

QuEST

Supplier Diversity Excellence

Section 1 – Introduction

Supplier diversity is a best practice within the telecommunications industry. On June 7, 1999, at SUPERCOMM, 14 of the major worldwide telecommunications suppliers and service providers issued a "Diversity Challenge" asking other telecommunications companies to join them in moving towards "World Class" supplier diversity programs and annual supplier diversity results of 10% M/W/DVBE procurement. At SUPERCOMM 2000 an additional 34 companies joined the "Diversity Challenge." As telecommunications companies expand communications capabilities throughout the world, they plan to continue their 30-year history of including and developing minority-owned, women-owned and disabled veteran-owned suppliers (M/W/DVBEs) in the telecommunications supply chain.

This *Supplier Diversity Excellence Best Practice and Maturity Assessment Scale* was developed by the supplier diversity subcommittee of the QuEST Forum. It is intended to assist QuEST members to better meet customer supplier diversity requirements. It is also intended to assist companies in assessing their supplier diversity initiatives with an approach consistent with TL9000 standards. It contains elements that are important to a successful, world-class initiative and will allow the user to highlight areas for improvement.

The Maturity Assessment Scale allows suppliers to score responses to the criteria items and develop feedback based upon four levels of maturity: (1) Best-In-Class; (2) Advanced and (3) Emerging.

A telecommunications “Best Practice” with specific supplier diversity elements associated with the evaluation levels are described in Section 2. The scoring system for the Maturity Assessment Scale is described in Section 3. A Maturity Assessment Form is provided in Appendix A. A Glossary is provided in Appendix B.

1.1 Goals

The goals of the *Supplier Diversity Excellence Best Practice and Maturity Assessment Scale* are to:

- Assist suppliers in understanding and meeting customer requirements for supplier diversity performance
- Foster an awareness of the linkage between quality-focused supply chain re-engineering (optimization) and the inclusion of diversity suppliers in that supply chain
- Foster supplier diversity initiatives that enhance the quality of telecommunications products and services
- Establish and maintain a common set of telecommunications supplier diversity standards
- Reduce the number of disparate telecommunications supplier diversity standards
- Drive continuous supplier diversity improvement
- Enhance service provider, original equipment manufacturer (OEM), distributor and sales channel (VAR) relationships with diversity suppliers

1.2 Purpose

The purpose of the *Supplier Diversity Excellence Best Practice and Maturity Assessment Scale* is to define the telecommunications standards for the design, development and maintenance of supplier diversity initiatives.

1.3 Benefits

- Enhanced end-customer satisfaction both business-to-business and business-to-consumer
- Increased profitability through process improvements, revenue generation and cost cutting
- Improved speed to market and enhanced market penetration
- Uniform criteria for supplier diversity maturity assessment
- Increased focus on supply chain (manufacturing) re-engineering for quality improvement
- Enhanced outsourcing analysis

1.4 Approach

The supplier diversity subcommittee of the QuEST Forum used a broad-based and diverse team approach to developing this Best Practice and Maturity Assessment Scale. The supplier diversity subcommittee included both Quality experts and Supplier Diversity experts from all aspects of the telecommunications industry. Included on the team were service providers, manufacturers, distributors and value-added resellers. The subcommittee also included both majority-owned and diversity-owned companies.

Note A: Throughout this document any reference to “Diversity Supplier” includes diversity-owned companies involved anywhere in the supply-chain from the supply of goods and services to equipment manufacturers to sales channel (value-added resellers) and distribution of finished goods and enhanced services.

Section 2 – Best Practice

Element 1 – Policy

The supplier's executive management defines and documents its supplier diversity policy, including performance goals for supplier diversity utilization and its commitment to continually improve supplier diversity utilization. Some of the key best practice policy elements are described in this section.

2.1 Supplier Diversity Policy

The supplier's executive management has established, documented and is maintaining a supplier diversity policy as a means of ensuring that supplier diversity utilization conforms to customer requirements.

Key elements of supplier diversity policy include:

- 2.1.1 The policy is supported by a clearly articulated supplier diversity business case based on customer requirements and value to the corporation
- 2.1.2 There is a written supplier diversity corporate policy that clearly defines executive management commitment, measures of success and is ratified by the CEO or other executive management with the authority to set policy
- 2.1.3 Supplier diversity policies are aligned with the overall corporate mission, goals and objectives
- 2.1.4 Supplier diversity policy emanates from a business/marketing strategy and is not framed as a social welfare policy
- 2.1.5 Supplier diversity policy promotes the inclusion of diversity across all corporate operations

2.2 Management Support

The supplier's management assures that supplier diversity policy meets customers' requirements and is relevant to the supplier's organizational goals. The management also assures that the corporate supplier diversity policy is understood, implemented and maintained at all levels of the organization.

Key elements of management support include:

- 2.2.1 There is a written statement from the President or CEO promoting the supplier diversity policy
- 2.2.2 Corporate officers and senior management demonstrate internally and externally their commitment to supplier diversity
- 2.2.3 There is an executive-level champion who is accountable for supplier diversity success
- 2.2.4 Adequate supplier diversity budget, resources and support staff are established
- 2.2.5 Business unit and/or departmental supplier diversity advocates are established
- 2.2.6 Input from supplier diversity advocacy groups is included in supplier diversity development policy and program
- 2.2.7 Supplier diversity events and seminars are actively supported
- 2.2.8 Internal and external supplier diversity successes are recognized and supported

2.3 Management Review

The supplier's management reviews the supplier diversity program initiatives at defined intervals sufficient to ensure their continuing suitability and effectiveness in satisfying the requirements of the customer's stated supplier diversity policies and goals. Records of such reviews are maintained.

Key elements for management review include:

- 2.3.1 There is an executive advisory council/committee composed of key departmental stakeholders to drive continuous improvement in supplier diversity
- 2.3.2 All levels of management are accountable for supplier diversity performance and performance is measured and reported at a business unit and/or departmental level
- 2.3.3 Business unit and/or departmental supplier diversity performance reviews are conducted regularly

Element 2 – Planning

Best practice in supplier diversity planning includes a corporate plan, customer specific plans and development plans. Some of the key elements of these plans are described in this section.

3.1 Corporate Plan

The supplier has prepared a supplier diversity plan that defines and documents how the corporate supplier diversity policy will be implemented and how customer requirements for supplier diversity will be met.

Key elements of the corporate plan include:

- 3.1.1 Supplier diversity goals and measurement are an integral part of the overall corporate business planning process and are linked to other key corporate goals
- 3.1.2 Supplier diversity performance requirements are included in business unit and/or departmental objectives and budgets
- 3.1.3 Supplier diversity performance encompasses all aspects of the supply chain and applies to all products and services
- 3.1.4 The corporate supplier diversity plan is reviewed by executive management on a regular basis
- 3.1.5 Controls, processes, equipment, fixtures, resources and skills that are needed to achieve the required supplier diversity performance are identified and acquired
- 3.1.6 Supplier diversity planning, documentation and implementation meet the requirements of the supplier's quality system

3.2 Customer Specific Plans

The supplier has defined and documented how customer specific supplier development plans will be implemented and customer requirements for supplier diversity utilization will be met.

Key Elements of customer specific plans include:

- 3.2.1 The customer supplier diversity plans are detailed and specific and includes the delineation of products and services to be contracted or subcontracted to diversity suppliers as well as the names of intended contractors, subcontractors, distributors and/or sales channels (VARs)
- 3.2.2 The customer specific planning activities include long-term and short-term plans with goals for improving customer satisfaction. These can include:
 - a) Cycle time reduction
 - b) Customer service improvement

- c) Cost reduction or avoidance
- d) Delivery cycle reduction
- e) Product availability improvement

3.2.3 Customer specific plans, documentation and implementation meet the requirements of the supplier's quality system

3.3 Development Plans

The supplier prepares plans for each contractor, subcontractor, distributor and/or sales channel (VAR) development activity. The plans describe or reference development activities and define responsibility for their implementation. The planning and development activities are assigned to qualified personnel equipped with adequate resources. The plans are updated as the contractor, subcontractor, distributor and/or sales channel (VAR) development evolves.

Key elements of development plans include:

3.3.1 The company has established and maintains contractor, subcontractor, distributor and/or sales channel (VAR) development plans based upon the defined performance goals. The plans include:

- a) Plan development and implementation organization structure
- b) Plan development and implementation roles and responsibilities
- c) Interfaces with internal and external organizations
- d) Means for scheduling, tracking, issue resolution and reporting
- e) Budgets, staffing and schedules associated with plan activities
- f) Methods, standards, documented procedures and tools to be used
- g) Customer, user and/or internal organization involvement during the plan development and implementation (e.g., joint reviews, informal meetings and approvals)
- h) Specific training required to implement the plans
- i) Required certifications
- j) Proprietary, usage, ownership, warranty and licensing rights
- k) Post-plan implementation analysis

3.3.2 Diversity suppliers are included in all standard sales and/or supplier processes e.g., quality award programs, report cards, etc.

3.3.3 Where applicable, joint supplier improvement team are formed with internal customers and cross-functional organizations

3.3.4 Development plans meet the requirements of the supplier's quality system

Element 3 – Processes

The supplier has clearly defined and documented processes that implement policy and achieve specified goals. These processes assure realization of the corporate plan, customer specific plans and development plans. Some of the key best practice process elements are described in this section.

4.1 Internal Communication

The supplier has established and maintains methods for communicating supplier diversity policy, plans, processes, metrics and results.

Key elements of internal communication include:

- 4.1.1 Internal customer feedback is regularly solicited and utilized to drive process improvement
- 4.1.2 Company-wide awareness of supplier diversity is promoted via brochures, videos, newsletters, web site etc.
- 4.1.3 Supplier diversity information is disseminated to internal customers on a regular basis
- 4.1.4 On-going supplier diversity education is provided to corporate business units and/or departments
- 4.1.5 Supplier diversity education is included in new employee orientation
- 4.1.6 Specialized supplier diversity education is provided to sales, procurement and contracting personnel
- 4.1.7 Rewards and recognition are provided to personnel for supplier diversity achievement

4.2 External Communication

The supplier has established and maintains methods for communicating supplier diversity policy, plans, processes, metrics and results with customers, distributors, sales channels (VAR) and suppliers.

- 4.2.1 External customer feedback is regularly solicited and utilized to drive process improvement
- 4.2.2 Where applicable, joint supplier diversity improvement plans are established with customers, distributors, sales channels and suppliers.
- 4.2.3 Information is provided on 1) How to do business with the company; 2) Understanding and responding to RFXs; 3) Delivering and measuring quality; 4) Understanding the telecommunications industry; 5) Understanding RFX and/or contracting requirements
- 4.2.4 Available supplier diversity resources are communicated e.g., training, information and/or funding sources like the NMSDC Business Consortium Fund
- 4.2.5 Company encourages diversity suppliers to attend external training classes such as Management Development for Entrepreneurs provided by the Anderson School at UCLA, Northwestern's Kellogg Program or Dartmouth's Tuck Program
- 4.2.6 Upon request, diversity suppliers who are not successful in winning business are provided constructive feedback on their proposals

4.3 Customer and Supplier Teaming

The supplier has established and maintains methods for teaming with customers and suppliers for diversity planning, implementation and evaluation.

Some key elements of customer and supplier teaming include:

- 4.3.1 Customer and supplier feedback is regularly solicited and utilized to drive process improvement
- 4.3.2 Where applicable, joint supplier diversity improvement plans are established with customers and/or suppliers
- 4.3.3 There is standardized supplier diversity content in all RFXs and contracts
- 4.3.4 RFX bids and customer and/or supplier contracts require supplier diversity plans to be submitted with proposed levels of diversity supplier utilization, identification of diversity suppliers to be utilized and specific activities to be provided
- 4.3.5 End-to-end supply chain processes are reviewed for supplier diversity utilization opportunities that will provide long-term, sustainable and valuable business relationships
- 4.3.6 Prime suppliers are required to provide quarterly supplier diversity performance reports

- 4.3.7 Supplier diversity performance is included in supplier evaluations i.e., report cards
- 4.3.8 When applicable, diversity suppliers are provided with special financial considerations such as loans, extended credit terms, introductions to investment bankers and venture capital sources

4.4 Recruitment

The supplier has established and maintains methods for identifying and recruiting diversity suppliers.

Key elements of diversity supplier recruitment include:

- 4.4.1 Company representatives attend local and/or national trade fairs and other recruitment events sponsored by supplier diversity organizations such as the National Minority Supplier Development Council (NMSDC), Diversity Information Resources, Women's Business Enterprise National Council (WBENC) or the Association for Service Disabled Veterans (ASDV)
- 4.4.2 Recruitment resources such as the National Minority Supplier Development Council (NMSDC), Diversity Information Resources, Women's Business Enterprise National Council (WBENC), The Association for Service Disabled Veterans (ASDV) or the California Public Utilities Commission Clearinghouse are used to identify diversity suppliers
- 4.4.3 Advertisements are placed in supplier diversity related publications to help identify potential diversity suppliers

4.5 Third Party Certification

The supplier has established and maintains methods for verifying that diversity suppliers meet the local diversity supplier qualifications.

Key elements of third party certification include:

- 4.1.1 There are diversity supplier certification standards established (based on customer and local government requirements)
- 4.1.2 Where applicable, diversity suppliers are verified through a 3rd party certification agency such as the NMSDC, WBENC, ASDV or the California Public Utilities Commission Clearinghouse

- 4.1.3 Diversity supplier status is re-verified on a regular basis to assure proper designation

Element 4 – Measurement, Tracking and Reporting

5.1 Measurement, Tracking and Reporting Elements

The supplier has established a tracking system to document and report supplier diversity performance. The supplier diversity performance results are reported internally and externally (where applicable) on a regular basis.

Key elements of measurement, tracking and reporting include:

- 5.1.1 There are clearly stated supplier diversity performance goals
- 5.1.2 Performance results are measured against established goals
- 5.1.3 Supplier diversity performance goals are reviewed and re-calibrated on a regular basis
- 5.1.4 Supplier diversity utilization records are identified and prepared
- 5.1.5 Supplier diversity performance tracking systems are designed to capture supplier diversity participation at all levels of the supply chain
- 5.1.6 Where applicable, supplier diversity performance tracking systems interface with accounts payable, purchasing, e-commerce, information technology and other electronic systems
- 5.1.7 Supplier diversity performance results are reported to customers based on their specific requirements
- 5.1.8 Supplier diversity performance information is easily accessible via internal web page or other electronic means

NOTE B: Results tracking can include procurement (1st tier and/or 2nd tier), distributors and/or sales channels (VARs)

NOTE C: Results are reported according to generally accepted diversity reporting standards including purchasing dollars and/or the percentage of total spending

NOTE D: No product service categories or procurement areas are excluded based on diversity company availability

NOTE E: Exclusions of corporate expenditures from the purchasing base, if any, are clearly established and publicly communicated, e.g. employee salaries, taxes etc.

5.2 Audits

The supplier has established and maintains documented procedures for planning and implementing internal diversity supplier program audits to verify whether supplier diversity activities and related results comply with planned methodology and to determine the effectiveness of the supplier diversity policy, planning, processes and metrics.

Key elements of supplier diversity audits include:

- 5.1.1 The internal supplier diversity audits are scheduled on the basis of the status and importance of the activity to be audited and are carried out by personnel independent of those having direct responsibility for the activity being audited
- 5.1.2 Results for the audit are reported to executive management so that corrective action and process improvements can be initiated
- 5.1.3 The results of the audits are recorded and brought to the attention of the personnel having responsibility in the area audited. The management personnel responsible for the area takes timely corrective action on deficiencies found during the audit
- 5.1.4 Follow-up audit activities verify and record the implementation and effectiveness of the corrective action.

NOTE F: The results of internal quality audits form an integral part of the input to executive management supplier diversity review activities.

Section 3 – Maturity Assessment Scale

The system for scoring responses to the Diversity Supplier Excellence Assessment is based upon four evaluation dimensions: a) Policy, b) Planning, c) Processes and d) Measurement, Tracking and Reporting. Specific factors associated with the evaluation dimensions are described in this document in Section 2 – Best Practice.

A Maturity Assessment Form is provided in Attachment A. A completed assessment is provided as a sample beginning on page 12.

6.1 Maturity Levels

Best-In-Class – All elements in implementation and most elements fully implemented

Advanced – Most elements in implementation and some elements fully implemented

Emerging – Some elements beginning implementation

6.2 Scoring

137 points – 204 points

69 points – 136 points

68 points or less

Best-In-Class

Advanced

Emerging

6.3 Maturity Assessment Sample

Element 1 – Policy

Program Element	Weak	Moderate	Strong	Score*
2.1 Supplier Diversity Policy	(x1)	(x2)	(x3)	
2.1.1 Clearly articulated business case			X	3
2.1.2 Documented policy		X		2
2.1.3 Aligned with mission, goals etc.		X		2
2.1.4 Based on business strategy		X		2
2.1.5 All corporate operations included	X			1
2.2 Management Support				
2.2.1 Written CEO Statements				0
2.2.2 Demonstrated commitment	X			1
2.2.3 Executive level champion		X		2
2.2.4 Adequate budget, resources and staff		X		2
2.2.5 Business unit / department advocates		X		2
2.2.6 Input from advocacy groups	X			1
2.2.7 Events actively supported		X		2
2.2.8 Success recognized		X		2
2.3 Management Review				
2.3.1 Executive advisory council			X	3
2.3.2 All management levels accountable		X		2
2.3.3 Performance reviews conducted		X		2
TOTAL				29

* Maximum 48 points (16 elements x 3 levels)

Element 2 - Planning

Program Element	Weak	Moderate	Strong	Score*
3.1 Corporate Plan	(x1)	(x2)	(x3)	
3.1.1 Integral part of planning process			X	3
3.1.2 Included in unit objectives and goals			X	3
3.1.3 Includes all products and services	X			1
3.1.4 Reviewed by executive management		X		2
3.1.5 Resources identified and acquired		X		2
3.1.6 Meets quality system requirements			X	3
3.2 Customer Specific Plans				
3.2.1 Detailed and specific			X	3
3.2.2 Long-term and short-term goals	X			1
3.2.3 Meets quality system requirements		X		2
3.3 Development Plans				
3.3.1 Defined performance goals	X			1
3.3.2 Included in standard processes		X		2
3.3.3 Joint improvement teams	X			1
3.3.4 Meets quality system requirements	X			1
TOTAL				25

* Maximum 39 points (13 elements x 3 levels)

Element 3 – Processes

Program Element	Weak	Moderate	Strong	Score*
4.1 Internal Communication	(x1)	(x2)	(x3)	
4.1.1 Feedback regularly solicited			X	3
4.1.2 Company-wide awareness		X		2
4.1.3 Information disseminated regularly		X		2
4.1.4 On-going education	X			1
4.1.5 Included in employee orientation			X	3
4.1.6 Special education for sales etc.		X		2
4.1.7 Rewards and recognition provided	X			1
4.2 External Communication				
4.2.1 Feedback regularly solicited			X	3
4.2.2 Joint improvement plans		X		2
4.2.3 Business information provided			X	3
4.2.4 Available resources communicated		X		2
4.2.5 External training classes encouraged		X		2
4.2.6 Proposal feedback provided		X		2
4.3 Customer and Supplier Teaming				
4.3.1 Feedback regularly solicited			X	3
4.3.2 Joint improvement plans		X		2
4.3.3 Standard content in RFXs			X	3
4.3.4 Diversity plans required			X	3
4.3.5 End-to-end processes reviewed		X		2
4.3.6 Quarterly performance reports		X		2
4.3.7 Included in supplier evaluations			X	3
4.3.8 Special financial consideration	X			1
4.4 Recruitment				
4.4.1 Trade fairs and events attended			X	3
4.4.2 Identification resources utilized		X		2
4.4.3 Supplier diversity advertisement			X	3
4.5 Third Party Certification				
4.5.1 Certification standards established			X	3
4.5.2 Diversity suppliers verified			X	3
4.5.3 Status re-verified on a regular basis		X		2
TOTAL				63

* Maximum 81 points (27 elements x 3 levels)

Element 4 – Measurement, Tracking and Reporting

Program Element	Weak	Moderate	Strong	Score*
5.1 Reporting Elements	(x1)	(x2)	(x3)	
5.1.1 Clearly stated goals		X		2
5.1.2 Performance measured against goals	X			1
5.1.3 Goals reviewed regularly		X		2
5.1.4 Utilization records prepared		X		2
5.1.5 Tracking captures entire supply chain			X	3
5.1.6 Interfaces with electronic systems			X	3
5.1.7 Results reported as requested	X			1
5.1.8 Information easily accessible			X	3
5.2 Audits				
5.2.1 Regularly scheduled audits	X			1
5.2.2 Reported to executive management			X	3
5.2.3 Timely corrective action		X		2
5.2.4 Follow-up audits preformed	X			1
TOTAL				24

* Maximum 36 points (12 elements x 3 levels)

Rating Summary

Program Element	Maximum	Score
Element 1 – Policy	45	29
Element 2 – Planning	39	25
Element 3 – Processes	81	63
Element 4 – Measurement	36	24
TOTAL	201	141

	Rating	Score
Maturity Level	Best-In-Class	141

137 points – 204 points	Best-In-Class
69 points – 136 points	Advanced
68 points or less	Emerging

Appendix A – Maturity Assessment Form

Element 1 – Policy

Program Element	Weak	Moderate	Strong	Score*
2.1 Supplier Diversity Policy	(x1)	(x2)	(x3)	
2.1.1 Clearly articulated business case				
2.1.2 Documented policy				
2.1.3 Aligned with mission, goals etc.				
2.1.4 Based on business strategy				
2.1.5 All corporate operations included				
2.2 Management Support				
2.2.1 Written CEO Statement				
2.2.2 Demonstrated commitment				
2.2.3 Executive level champion				
2.2.4 Adequate budget, resources and staff				
2.2.5 Business unit / department advocates				
2.2.6 Input from advocacy groups				
2.2.7 Events actively supported				
2.2.8 Success recognized				
2.3 Management Review				
2.3.1 Executive advisory council				
2.3.2 All management levels accountable				
2.3.3 Performance reviews conducted				
TOTAL				

* Maximum 48 points (16 elements x 3 levels)

Element 2 - Planning

Program Element	Weak	Moderate	Strong	Score*
3.1 Corporate Plan	(x1)	(x2)	(x3)	
3.1.1 Integral part of planning process				
3.1.2 Included in unit objectives and goals				
3.1.3 Includes all products and services				
3.1.4 Reviewed by executive management				
3.1.5 Resources identified and acquired				
3.1.6 Meets quality system requirements				
3.2 Customer Specific Plans				
3.2.1 Detailed and specific				
3.2.2 Long-term and short-term goals				
3.2.3 Meets quality system requirements				
3.3 Development Plans				
3.3.1 Defined performance goals				
3.3.2 Included in standard processes				
3.3.3 Joint improvement teams				
3.3.4 Meets quality system requirements				
TOTAL				

* Maximum 39 points (13 elements x 3 levels)

Element 3 - Processes

Program Element	Weak	Moderate	Strong	Score*
4.1 Internal Communication	(x1)	(x2)	(x3)	
4.1.1 Feedback regularly solicited				
4.1.2 Company-wide awareness				
4.1.3 Information disseminated regularly				
4.1.4 On-going education				
4.1.5 Included in employee orientation				
4.1.6 Special education for sales etc.				
4.1.7 Rewards and recognition provided				
4.2 External Communication				
4.2.1 Feedback regularly solicited				
4.2.2 Joint improvement plans				
4.2.3 Business information provided				
4.2.4 Available resources communicated				
4.2.5 External training classes encouraged				
4.2.6 Proposal feedback provided				
4.3 Customer and Supplier Teaming				
4.3.1 Feedback regularly solicited				
4.3.2 Joint improvement plans				
4.3.3 Standard content in RFXs				
4.3.4 Diversity plans required				
4.3.5 End-to-end processes reviewed				
4.3.6 Quarterly performance reports				
4.3.7 Included in supplier evaluations				
4.3.8 Special financial consideration				
4.4 Recruitment				
4.4.1 Trade fairs and events attended				
4.4.2 Identification resources utilized				
4.4.3 Supplier diversity advertisement				
4.5 Third Party Certification				
4.5.1 Certification standards established				
4.5.2 Diversity suppliers verified				
4.5.3 Status re-verified on a regular basis				
TOTAL				

* Maximum 81 points (27 elements x 3 levels)

Element 4 – Measurement, Tracking and Reporting

Program Element	Weak	Moderate	Strong	Score *
5.1 Reporting Elements	(x1)	(x2)	(x3)	
5.1.1 Clearly stated goals				
5.1.2 Performance measured against goals				
5.1.3 Goals reviewed regularly				
5.1.4 Utilization records prepared				
5.1.5 Tracking captures entire supply chain				
5.1.6 Interfaces with electronic systems				
5.1.7 Results reported as requested				
5.1.8 Information easily accessible				
5.2 Audits				
5.2.1 Regularly scheduled audits				
5.2.2 Reported to executive management				
5.2.3 Timely corrective action				
5.2.4 Follow-up audits performed				
TOTAL				

* Maximum 36 points (12 elements x 3 levels)

Rating Summary

Program Element	Maximum	Score
Element 1 – Policy	45	
Element 2 – Planning	39	
Element 3 – Processes	81	
Element 4 – Measurement	36	
TOTAL	201	

	Rating	Score
Maturity Level		

137 points – 204 points	Best-In-Class
69 points – 136 points	Advanced
68 points or less	Emerging

Appendix B – Glossary

Goal – A target which, when achieved, indicates progress in a preferred direction. A goal is neither a requirement nor a quota.

Diversity Supplier – Within the United States, Diversity Suppliers are companies that are owned by a minority(ies), a service disabled veteran(s) or a woman (women). Outside the United States, the definition of diversity suppliers is determined locally and is based on historically underutilized businesses ownership.

Minority-and Women-Owned Business (MWBE) – Within the United States, these are defined as businesses which have been verified by the National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council, California Public Utilities Commission Clearinghouse or other certification agency with comparable standards to be 51% owned, operated and controlled by a minority individual or group or by one or more women; for publicly held businesses, at least 51% of the stock must be owned by one or more minorities or women who are U.S. citizen or legal aliens with permanent residence status.

Service-Disabled Veteran Business Enterprise – These are defined as businesses that satisfy the requirements to be 51% owned, operated and controlled by a service disabled veteran or group. These business must be certified by certifying agency recognized by the purchasing entity such as the California State Office of Small and Minority Business (OSMB).

Subcontracting – Any agreement or arrangement between a contractor and any party or person for the furnishing of supplies or services.

Supplier Development – Effort to increase the capability of a supplier toward long-term success through programs such as mentorship, supplier teaming, split awards, etc.

Supplier Recruitment – Effort to inform, educate and enlist potential suppliers for future purchases.

Value-added Reseller (VAR) – A vendor who purchases a product(s) from an original equipment manufacturer (OEM) or other prime supplier and resells the product(s) to its customer(s) after adding value to the basic product by providing presale and/or post-sale services and/or support.