

**SECOND TIER:  
MAXIMIZING OPPORTUNITIES  
FOR MINORITY-OWNED BUSINESSES  
GUIDELINES**

**National Minority Supplier Development Council**

**May 1998**

## INTRODUCTION

The National Minority Supplier Development Council recently formed a Task Force to review issues related to Second Tier Initiatives, and to recommend guidelines. This kind of information has been requested frequently by NSMDC's national corporate members and others, and we feel it will clarify many of the steps for successful implementation.

These guidelines were prepared utilizing the experience and knowledge of the task force members, along with input from various other NMSDC corporate members and industry groups.

The Task Force was chaired by Phyllis A. McCarley, manager of supplier diversity at IBM. We are grateful to Ms. McCarley and the other members of the Task Force for a job well done: Fred Canady, The Pepsi-Cola Company; Benita Fortner, Raytheon Services Company; Debra Jennings-Johnson, Amoco Corporation; Renaldo M. Jensen, Ford Motor Company; Clifton Miller, GTE Corporation and Murray Schooner, UNISYS Corporation. Ralph G. Moore, of Ralph G. Moore & Associates, served as facilitator.

NMSDC's Board of Directors approved the Task Force's report at its May meeting. We are pleased to share this important information with you.

Harriet R. Michel  
President  
National Minority Supplier Development Council

## **NMSDC Second Tier Initiative Guidelines**

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## NMSDC Second Tier Initiative Guidelines

**Purpose** The Customer's Second Tier Initiative for Minority Business Enterprise exists to maximize opportunities for MBEs to participate as suppliers of products and services to the Customer.

The Second Tier Initiative serves as an enhancement to, and not as a replacement for, existing efforts aimed at increasing meaningful opportunities for MBEs to participate as First Tier Suppliers. Federal regulations require that First Tier Suppliers are encouraged to engage minority and women business enterprises in subcontracts in all categories with subcontracting opportunities. This is the practice with private industry as well.

**Scope** These recommended Guidelines address the issue of reporting Second Tier MBE results to internal and external audiences. The Guidelines apply to supplier diversity programs/strategies that aspire for consideration as "Best-in-Class." Many existing, as well as new, Second Tier Initiatives, however, will require time and internal process changes to evolve to "Best-in-Class" status. These guidelines represent desired objectives for "Best-in-Class" Initiatives. Consequently, these Guidelines represent a standard to assist current and emerging Second Tier Initiatives in their development process.