

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



**NATIONAL
MINORITY
SUPPLIER
DEVELOPMENT
COUNCIL**

Guidelines For Second Tier Initiative:

**Maximizing Opportunities
For Minority-Owned Businesses**

National Minority Supplier Development Council

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FOREWORD

The National Minority Supplier Development Council formed a task force to review issues related to creating viable second tier programs and updating its 1998 guidelines. Information related to second tier programs has been frequently requested by NMSDC's national corporate members and others. The NMSDC believes that this document will help address many prevailing issues and provide guidelines for successful implementation of second tier programs. 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.

Jethro Joseph, Senior Manager for Diversity Supplier Development at DaimlerChrysler, chaired the task force. We are grateful to other members of the task force for a job well done. They are as follows:

Michael Bush	Lockheed Martin Corporation
Fred Canady	PepsiCo, Inc.
Lenny Clark	United Parcel Service, Inc.
John Coyle	Verizon Communications, Inc.
Greta Davis	Time Warner, Inc.
Benita Fortner	Raytheon Company
Joel Gamboa	Exxon Mobil Corporation
Cassandra Charles-Gerst	United Technologies Corporation
I. Javette Jenkins Hines	IBM Corporation
Reginald Layton	Johnson Controls, Inc.
Johnny Lewis	Lucent Technologies, Inc.
Sharon Patterson	Kraft Foods, Inc.

In addition, special thanks to Ralph G. Moore of RGMA, Inc. and Donna Long of NMSDC for their efforts with facilitating the work of the task force. We are pleased to share this important information with you.

Harriet R. Michel
President
National Minority Supplier Development Council, Inc.

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1.1 PURPOSE

This initiative is to update and enhance the guidelines for implementing second tier minority supplier development programs (“Second Tier Initiative”). In addition, it addresses some of the frequently discussed second tier sourcing concerns and issues of corporate members and Minority Business Enterprises (MBEs). The Second Tier Initiative seeks to increase the opportunities available to MBEs.

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 suppliers (doing business with the Federal Government) are encouraged to engage minority business enterprises in subcontracts in all commodity categories with subcontracting opportunities. This is the practice with private industry as well.

1.2 SCOPE

These recommended guidelines address the implementation issues (such as reporting, goal setting, business case, incentives and measurements) involved with Second Tier supplier diversity programs. The Guidelines will help evolve supplier diversity programs into leading and well-executed programs that maximize MBE opportunities. Consequently, these Guidelines represent an approach and standard to assist current and emerging Second Tier Initiatives in their development process.