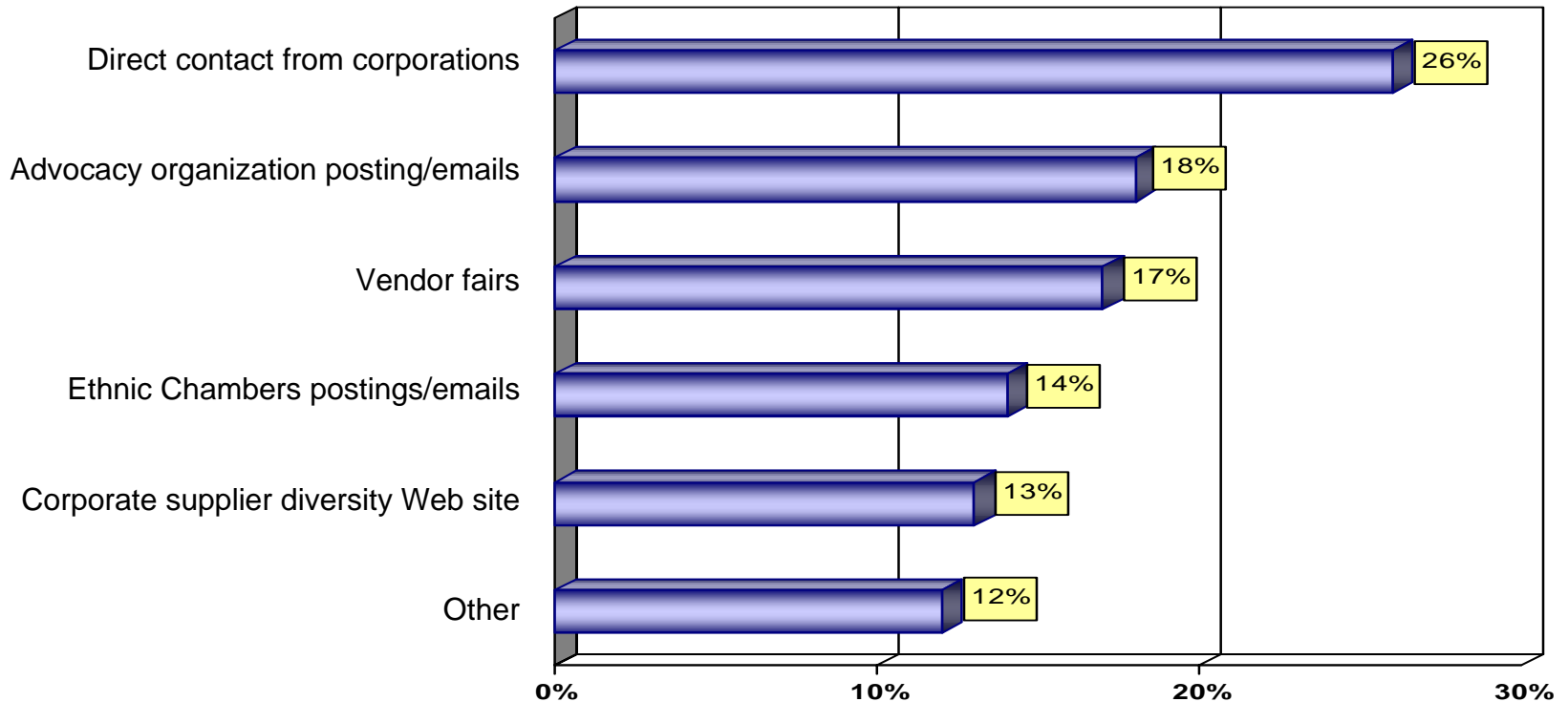
North Texas supplier diversity

How could corporate supplier diversity initiatives in North Texas be improved?



Sources of Opportunity Information

Where do you get information about business opportunities?



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Supplier Diversity Leadership

Which of the following corporations would you rate as leaders in the area of supplier diversity? Please choose your top 3 answers.



Supplier Diversity Leadership

Which corporations would you rate as leaders in the area of supplier diversity? Top 5 companies

- **American Airlines**
- **Frito Lay**
- **JC Penney**
- **Texas Instruments**
- **TXU**

Do you have experience with...

Top 5 companies

- **American Airlines**
- **Frito Lay**
- **Raytheon**
- **SBC (AT &T, Inc.)**
- **Texas Instruments**
- **TXU**

Rate Companies on...

Access to business opportunities

Top 2 box – 5 point scale

Top 5 performers:

- **Austin Industries**
- **Frito Lay**
- **JP Morgan Chase**
- **Texas Instruments**
- **TXU**

Rate Companies on...

Creativity in increasing MWBE participation

Top 2 box – 5 point scale

Top 5 performers:

- **Austin Industries**
- **Frito Lay**
- **JP Morgan Chase**
- **Texas Instruments**
- **TXU**

Rate Companies on...

Ease in registration process

Top 2 box – 5 point scale

Top 5 performers:

- **Austin Industries**
- **Frito Lay**
- **Texas Instruments**
- **TXU**
- **Verizon**

Rate Companies on...

Knowledge and supportiveness of procurement staff *Top 2 box – 5 point scale*

Top 6 performers:

- Alcatel
- American Airlines
- Austin Industries
- Frito Lay
- Texas Instruments
- TXU

Rate Companies on...

Prompt payment to vendors Top 2 box – 5 point scale

Top 5 performers:

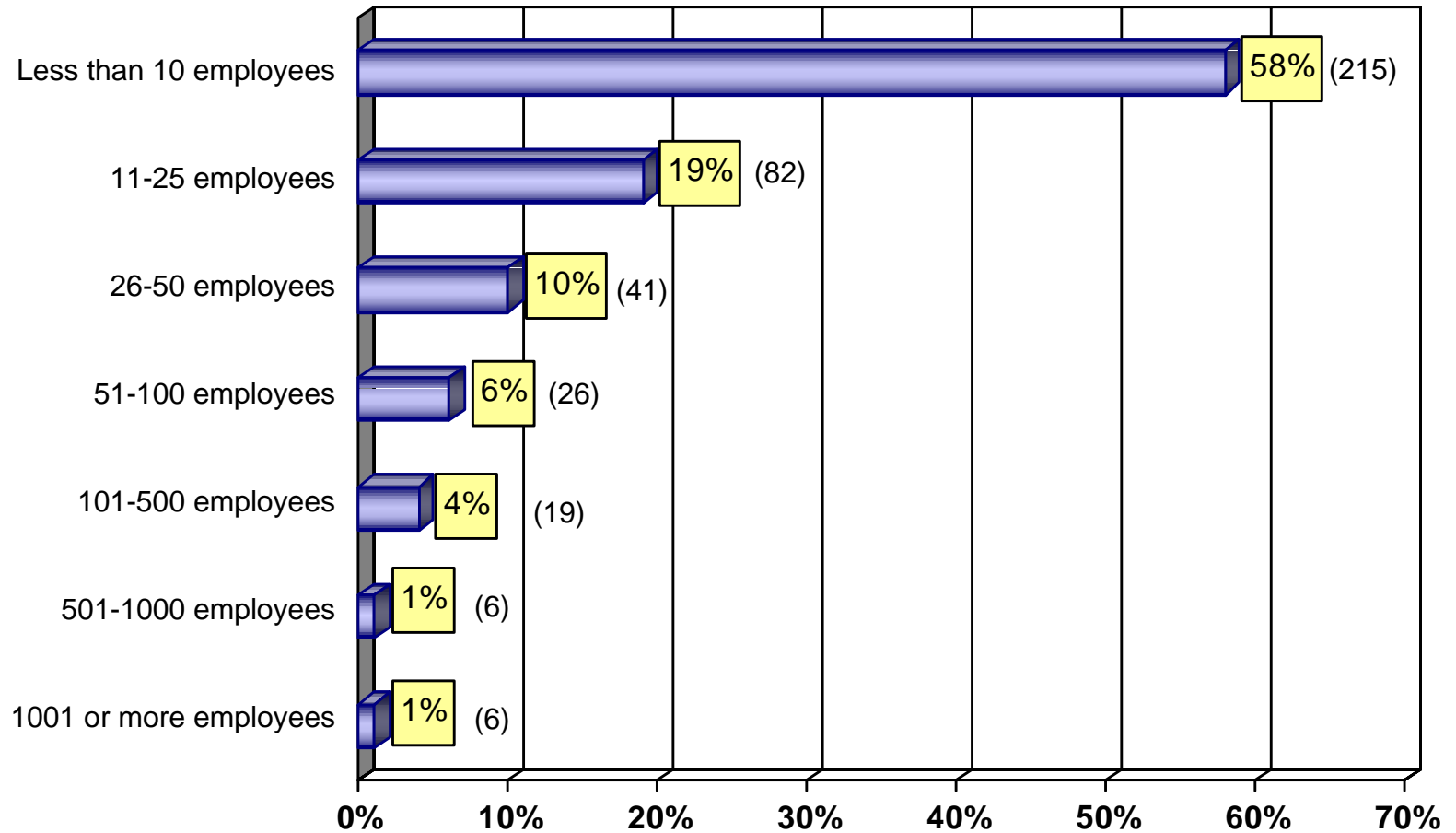
- **Austin Industries**
- **Frito Lay**
- **Raytheon**
- **Texas Instruments**
- **TXU**

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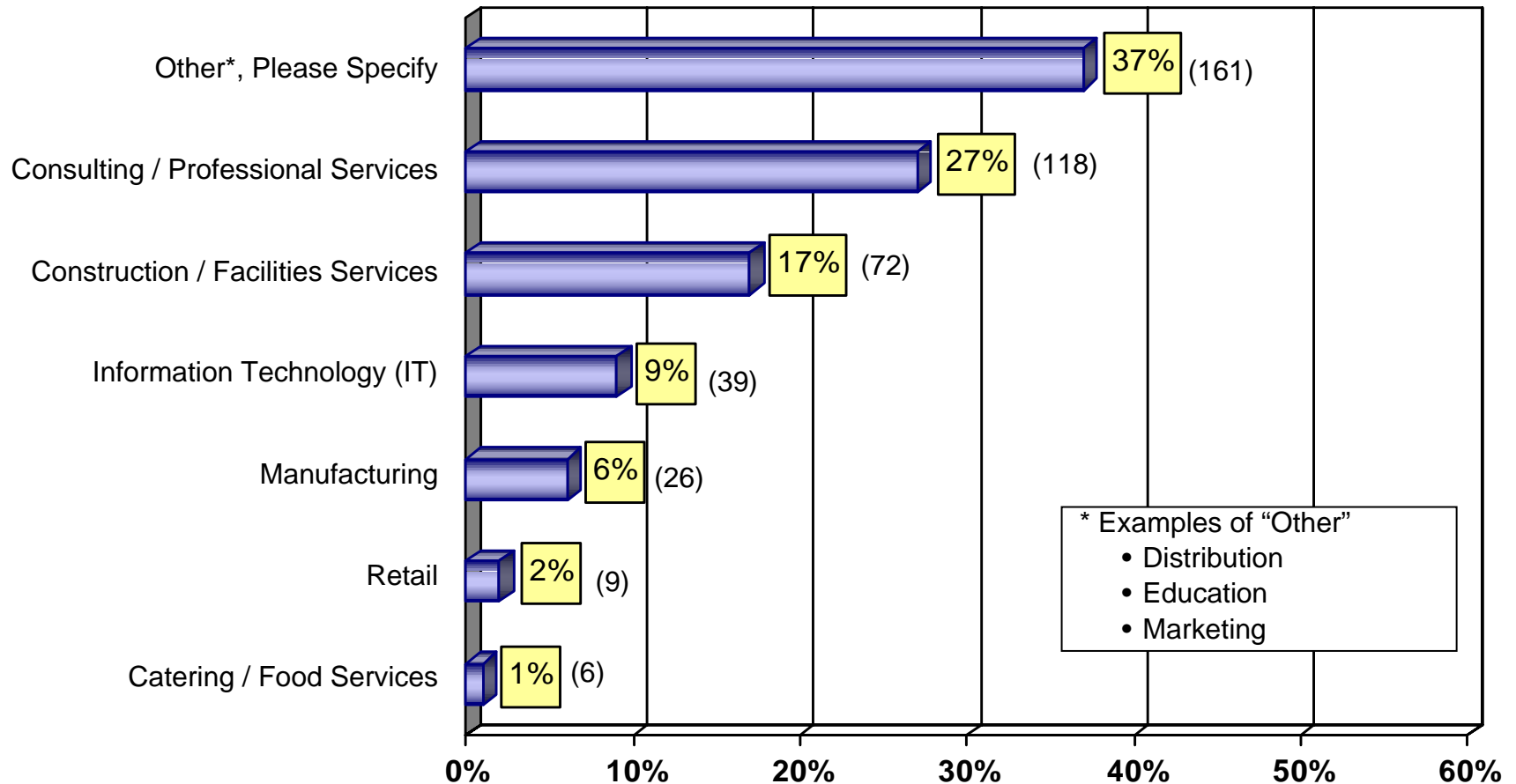
Company Size

How large is your company?



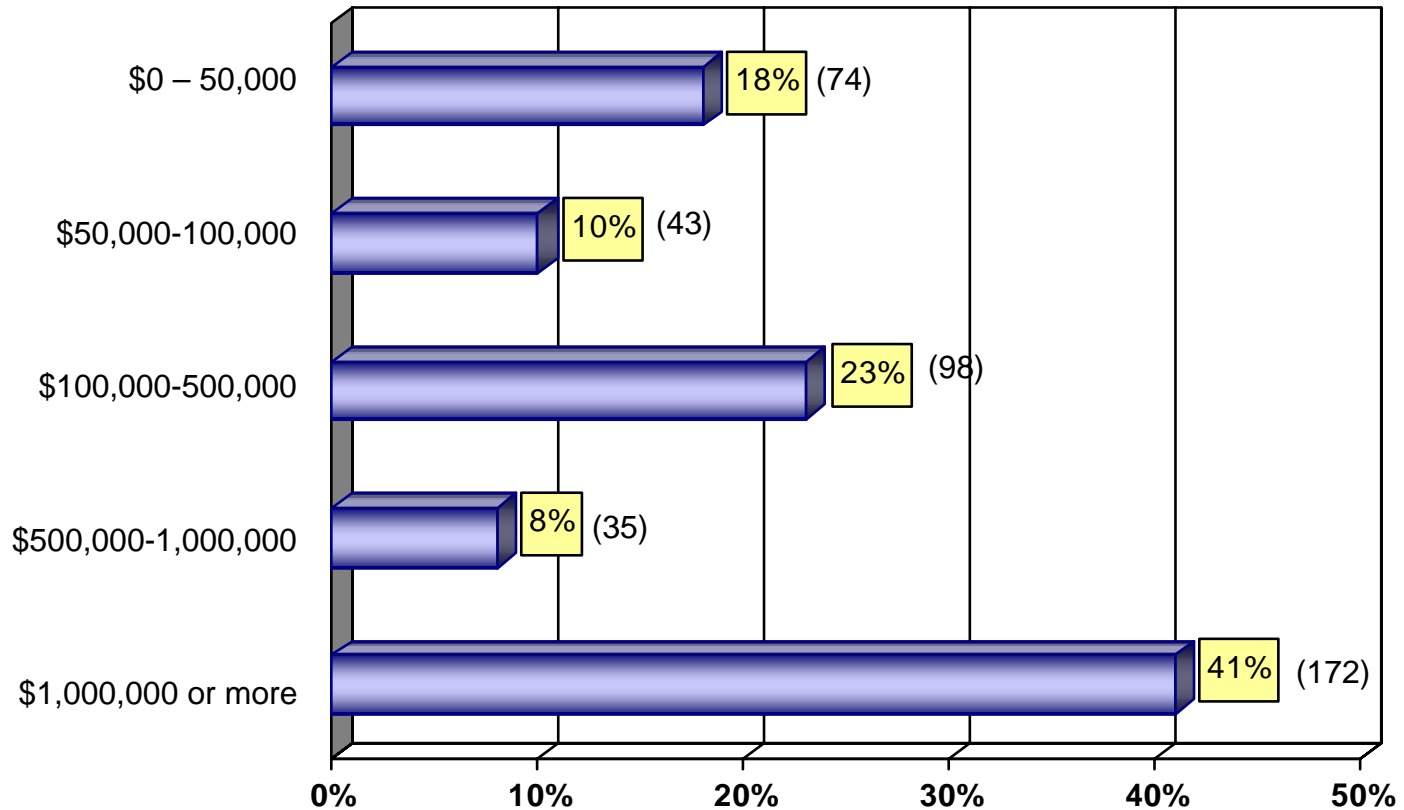
Services Provided

What type of service does your company provide?



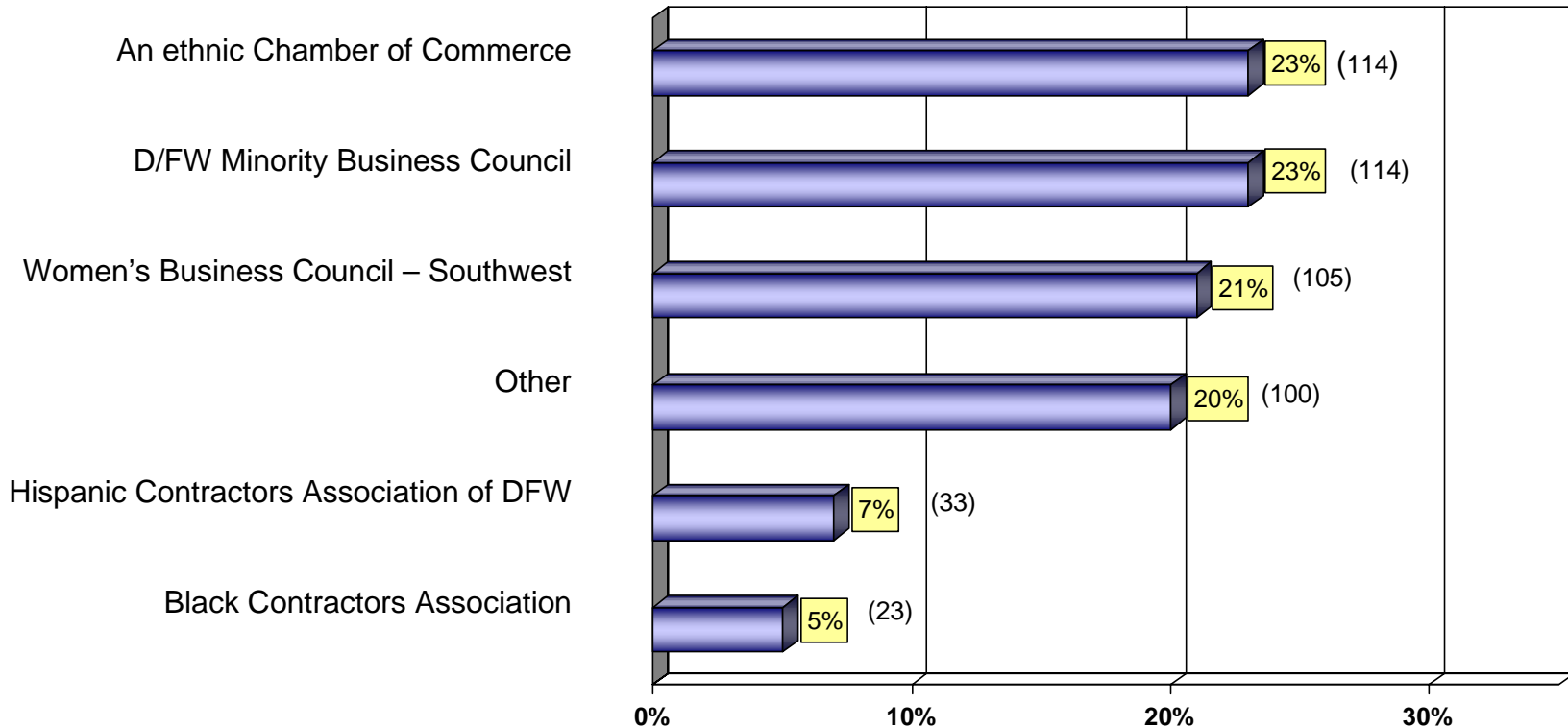
2005 Revenue

What was your company's approximate revenue for 2005?



Memberships

Of which of the following organizations are you currently a member?



- 80 MWBEs (14%) are members in more than one organization

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Overall Findings – Classification & General Opinions

- More than 80% of respondents are certified minority and women business enterprises (MWBES)
- A number of MWBES (39%) believe the current climate for corporate supplier diversity in North Texas is good or excellent. On the other hand, 27% felt the climate is below average or poor.
- MWBES feel primary areas for improvement include:
 - Lack of access to decision makers (buyers, program managers, etc.)
 - Lack of responsiveness and support from companies (follow up, on-line registration, etc.)
 - Lack of interest in adding new or smaller suppliers
 - Fewer opportunities in strategic areas (consulting, marketing, technology, etc.)

Overall Findings – Classification & General Opinions

- Although half of the MWBEs feel the business climate compared to two years ago is about the same, they are likely to encourage other MWBEs to relocate to North Texas (55%).
- Most MWBEs consider direct contact with corporations as their primary source for obtaining information about business opportunities.

Overall Findings – Large Enterprises

- American Airlines, Frito-Lay, and TI are viewed as the top three leaders in the area of supplier diversity.
- TI and TXU are rated as one of the top three performing corporations in all five performance areas.
- Half of the respondents said Frito-Lay provides very good access to business opportunities (51%).
- American Airlines is rated fourth in the “level of knowledge and support of the procurement staff” at 41%.

Overall Findings – Large Enterprises

- Half of the MWBEs reported that Austin Industries, TI and TXU are good to excellent in the areas of:
 - Access to business opportunity
 - Creativity in increasing MWBE participation
 - Knowledge and supportiveness of the procurement staff
- TI and TXU are also rated very favorably in “ease of the registration process” and “providing prompt payment to vendors.”

Status of Environment, by Advocacy Group

		Total	DFWMBC		WBC SW		Black Contr		Hispanic	Ethnic chambers		Small Companies		
Question 2: How would you rate the current climate in North Texas for corporate	Excellent	39%	10%	40%	6%	44%	8%	42%	6%	33%	8%	45%	5%	34%
	Good		31%		38%		33%		27%		37%		29%	
Question 3: How would you rate the current MMBE business climate	Much better	38%	17%	43%	11%	45%	8%	42%	7%	32%	15%	43%	10%	33%
	Somewhat better now		27%		35%		33%		25%		28%		24%	
Question 4: How likely would you be to encourage another MMBE to relocate	Very likely	55%	25%	60%	27%	50%	13%	46%	22%	53%	27%	65%	20%	50%
	Somewhat likely		35%		24%		33%		31%		38%		30%	
Average status		44%		48%		47%		43%		39%		51%		39%

Group Ratings by Performance Areas

	Access biz opps	Creativity to increase use	registration process	procurem ent staff	Prompt payment
Overall	49%	52%	48%	51%	52%
MBE	46%	52%	50%	46%	50%
WBE	50%	48%	45%	54%	52%
income low	50%	44%	39%	39%	44%
mid income	44%	50%	56%	56%	22%
high income	51%	54%	49%	53%	62%
DFW MBC	58%	60%	56%	56%	56%
WBC SW	49%	49%	51%	54%	56%
Black	71%	86%	86%	86%	43%
Hispanic	50%	44%	39%	39%	44%
Small employee	43%	40%	40%	36%	40%
Ethnic chamber	67%	64%	64%	64%	63%
construction	35%	43%	48%	48%	43%
retail	80%	80%	70%	70%	60%
other	49%	49%	49%	53%	57%

Low scores with lower income, smaller companies, Hispanic companies. Higher ratings among those who are a member of an ethnic chamber, black contractors & retail services.

Status of Environment, by Advocacy Group

Questions included:

How would you rate the current climate in North Texas for corporate supplier diversity as it relates to your business?

How would you rate the current MWBE business climate compared to two years ago for your business?

How likely would you be to encourage another MWBE to relocate to North Texas?

Overall Averages by Advocacy Group

Average of survey overall	44%
DFW Minority Business Council	40%
Women’s Business Council Southwest	47%
Black Contractors’ Association	43%
Hispanic Contractors Association	39%
Ethnic Chambers	51%

Those who participate in ethnic chambers rate the status of corporate supplier diversity highest, 7 points higher than the average.

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