



Building a Minority-Owned Supplier Network

Chemico Mays

- Chemico Mays is a minority owned business dedicated to providing Chemical Management Services to a wide range of markets.
- The company was formed as a joint venture between Chemico Systems and Mays Chemical to combine chemical management and chemical distribution and logistics expertise.
- Currently provides Chemical Management Services in the Automotive, Education and BioTech/Pharma sectors

Chemico Mays

- Key Member of the Chemical Management Community
 - CMS Forum Executive Board Member
 - Supplier Partnership for the Environment
 - General Motors Mentored Chemical Manager

- Leader of the Minority Business Community
 - Member of Michigan Minority Business Development Council
 - Founding Member Michigan Minority Chemical Association
 - National Minority Business Development Council - Supplier Of The Year – 2004

ChemicoMays Facilities

➤ Warehouses

- Indianapolis, IN
- Newark, NJ
- Atlanta, GA
- Chicago, IL
- Fresno, CA
- Puerto Rico

➤ Manufacturing Plants

- Chesterfield, MI
- Wentzville, MO
- Indianapolis, IN



Headquarters
Indianapolis, Indiana



Why Minority Procurement?

- Many corporate policies require commitment to procurement from minority supplier
- Meet the compliance requirements for government regulations
- Public relations benefits / Good corporate citizen
- Minority suppliers and their employees become customers
- Minority suppliers provide value added products and services
- Small businesses are the faster growing segment of the economy
- National demographics continue to show increasing minority population

Automotive Chemical Management

- ◆ Because of the lack of approved first tier minority owned chemical management providers, General Motors instituted a policy to mandate minority procurement.
- ◆ Tier I suppliers resisted inclusion of minority owned businesses for a variety of reasons
 - Tier I suppliers didn't have established minority supply base
 - Lack of information regarding approved products and suppliers
 - Tier I supplier feared reduced flexibility and competitiveness

The Solution: MMCA

Michigan Minority Chemical Association

Caravan Technologies

Chemico Systems

ChemPak

Chrysan Industries

Diversified Chemical

Haines Corporation

Mays Chemical

2V Industries

Mission Statement

As a group of qualified second Tier suppliers we will assist our customers in achieving Chemicals Management initiatives and their minority purchasing goals through a cost, quality and service driven supply chain.

This will allow General Motors and the participating 1st Tier and MBE vendors to focus all their energies and core competencies on the Chemicals Management Strategy

Our Goals

- ❑ Establish an internal support group for the minority community that will allow members to share synergies through their varied experiences
- ❑ Increase member capabilities through communications and development
 - Technology
 - Procurement Administration
 - Quality Control & Analytical Services
 - Cost Control Management
 - Delivery & Logistics
 - Chemical Storage
- ❑ Share and leverage resources (e.g., laboratory, mfg., shipping)
- ❑ Help GM meet its Chemicals Management initiative and minority purchasing goals

Strategy

- ❑ Work with GM to gain a clear understanding of GM target for 2nd tier chemical management minority purchases
- ❑ Establish a stakeholders advisory board to develop tactics and procedures to fulfill the target
- ❑ Composition of the advisory board consists of representatives from General Motors, representatives from MMCA and representatives from the Tier I chemical management community

Process

The MMCA along with the advisory board performs the following functions to increase minority involvement

- Funnel requests for new products through the MMCA
- MMCA members submit proposals for products and services to the Tier I providers and General Motors
- Foster relationships between Tier I providers and the MMCA members
- Track and report minority spending (MMCA and non-member minority owned suppliers) of all Tier I chemical managers

Challenges

The primary challenge was to convince the Tier I community that the MMCA would add value in addition to meeting minority objectives. This challenge was met in the following ways:

- ❑ Maintained competitive pricing within the MMCA by including multiple suppliers of similar commodities
- ❑ Include specialty and niche providers with unique products and technology
- ❑ Assist Tier I providers in meeting their cost reduction and environmental goals
- ❑ Provide the highest level of quality and service available

Building on Success

The success of Minority Supplier Networks in other areas or industry segments will depend on the following factors:

❑ Selection of members

- Understand the Chemical Management concept
- Offer value added products and services
- Provide unique technology or superior service
- Overlap of products and services to maintain competitiveness

❑ Mentoring customer or industry association

- Committed to minority participation
- Utilizes Chemical Management Services
- Monitors and enforces minority participation in their programs