

Reimagine  
Realizing  
Reaching  
Richer  
Rewarding  
Romance  
Responsible  
Rock 'n' Roll  
Relaxing  
Reforming  
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# SUPPLIER DIVERSITY 2.0

## *Our Path to Success*

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- Why?
- Defining diversity
- Understanding the current state
- Identifying our goals and objectives
- Boosting external community presence and visibility
- Measuring and celebrating success
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## Why?

When asked “why AARP has a supplier diversity program,” we want our associates to respond with a common answer, linking the program to our social mission, organizational culture, and enterprise strategy.

*“The AARP supplier diversity program resides at the intersection of who we are, what we do, and how we do it.”*

- Kimberly Marcus, Director, Supplier Diversity



## Why?

A supplier diversity program is directly linked to our mission and why we exist. AARP not only works with diverse suppliers, we serve them, by helping them grow their businesses and promote them in the marketplace.

*“AARP enhances the quality of life for all as we age. We champion positive social change and deliver value through advocacy, information and service.”*

- Our AARP Mission Statement

*“I truly believe that age and experience can expand the possibilities in life for every member of our society. By working together toward a common vision and goal, we can create a nation where all people—of every background, income or social status—can discover their real possibilities for living a life of independence, dignity and purpose. That’s why engaging people of all backgrounds and cultures is not only a vital piece of our community strategy, it is also an integral part of our business model.”*

- Our CEO, Jo Ann Jenkins



## Why?

We value, champion, and celebrate diversity in our membership and our workforce. With our supplier diversity program, we also value, champion, and celebrate diversity in our supply base.

**“AARP, as an organization and as an employer, values and champions the broad diversity of our membership and our workforce.”**

- Our HR Inclusion and Diversity Statement

**“What we do, we do for all.”**

- Our Founder, Ethel Percy Andrus



## Why?

The AARP supplier diversity program directly supports the three growth pillars of our enterprise strategy: relevance, impact, and revenue. A diverse supply base is a key source of innovation and perspectives that enable AARP to:

- Continue to build and strengthen a culturally competent organization;
- Deliver quality products and services that are culturally appropriate;
- Delivering those goods and services in a responsive, engaged and competitive manner, freeing up financial resources to help grow impact;
- Demonstrate relevance to an increasingly diverse 50+ population;
- And, reach sound conclusions and make enriched decisions related to our strategic direction in support of our vision and mission.



## Defining Diversity

The definition of diversity has evolved and broadened over time to be more inclusive and relevant. The following groups are included in the scope of our AARP supplier diversity program:

- Minority-owned businesses (51% or greater ownership)
  - *African American*
  - *American Indian or Alaska Native*
  - *Hispanic or Latino*
  - *Native Hawaiian or Other Pacific Islander*
  - *Asian*
- Women-owned businesses
- Disabled-owned businesses
- Lesbian, Gay, Bisexual, and Transgender-owned businesses (LGBT)
- Veteran and Service Disabled Veteran-owned businesses
- Small, Disadvantaged and HubZone businesses

## AARP Current State

AARP's 2017 performance with 18.0% of in-scope spend with certified small and diverse businesses places us in the "best-in-class" category of most benchmarks.

### Benchmarks

- a) The Hackett Group designates "World Class" as 13.3% or higher, with typical companies at 10%
- b) ISM CAPS Research reports average companies at 13.9% with the median being 9.5%
- c) The Billion Dollar Roundtable's Top 20 have an estimated 10.3% and reports an average of all Fortune 500 companies as 3%
- d) The Corporate Executive Board reports an average of 12%
- e) The Federal Government has a goal of 5% with both MBE's and WBE's, and 3% with SDVET/VET

## Identifying our Goals and Objectives

AARP is already performing at a “best-in-class” level. At a minimum, we seek to achieve 15% or more of our annual spend with certified small and diverse businesses to maintain that leadership status. We also seek to increase other key metrics year-over-year.

- Metrics for the program:
  - Total number of diverse suppliers we do business with by segment
  - Breadth of categories and penetration levels within categories of spend
  - Total dollars spent with diverse suppliers, in the aggregate and at the BU level
  - The number of bid events that include diverse suppliers

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## Strategic Partners and Relationships

Partnering with like-minded organizations seeking to achieve the same or similar goals bolsters and accelerates AARP's program, and helps us be more impactful. AARP has joined and participated with the following organizations:



National Minority Supplier  
Development Council



Women's Business Enterprise  
National Council



Minority Business  
Development Agency



National Gay and Lesbian  
Chamber of Commerce



US Hispanic Chamber of  
Commerce



Women Presidents'  
Educational Organization



US Pan Asian Chamber of  
Commerce



The Elite Service Disabled Veteran  
and Small Business Network



US Black Chamber of  
Commerce



National Black Chamber of  
Commerce



U.S. Business Leadership  
Network



Senior Entrepreneurship  
Works

## Measuring and Celebrating Success

The supplier diversity team provides annual tracking of results at the enterprise and business unit level. We host an annual awards and recognition event to honor our top performing diversity suppliers, business units, departments, and internal champions.

- We track the level of spend by supplier, diversity segment, category of spend, and business unit – along with the number of suppliers and spend category penetration rates
- Reporting is presented in the context of historical performance, versus current year targets and goals
- We track tier one spend
- We also track spend with those companies that are “certified” by a 3<sup>rd</sup> party

## AARP In Action

AARP has been recognized for the outstanding work they have done in the multicultural and supplier diversity space.

- Kimberly received the 2015 Certificate of Distinction from Rainbow PUSH Coalition for Leadership and Commitment to the multicultural community
- In 2015 Kimberly was featured in MEA magazine for Women in Supplier Diversity Making a Difference
- 2016 Supplier Diversity Corporation of the Year by the U.S. Black Chamber of Commerce
- 2016 Supplier Diversity Corporation of the Year by the Capital Region Minority Supplier Development Council
- In 2016 Kimberly was recognized by Women Presidents' Educational Organization as a leader in supplier diversity
- 2017 Supplier Diversity Veteran Champion of the Year Award from the Elite Service Disabled Veteran-Owned Business Network
- Kimberly was recognized by Diversity Plus Magazine as 2017 Top 25 Women in Power Impacting Diversity
- In 2017 Kimberly received an award recognition from MEA (Minority Enterprise Advocate) as a Women of Leadership & Power
- Jo Ann Jenkins was recognized by the National Minority Supplier Development Council as an outstanding woman during Black History Month 2018
- Kimberly was recognized by the National Minority Supplier Development Council as an outstanding woman during Women's History Month 2018
- 2017 and 2018 recipient of the OMNIKAL (formerly Diversity Business) Top 50 Companies for Multicultural Inclusion