

2018 ANNUAL REPORT

Building strong companies to create lasting value

TABLE OF CONTENTS Page 1 A Letter from the President We Are EMSDC Pages 2-3 Certify Pages 4-5 Develop Pages 6-7 Page 8 Connect Advocate Page 9 **ROAR Conference Highlights** Pages 10-11 Page 12 **Celebrating Success** Youth Entrepreneur Scholarship Golf Invitational Highlights Page 13 **Board of Directors** Page 14 Page 15 Corporate Members

LOOK BACK, MOVE FORWARD

A Message from the President & CEO

Each year our Annual Report gives us an opportunity to reflect on the accomplishments and progress of the Council.

EMSDC has remained focused on delivering on our Mission to "advance business opportunities for diverse businesses by connecting them to business opportunities with corporations and buying entities." Fundamental to this Mission are four action



points – Certify, Develop, Connect, and Advocate. The Council's programs, events and initiatives are built around these four actions with an emphasis on developing our certified businesses in response to the sourcing needs of our corporate members. In 2018, the Council restructured the Minority Business Enterprise Input Committee (MBEIC) to better position this advocacy arm of our Board of Directors to serve as a liaison between our MBE community and the Council. Now, elected MBEIC Vice Chairs represent specific areas within our vast territory (Pennsylvania, Southern New Jersey and Delaware) to provide a supportive platform for suppliers to network and partner for future business growth. We partnered with UPMC and UPMC Pinnacle to bring SHARE matchmaker to Harrisburg. The SHARE concept brings together high performing diverse suppliers, currently in the supply chains of corporations, to meet one-on-one with other corporations who could use their products or services. At the ROAR Conference in Philadelphia, in collaboration with The Business Center, we presented our first-ever Loan-A-Thon to aid suppliers in obtaining funding for their businesses and were able to offer on-the-spot financing.

Where do we go from here?

As we look to the future, we continue to seek out ways to deliver on value, increase partnerships and connections, build legacy businesses, and foster an ecosystem of strong businesses. At the end of 2018 we launched our Henkels & McCoy Learning Lab at our Philadelphia location. The lab will be used for programs and trainings and will be available to our stakeholders. As we encourage MBEs to partner with each other, EMSDC will continue cross collaborations with NMSDC Affiliate Councils, Chambers of Commerce, resource partners and business development organizations to offer more programs targeted at building MBE capacity, building wealth in communities and spurring the economy.

The journey continues...are you with us?

,

Yours in Business Success,

WE ARE EMSDC

The Eastern Minority Supplier Development Council is one of 23 regional affiliates of the National Minority Supplier Development Council (NMSDC), operating in Pennsylvania, southern New Jersey and Delaware. The Council fosters the development of minority business enterprises (Asian, Black, Hispanic and Native American) to better align them with corporations' sourcing requirements to initiate growth and opportunity through supplier diversity channels. As part of the NMSDC, the Council has national and international resources to deliver programming that gives unparalleled coverage of both private and public-sector procurement opportunities.

ABOUT NMSDC

The National Minority Supplier Development Council Inc ® (NMSDC®) advances business opportunities for certified minority business enterprises and connects them to corporate members. One of the country's leading corporate membership organizations, NMSDC was chartered in 1972 to provide increased procurement and business opportunities for minority businesses of all sizes. The NMSDC Network includes a National Office in New York and 23 affiliate regional councils across the country, of which, EMSDC is one. The network also includes five global link partners in the United Kingdom, Canada, Australia, China and South Africa.

To meet the growing need for supplier diversity, NMSDC matches its more than 12,000 certified minority-owned businesses to our network of more than 1,750 corporate members who wish to purchase their products, services and solutions. NMSDC, a unique and specialized player in the field of minority business enterprise, is proud of its unwavering commitment to advance Asian, Black, Hispanic and Native American suppliers in a globalized corporate supply chain. For more information, visit www.NMSDC.org.

WE ARE COMMITTED

VISION

EMSDC is recognized as a model region for the successful development of Minority Business Enterprises (MBEs). EMSDC facilitates this vision by setting the standard of excellence in bringing Corporate Members and MBEs together to create mutual value.

MISSION

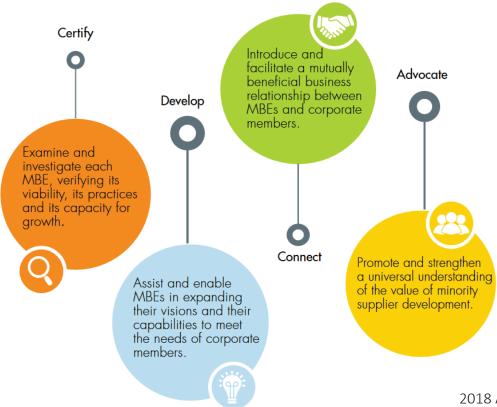
EMSDC actively involve its members in efforts that will increase and expand business opportunities and growth for minority business enterprises (MBEs).

PURPOSE

The sourcing of procurement opportunities is why EMSDC exists and drives the activity of this organization from the boardroom to the front desk. Our foundation as a National Minority Supplier Development Council (NMSDC) affiliate directly aligns us with the most powerful minority supplier organization in corporate America. EMSDC boasts corporate membership of approximately 100 companies either headquartered or doing business in Pennsylvania, southern New Jersey and Delaware, all with organizational commitment to supplier diversity.

ACTION POINTS

We align our standards with four dynamic and enduring action points: Certify, Develop, Connect, and Advocate.



CERTIFY

Examine and investigate each MBE, verifying its viability, practices and capacity for growth.

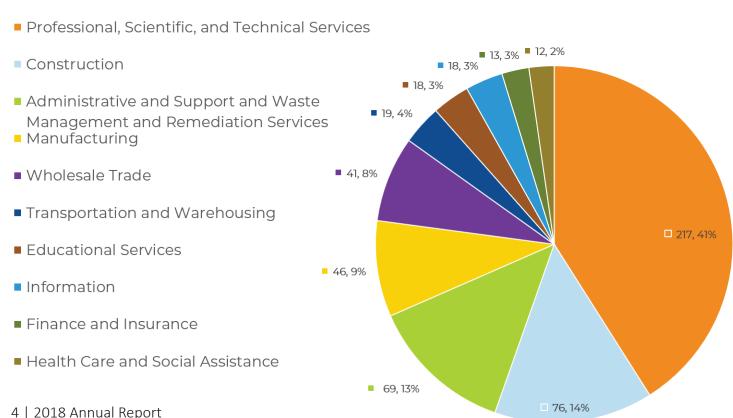
EMSDC conducts NMSDC's rigorous certification process which requires that minority businesses in our Network are at least 51% minority-owned,-operated and-controlled. Eligibility is established by a thorough application review, site visit and committee discussion. NMSDC is the "gold standard" for minority business certification in the United States and globally.

EMSDC discounts the certification fee for first-time applicants seeking certification.

Our programs to recruit and promote the value of NMSDC Certification and support certified firms include:

- So, You Want to Get Certified? Pre-Certification Panel Discussion
- Certification Roundtable Discussion with other Certifying Agencies
- Leveraging Your MBE Certification Workshop
- Making Certification Work Seminar
- You're Certified, Now What Post Certification Workshop

TOP 10 MBE INDUSTRIES

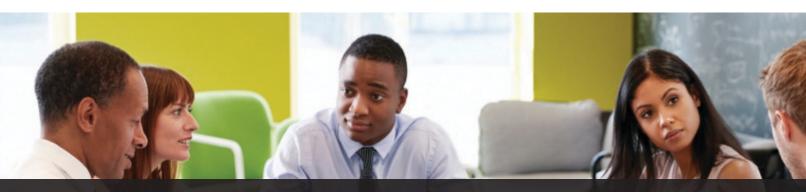




TOTAL REVENUE OF EMSDC MBES BY ETHNICITY



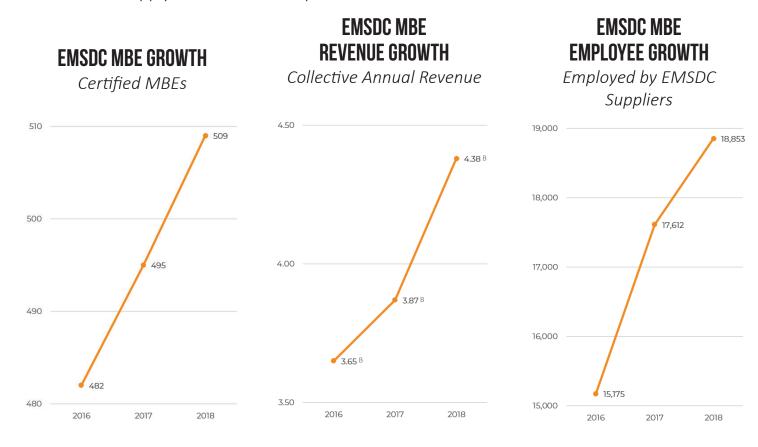




If you meet certain qualifications, certification can be the extra boost you need to get your foot in the door

DEVELOP

Assist and enable MBEs in expanding their strategic visions, capacity and services to meet the needs of the supply chain and marketplace.





Education is the most powerful weapon which you can use to change the world --Nelson Mandela

In the marketplace, our differentiator is "certification," but our value proposition is the ability to create and implement dynamic educational programming which prepares minority owned businesses to navigate the corporate supply chain. Our educational efforts address the evolving needs of both Corporate and MBE members of our network – the specific pain points of both entities and how each can work most effectively and productively together.

Through collaboration, EMSDC is building partnerships with economic development partners in the region, driving the agenda towards synergistic operation and programming that yields maximum benefit to our stakeholders. Throughout 2018, EMSDC sought new and innovative ways to enhance the growth and development of minority business enterprises. In collaboration with corporate, government and resource partners in our network, we were able to deliver impactful programs to help businesses gain and maintain their competitive advantage.

WORKSHOP AND COLLABORATION HIGHLIGHTS

- Impact of the New Tax Plan on How You do Business Seminar
- Philly TechWeek (Technology and innovation sessions)
- Breakfast with the CEO Strategic Recognizance Conversation Series
- Industry Group Meetings
- Be A Brand in Demand
- Best Practices in Government Contracting
- The Psyche of Supplier Diversity
- Everyone's in Sales Building a Sales Culture
- The Psyche of Supplier Diversity
- Comcast Connects
- Going Global: Leveraging Your MBE Certification in the Global Supply Chain
- How to Get into the Minds of Angel Investors
- Tips for Each Phase of the Vendor Onboarding Process
- Reimagining Industry with Blockchain
- MEDWeek (Minority Education Development Week) Women of Color on Boards Seminar
- Loan-a-thon
- Capital Roundtables



CONNECT

Introduce and facilitate mutually beneficial business relationships between MBEs and corporate members.

"Whatever affects one directly,"
affects all indirectly."
— Martin Luther King Jr

EMSDC provides access to America's most influential corporations. At our annual Conference & Matchmakers and throughout the year, EMSDC facilitates opportunities for our MBEs to connect with corporate members. These direct connections are made available through corporate roundtables and matchmakers and other matchmaking events, including:

- ROAR Conference & Matchmaker in Pittsburgh and Philadelphia
- Supplier Vendor Fair hosted by PSEG in Salem, New Jersey
- UPMC and UPMC Pinnacle SHARE Matchmaker events in Pittsburgh and Harrisburg
- MBE2MBE Matchmaker hosted by PPG in Pittsburgh

E-introductions and strategic sourcing also help us to zero in on connecting MBEs to buying entities to secure contracts.

Matchmakers: One-on-one matchmakers are all about helping to make important, mutually beneficial connections. Corporations gain access to and facetime with diverse suppliers across various industries, and MBEs get countless opportunities to learn, grow and potentially land major contracts.



Roundtables: This forum gives M/WBEs and corporate representatives the opportunity to meet in small groups to discuss supplier diversity initiatives. Suppliers gain insight on how to do business with the corporations, and corporate representatives have a chance to expand their footprint and connect with as many potential suppliers/vendors as possible.

ADVOCATE

"The barriers to equality in business are subtle and overt, institutional and incidental, and NMSDC and its network of affiliate councils, including EMSDC, is uniquely equipped to change this environment..."

--Valarie J. Cofield



On September 27, 2018 Valarie J. Cofield, President and CEO of the Eastern Minority Supplier Development Council, provided written and verbal testimony before the House Committee on Small Business, Subcommittee on Economic Growth, Tax, and Capital Access. In the presence of Chairman Chabot, Ranking Member Velazquez, Subcommittee Co-Chair Evans, and Members of the Subcommittee, Valarie's testimony focused on the growth and development of minority-owned businesses, particularly as it related to three key areas: 1) the economic impact and importance of the development and growth of minorityowned businesses; 2) the impact of H.R. 1 – Public Law No: 115-97, the Tax Cuts and Jobs Act; and 3) the continued funding of the Minority Business Development Agency (MBDA). Valarie provided historical background and minority business impact statistics to make her case. In conclusion, she presented the following:

- Success does not lessen the challenge: the MBE still faces a far steeper climb to achieve equality with his or her non-minority competitors. The barriers to equality in business are subtle and overt, institutional and incidental, and NMSDC and its network of affiliate councils, including EMSDC, is uniquely equipped to change this environment not by asking but by delivering, as MBEs do again and again. They offer more than a return on investment.
- Minority supplier development fuels the broadest possible economic growth. Corporations forge profitable relationships with intensely motivated and innovative suppliers. The success of those suppliers then impacts their own communities: they invest, employ and contribute to the tax base of the region. On a more profound level, they give us all a vested interest in the American economy.
- The sustainability of small businesses, particularly small diverse businesses is bolstered by private-public partnerships, programs and initiatives. The NMSDC and its network of affiliate councils, including the EMSDC, is well-equipped to support the continued development and growth of minority-owned businesses, however continued support is needed from the Federal government, in the form of the MBDA, to ensure that small diverse businesses are well-positioned for continuous growth and long-term economic impact.

Ms. Cofield

ROAR CONFERENCE HIGHLIGHTS

The 2018 ROAR (Return on All Relationships) Conference & Matchmaker, held in both Pittsburgh and Philadelphia, brings together diverse businesses and corporations for a full day conference experience, including subject matter experts, workshops, one-on-one matchmaking meetings, corporate roundtables, and endless networking opportunities.











CELEBRATING SUCCESS

The Stellar Awards and The Choice Awards salute the power of diversity and inclusion! These awards honor enterprising minority entrepreneurs who fuel the region's economy; leaders who are staunch advocates for diversity and inclusion; and corporations who value the innovative solutions diverse businesses bring to their supply chains. Corporate executives, business owners, and community leaders throughout Pennsylvania, Southern New Jersey and Delaware celebrate with us, making these the ideal networking events for like-minded people.



March 8

Corporate Best Practice Award Corporate Leadership Award

EQT Corporation

Corporate Forerunner Award

Robert A. James – Highmark Health

MBE Partnership Award

Gene Waddy - DIVERSANT

Innovative Spirit Award MBE Forerunner Award

Dennis Garrett, Blue Lake – Pacifia Energy Group

Alexander Nichols Lifetime Achievement Award

Horace J. Britton – CDI Printing



The National Minority Supplier Development Council (NMSDC) recognized several Eastern Minority Supplier Development Council (EMSDC) corporate members during its annual Gala in Austin, TX in October. Each year, the event honors NMSDC corporate members, Certified MBEs and network leaders for exceptional accomplishments in promoting minority supplier development. EMSDC member corporations EQT, Merck and Comcast NBCUniversal received Corporation of the Year awards in Classes I (\$1 billion - \$10 billion in revenue), II (\$11 billion to \$50 billion in revenue) and III (\$50 billion to \$100 billion in revenue), respectively.

November 30

Paving the Way Award

PECO, An Exelon Company

Phoenix Award

Erik Meader - Pfizer, Inc.

Chairman's Award

Shelley Stewart, Jr. - DuPont

President's Award

Loren Hopkins-Taylor - DuPont

National Corporation of the Year

EQT Corporation

Regional Corporation of the Year

AmeriHealth Caritas

Class I - Supplier of the Year

All Purpose Cleaning Services, Inc.

Class II - Supplier of the Year

Blue Lake – Pacifica Energy Group

Class III - Supplier of the Year

SPECTRUM

Class IV - Supplier of the Year

U. S. Facilities, Inc.

Corporate Advocate of the Year

Vernice Lewis - PECO, An Exelon Company

MBE Advocate of the Year

Michael Horsey- Horsey, Buckner & Heffler

James Brown Award

Pamela Rich-Wheeler-The Business Center

YOUTH ENTREPRENEUR SCHOLARSHIP GOLF INVITATIONAL HIGHLIGHTS

Fox Chapel Golf Club Pittsburgh, PA

It's no secret that golf and business go together. The sport provides the perfect relaxed background for making important business connections. On July 23 more than 200 corporate members and MBEs participated in the Youth Entrepreneur Scholarship Golf Invitational.

This annual event extends networking and relationship-building beyond the Boardroom. Matched for a day on the green, these corporate and business executives get to know each other in a relaxed environment. For those who don't know how to golf, our "Get in the Game" Clinic & Seminar gave them an opportunity to learn the game while exploring potential business opportunities within the supply chains of their fellow novice players. And, as an added feature, former NFL stars Will Allen, Santonio Holmes and Gus Frerotte shared knowledge during the "Life After Football" panel discussion, along with certified MBE, John Bettis, President/COO, Bettis Sand & Gravel.

The Invitational supports the mission of the Council to build and foster future business relationships. Proceeds from the event continue to fund business scholarships for our minority business owners, as well as fund programs for our youth through All Star Code, UNCF and the Business Center's Youth Entrepreneur Camp.



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Loren Hopkins-Taylor, DuPont

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Vernice Lewis, Exelon Corporation

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Pamela McMellon-Wells, Federal Reserve

Bank of Philadelphia

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Chair, Decision Distribution America, LLC

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Secretary, Velocity Sourcing Group

Patricia Thomas-LaRoche

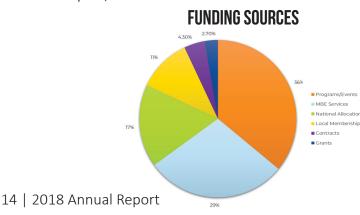
Eastern Pennsylvania Vice Chair

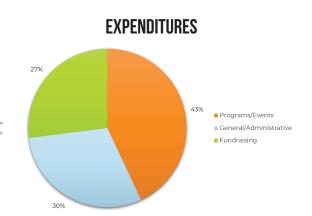
Cameron & Associates 8, LLC

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AmeriSource Bergen

Aramark

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Day & Zimmermann Group, Inc. Delaware River Port Authority

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Endo Pharmaceuticals, Inc.

EQT

Erie Insurance

Exelon

Federal Home Loan Bank of Pittsburgh Federal Reserve Bank of Philadelphia

FHLBank Pittsburgh First Energy Corporation Gateway Health Plan

GENCO ATC

Henkels & McCov Highmark Health

Independence Blue Cross

Indiana University of Pennsylvania

Johnson & Johnson Johnson Controls Liberty Property Trust Lincoln Financial Group MSA Safety Company

P. J. Dick, Inc./Trumbull Corp./Lindy Paving

Parx Casino- Greenwood Gaming & Entertainment

Pennoni

Pennsylvania Convention Center

Pennsylvania Department of General Services

Pfizer, Inc

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PPG Industries, Inc. Princeton University

Public Service Enterprise Group (PSEG)

Quest Diagnostics, Inc.

Rivers Casino Shell Oil Company Skanska USA Building The Hershey Company

The Pennsylvania State University The PNC Financial Services Group The School District of Philadelphia

Turner Construction

United States Steel Corporation

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University of Pittsburgh Medical Center (UPMC)

Utility Line Services

Vanguard Verizon

Verizon Communications, Inc.

Volvo Road Machinery (Volvo Construction Equipment)

WESCO Distribution, Inc.

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PHILADELPHIA

Rodin Place 2000 Hamilton Street Suite 308 Philadelphia, PA 19130 215-569-1005

PITTSBURGH

The Historic ALCOA Building 611 William Penn Place Suite 401 Pittsburgh, PA 15219 412-391-4423



info@emsdc.org



www.emsdc.org



facebook.com/EasternMSDCpage



twitter.com/Eastern_MSDC



linkedin.com/in/emsdc

