# SUPPLIER DIVERSITY

NEWSLETTER



# PLANNING: THE BLUEPRINT TO SUCCESS

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## FROM THE EDITOR

Chuck Hendrix
Senior Manager,
Purchasing Supplier Diversity
Toyota



most influential professionals I know credit their success to having a vision for the future and dedication to follow-through.

### GREETINGS,

In my role, I am afforded a tremendous opportunity to engage with some of the most successful leaders in business. This includes many of Toyota's very own team members and executives in addition to strategic partners in diversity that we collaborate with on an ongoing basis.

Through the years, I've noticed a common thread amongst them all. What unites these women and men - beyond their commitment to supplier diversity - is an unwavering respect and commitment to planning. Whether an executive within Toyota or a diverse company that is new to Supplier Diversity, some of the most influential professionals I know credit their success to having a vision for the future and dedication to follow-through.

Thankfully, that's a concept that Toyota has always embraced and one we continue to value. Our annual planning process, called Hoshin, offers a great example. Reported through Executive Management monthly, this high-level proposal outlines the direction of all company initiatives, along with specific Supplier Diversity core objectives and targets. This blueprint essentially drives our engagement and inclusion of diverse businesses in all facets of our operations.

This company-wide course of action is also guiding how we build stronger, more sustainable relationships with our partners. I find that our team benefits from having a greater cause to work toward, in addition to a clearer view of what we need to accomplish to achieve company goals.

We explore these advantages a bit further in the latest edition of our Supplier Diversity newsletter. Enlisting insight from Toyota executives and strategic partners, we examine how proactively preparing for the future enables businesses to remain competitive and viable in today's increasingly globalized marketplace.

It's important - now more than ever - to anticipate changes rather than react to them. With this in mind, I look forward to us all continuing to discover the possibilities of forward-thinking together.

Best regards, Chuck

## EXECUTIVE MESSAGE

Kristen Tabar
Vice President,
Technical Strategy Planning
Toyota



With a focus on strategic planning, we're actively identifying the right projects and opportunities to align us closer to our business objectives.

Recently at WBENC's Summit & Salute conference, I joined leaders from several Original Equipment Manufacturers (OEMs) to discuss the future of the automotive industry and opportunities for new partnerships.

We explored the gradual shift in our space from a vehiclecentered approach to advancing mobility and how our customers move around. Leading Toyota Motor North America's research and development efforts, thinking proactively is a goal my team and I consistently work toward every day. With a focus on strategic planning, we're actively identifying the right projects and opportunities to align us closer to our business objectives.

Deep internal and external knowledge - ranging from customer expectations to industry forecasts - is an essential element to high-level planning. For instance, it's always pertinent to understand who our consumers are and what our competitors are doing. With new technology developments daily, we're constantly motivated to find ways to keep our products and services ahead of demand.

I find that forming relationships is a task that should never be left to chance. With a clear roadmap, enterprises – both large and small – show a profound understanding of their business and what's needed to deliver expectations. By conveying and articulating a concrete strategy to achieve results, companies can better communicate their value to prospective partners.

Change is inevitable and a process I routinely encourage team members and diverse entrepreneurs to embrace.

Much like our business, the need for more innovative business models and supply chains will continue to evolve. After all, globalization and the demand for quicker and leaner processes is only increasing. Whether you're a small or medium-sized company or a traditional, large scale enterprise, there's unlimited possibilities for us all to unlock the potential of 'always better.'



## **Ontinental**

### **COMPANY PROFILE**

CORE CAPABILITIES

Chassis and Safety, Powertrain, Interior, Tires, amongst others

HEADQUARTERS

Global: Hanover, Germany North America: Auburn Hills, Michigan In total, 427 locations in 56 countries.

CERTIFICATION(S)

Corporate member of NMSDC, Great Lakes WBC, and MHCC. Active with MMSDC, CVMSDC, and GWBC.

SUPPLIER RELATIONSHIP WITH TOYOTA

**Tier I Supplier** 

### SIX QUESTIONS WITH...

### MICHAEL A. HARRIS

SUPPLIER DIVERSITY MANAGER,
CONTINENTAL AUTOMOTIVE SYSTEMS

Inspired by their tagline, "The Future in Motion," Continental Automotive Systems (CAS) continues to push the envelope in the world of mobility. A division of their parent company, Continental AG, CAS supplies integral parts and services for vehicle safety, comfort and powertrain performance. Thanks to a strong Supplier Diversity program - led by Michael A. Harris, who supports all of Continental AG's North America operations - the automotive leg, in addition to all divisions, partners, engages and collaborates with diverse businesses around the globe. Driven by a commitment to innovation, CAS remains a leading manufacturing company in the U.S.

### First, tell us about how you got your start with CAS?

Back in the late 90s, Continental wanted to start a Supplier Diversity program. Of course, they needed the dedicated resources to do so, including team members. In 1999, I was approached and recruited by leadership to join the team as a Coordinator. I jumped at the opportunity. Since then, my responsibilities have evolved. For instance, today, I lead our program's efforts to actively include and engage diverse suppliers. Although I've had an opportunity to explore different roles throughout the organization, my passion has always lied with Supplier Diversity. After 18 years in the industry (and counting!), my excitement to work in this growing field remains.

### In your experience, how has Supplier Diversity evolved over the past few years?

Recently, I've noticed an uptick in supplier consolidation. We've seen this at Continental, where due to significant growth and an increase in acquisitions, we've had to view our supplier partnerships a little bit more strategically. Understandably, purchasing existing enterprises involves a huge transition process, including the transfer of procedures, team members and more notably, supplier bases. Although this is creating new ways to work together, we now need to have more internal conversations to prioritize and fill the most pertinent needs for our business. As a result, it's become more challenging - but not impossible - for Supplier Diversity professionals (and programs) to introduce and involve new suppliers in the supply chain.

### CONTINUED

### You're credited for being an integral part to the development of Continental's Supplier Diversity Program. How has strategic planning helped you advance Supplier Diversity within your company?

I'll start by saying this: our program wouldn't be here without planning. Eighteen years ago, we were just an idea. Having a roadmap on what's next - and how we're going to get there - has been crucial to not only keeping us focused but also organized.

In 2016, we developed a short-term Supplier Diversity strategy (3-5 years) for our North America operations. In progress today, this high-level blueprint has helped our team identify key elements, resources, and relationships we need to achieve our goals. Aware of changing business and market conditions, we realize that certain aspects of what we hope to accomplish can change at any moment. As a result, we take proactive measures to focus our efforts on each part of our strategy in order to have the most impact on our program.

## In what ways can diverse businesses better anticipate industry, consumer and internal changes to help facilitate ongoing growth and development?

I get asked this question often and I always find it challenging. Reason being is that all of these factors - from industry trends to what goes on internally at any given company - varies and changes constantly. Essentially, what works today may not work tomorrow. I do think that all companies should understand and learn more about their respective industries - whether at tech shows or via industry groups - and the technology driving it. More

specifically, suppliers with leading technology should always find ways to show how their ingenuity will benefit prospective customers and also add value to their operations.

Companies, much like ours, are always looking for partners who are on the leading edge of an innovative product of service. I encourage all diverse enterprises to remain curious and eager to learn, as well as driven to collaborate with leaders in their field.

## How has your relationship/involvement with MMSDC supported your company's Supplier Diversity objectives?

Generally speaking, the Council provides us with an opportunity to build new business relationships with potential suppliers. We have about 50 buyers in Michigan, so through events like trade fairs, I get a chance to engage the Purchasing side of our business with Supplier Diversity. I also enjoy introducing diverse entrepreneurs to corporations and other business owners. Meeting and mentoring countless suppliers through the years, I'm able to facilitate introductions and provide strong recommendations to help build connections. MMSDC gives us a solid platform to do so.

## Fast-forward to five to ten years from now - where do you see yourself?

I'll start with the 'big picture' and where I hope to see Supplier Diversity. Ultimately, I'd like for diversity and inclusion to become so ingrained in our everyday process that we don't need a separate or special program to engage diverse businesses. On a personal note, I hope to be retired in 10 years!





### **COMPANY PROFILE**

CORE CAPABILITIES

MBE Certification, Capital Access Programs, Professional Development

HEADQUARTERS

**Detroit, Michigan** 

CERTIFICATION(S)

National Minority Supplier
Development Council Regional
Affiliate

SUPPLIER RELATIONSHIP

WITH TOYOTA

**Strategic Partner** 

SEVEN QUESTIONS WITH...

## MICHELLE SOURIE ROBINSON

PRESIDENT & CEO, MICHIGAN MSDC

With another successful Procurement Conference in the books, one of the largest supplier diversity events of its kind, the Michigan Minority Supplier Development Council (MMSDC) is on a roll. Founded in 1977, the non-profit organization certifies and develops diverse businesses, identifies inclusive procurement opportunities and advocates for greater economic inclusion in Michigan and beyond. With Michelle Sourie Robinson at the helm, MMSDC facilitates over \$26 billion annually in economic output between corporations and certified minority business enterprises (MBEs).

### From Home Depot to MMSDC - what inspired you to get your start in Supplier Diversity?

Remarkably, my time in Supplier Diversity was supposed to be on a short-term basis. While at Home Depot, I was tasked with launching our Supplier Diversity program, which was completely new territory for the retailer. While researching best practices and insights, I soon became intrigued by the thought of engaging and partnering with diverse business owners. Frankly, there are very few careers that allow you to use your business acumen and truly make a difference. I found that in Supplier Diversity and have had a growing interest for this space ever since.

## Since becoming Council President in 2015, how has Supplier Diversity evolved?

A couple of years ago, I remember conducting actual transactions between corporate members and diverse suppliers on the trade show floor. For example, it was common to be able to make a connection, cultivate and build that relationship, and eventually wind up with a contact. Today, however, corporations are now buying more from fewer suppliers. So, supplier consolidation, along with globalization, is currently impacting the way we work. This is prompting our Council to continue finding new and different ways to engage diverse suppliers and build much-needed connections with our corporate members.

### CONTINUED

### In what ways can corporate members and diverse businesses better anticipate industry, consumer and internal changes to help facilitate ongoing growth and development?

For corporate members, it's incumbent upon them to really understand their business. The great Supplier Diversity professionals – and there are many of them – are integrally involved within the inner workings of their company. So much that they can communicate, articulate and translate clearly what they're seeking from external partners. On the flip side for MBEs, it's vital to be informed and focused on specific targets. By identifying prospective partners and how you can work together, it's much easier to keep up with their needs and offer innovative ideas and solutions in a timely fashion.

## What do you consider to be the biggest challenges companies might face as they make plans to start or grow their Supplier Diversity programs?

For me, in a nutshell, it's simple. It's having a deep understanding of the power, impact and value minority business enterprises have in the marketplace. It's always important to focus on business objectives – for example, how partnering with MBEs can help grow your organization, reduce costs, and add quality. In doing our work (and ensuring we all do it well!), we're able to impact the economy, along with the people and communities that reflect the diverse suppliers we're looking to engage.

## How do Council members like Michael A. Harris of Continental Automotive Systems contribute to MMSDC's ability to connect with the regional MBE community?

Longstanding supportive members, like Michael A. Harris and Continental, are integral to our work, because they can proactively articulate current and future business needs.

Strong Supplier Diversity leaders, like those we work with through our Corporate Member organizations, are so ingrained in their corporations that they can anticipate what's needed three to five years out. From there, we're able to look at those specifications and identify MBEs in Michigan – and around the country – who might be suitable for various opportunities.

### In what ways do you expect MMSDC will need to change or adapt as the economy continues to evolve and globalize?

Two years ago, we created a five-year strategic plan. We're now in our third year. One of the components included aligning our corporate members and MBEs by industry groups. This gives us the ability to respond to changes more swiftly, because we now have streamlined access to locate providers for contractual opportunities. We can also create strategic alliances to understand corporate needs to proactively prepare and groom suppliers to meet those requirements.

We've also taken a more active role in the public sector as well. While we're very careful not to lobby because we are a private 501(c)3 organization, we have been very vocal in training our policy makers about minority supplier development. Whatever happens at the public level with the government is only going to be mimicked in the private sector, so we're targeting that area as well.

## In what ways do you expect MMSDC will need to change or adapt as the economy continues to evolve and globalize?

I see us remaining a trailblazer within the network. Thanks to resources on the corporate and MBE sides, we've been able to maintain the strongest balance sheet. I'm okay with being candid about being #1 in the network, because we recognize our capabilities - and duty - to share, partner, and elevate the National Minority Supplier Development Council's (NMSDC) 22 regional affiliates. A rising tide lifts all boats, so we look forward to sustaining our success and that of our partners as well.

# LANNING: EBLUEPRINT SUCCESS



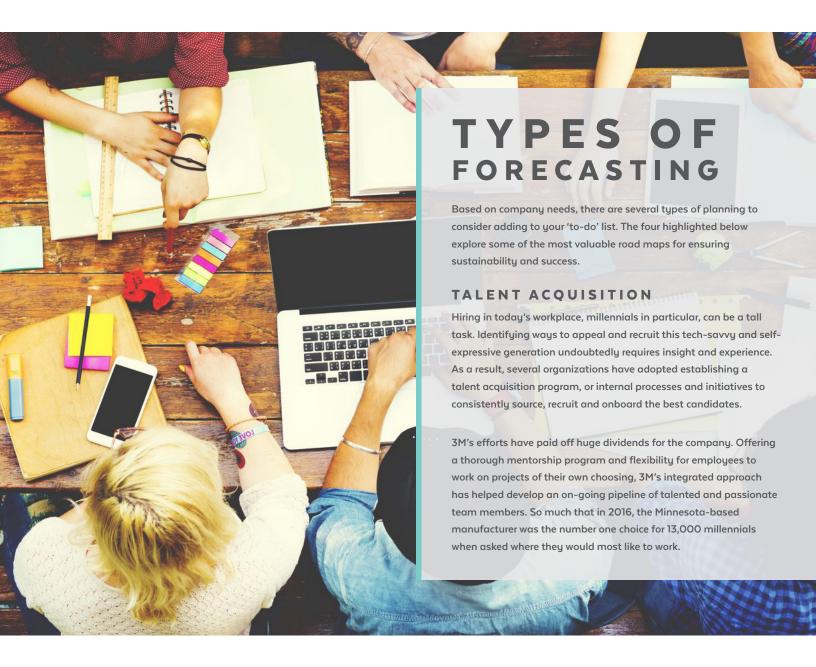
Best-selling time management author Alan Lakein cleverly doted, "Planning is bringing the future into the present so that you can do something about it now." Let's face it: industries are changing. Responsibilities and professional expectations are evolving, and the highs and lows in business are undeniable. This brings up a hot button issue: how do leaders stay on track in a constantly evolving - and sometimes unpredictable - marketplace?

Planning - also known as forecasting or projecting - offers a great start. Though sometimes tedious, proactively and strategically thinking ahead is often what's missing for companies truly seeking sustainability and next-level growth. According to the Harvard Business Review, one hour of goal-setting per week can make all the difference in generating increased levels of productivity. Although forecasting is not a new concept, it is a practice that more professionals are embracing to drive necessary (and better) outcomes for their business.

### BENEFITS OF HAVING A BLUEPRINT

A new year. The first few months in a different position. These are just a couple of the opportune times where planning is most often welcomed and expected. But what about Q2 - Q4? After a year or two on the job? Mapping out your end goals - and how you're going to get there remains a timely and ongoing priority for companies to contemplate incorporating in their repertoire.

For example, introducing more clarity, direction and focus throughout your business ensures organizational alignment at all levels. This produces buy-in from the top down and also consistency from a brand, customer service and community outreach perspective. Backed with a strategy, the positive effects are even more undeniable. A good rule of thumb to always remember is: "A plan says, 'here are the steps.' A strategy says, 'here are the best steps.'" While a plan, or blueprint, typically outlines what's needed to accomplish any particular objective, the strategy tackles the all-important question of 'why.'



### STRATEGIC

More widely known, strategic planning entails defining a vision and the necessary steps to achieve it. Facebook offers a great example. CFO Dave Wehner believes, "The strength of the business today is putting us in a strong position to invest in the future." In 2014, the social media corporation made public a 5-year plan to amplify their messaging platforms (Instagram, Messenger, WhatsApp) to become strong, long-lasting entities in their own right. In support of this long-term goal, Facebook has since transitioned users to download and use the Messenger app outside of their online profile. They've also finalized their acquisition of WhatsApp, their instant messaging application for smartphones. Thanks to their commitment to invest in programs and people that'll help build an even stronger organization, the Fortune 100 company is now servicing more than 1 billion people around the world.

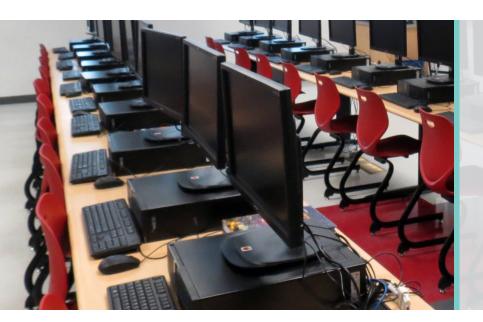






Whether it's people, policies, or procedures, when it comes to considering 'what's next,' continuity is key. Johnson and Johnson, the multinational manufacturer of pharmaceutical and therapeutic products (amongst many others), knows firsthand.

The conglomerate follows a decentralized organizational structure, which relies on several individuals – rather than one – for making business decisions and continuing success. Thanks to internal management and education training, as well as individual development programs, the family-owned enterprise collaborates to identify and empower team members with the highest management potential. Since launching in 1886, 50% of the company's CEOs have come from within, helping Johnson and Johnson maintain strong leadership and team morale during some of its most trying times.



#### CONTINGENCY

Often used for risk management, contingency plans are designed and put in place to prepare for unforeseen outcomes. An integral part to many companies' survival post-9/11, these road maps are still aiding businesses to ensure viability today. For Keller Independent School District in Texas, having a 'plan b' proved to be invaluable for its teachers and students. Aware that the schools' networks were liable to shut down at any moment, the district partnered with a local service to back up their software databases nightly. Since implementing in 2014, this process has decreased downtime, prevented data loss and, most importantly, improved productivity in the classroom.

### ANALYZE, IDENTIFY AND ORGANIZE

Countless tools are available to help pinpoint areas of growth for businesses. There's SCOPE Planning, which analyzes situations, core competencies, obstacles, prospects and expectations to facilitate strategic development. SOAR presents another option, taking a more positive approach in identifying an organization's strengths, opportunities, aspirations and results.

One of the most commonly known methods is SWOT analysis. Offering a high-level, 'big picture' perspective, this system helps with discovering and evaluating the strengths, weaknesses, opportunities and threats of a project or initiative.



#### STRENGTHS

What advantages do you have over other competitors in the marketplace? What makes your company stand out?



### WEAKNESSES

Awareness is key. Identify areas of improvement, setting your sights on effective solutions.



### **OPPORTUNITIES**

Assess the growth possibilities for your organization. What can you accomplish and most importantly, how?



### THREATS

Recognize and analyze any factors that can threaten or hamper growth and development.

### CONCLUSION

By having a practical and clear vision of a company's short and long-term trajectory, leaders are empowered to track ahead on exactly what's needed to facilitate a tangible progress. Whether working for a new startup or a mid to large-size enterprise, it's never too early to begin devising how you and your team can challenge the status quo. With a goal to strive for 'always better,' outlining a roadmap for company success can clear the way for greater opportunity for you and your team.

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## 2017 ABM HONOREES

We're always proud to engage the passions of people who believe there's a better way. This includes our supplier partners, who every year are helping us build vehicles of the highest quality for our customers.

At our Annual Business Meeting, we recognize and highlight our suppliers and their commitment to continuous improvement and collaborating to build 'ever better cars' throughout North America. We are pleased to recognize the following Tier I Suppliers for their outstanding performance in 2016. We thank all of our suppliers and their team members for their tremendous support and partnership.

### **Special Recognition for Improvement Supplier Diversity Winners:**

### BENTELER AUTOMOTIVE



Noby Tanaka, Toyota **Purchasing Executive** Advisor; Ron Ross, Supplier Diversity Manager, Benteler Automotive; Robert Young, Toyota Group Vice President of Purchasing, Supplier Engineering Development and Cost Planning

### MITCHELL PLASTICS



Noby Tanaka, Toyota Purchasing Executive Advisor: Joe Dangelo. President and CEO, Mitchell Plastics; Robert Young, Toyota Group Vice President of Purchasing, Supplier **Engineering Development** and Cost Planning

#### FLEX-N-GATE



Noby Tanaka, Toyota Purchasing Executive Advisor; Daniel Kennedy, Director of Sales-Interior Group, Flex-N-Gate; Phil Miceli, Account Manager, Flex-N-Gate; Robert Young, Toyota Group Vice President of Purchasing, Supplier **Engineering Development** and Cost Planning

### **Excellent Supplier Diversity Winners:**

### TENNECO AUTOMOTIVE



Noby Tanaka, Toyota Purchasing Executive Advisor; Greg Combs, Managing Director North American Sales, Tenneco Automotive; Fernando Ronderos, Supplier Diversity Manager, Tenneco Automotive; Robert Young, Toyota Group Vice President of Purchasing, Supplier Engineering Development and Cost Planning

### **GENTEX CORPORATION**



Noby Tanaka, Toyota Purchasing Executive Advisor: David Fathman. Director of Engineering, Gentex Corporation: Joe Matthews, Vice President of Purchasing, Gentex Corporation; Robert Young, Toyota Group Vice President of Purchasing, Supplier **Engineering Development** and Cost Planning

#### ADIENT



Noby Tanaka, Toyota Purchasing Executive Advisor; David Shuart, Vice President Asia Customers NA, Adient; Robert Young, Toyota Group Vice President of Purchasing, Supplier Engineering Development and Cost Planning



## CALENDAR

### JULY

### 20/DALLAS, TX | TOYOTA POWER OF EXCHANGE

- 23-25 / RANCHO MIRAGE, CA | AICCAL BUSINESS EXPO
- 26 / BIRMINGHAM, AL | SRMSDC AUTOMOTIVE SUMMIT
- 27/ BIRMINGHAM, AL | WBEC-SOUTH WOMEN IN BUSINESS LEADERSHIP LUNCHEON

### AUGUST -

- 14 / WASHINGTON, MI | MHCC GOLF OUTING
- 23-24 / NEW ORLEANS, LA | SRMSDC GATEWAY BUSINESS EXPO & IMPACT AWARDS
- 24/HOUSTON, TX | WBEA EXECUTIVE NETWORKING LUNCHEON
- 30-31/NASHVILLE, TN | TRISTATEMSDC MARKETPLACE OF OPPORTUNITIES BOF

### SEPTEMBER

- 06-07/EL PASO, TX | SMSDC DIVERSITY AT THE BORDER BUYER'S ROUNDTABLE & AWARDS
- 7/ ARLINGTON, TX | WBC-SOUTHWEST BUSINESS WORKS EXPO
- 12-14/SAN DIEGO, CA | WBEC-WEST ANNUAL PROCUREMENT CONFERENCE
- 20-21/ NEW ORLEANS, LA | WBEC-SOUTH WBEC SD SUMMIT & AWARDS GALA
- 26-27/NOVI, MI | GREATLAKES WBC BUSINESS CONFERENCE
- 27/LOS ANGELES, LA | ASIAN BUSINESS ASSOCIATION 41ST ANNUAL AWARDS BANQUET
- 28 / TORONTO, ON | CAMSC BUSINESS ACHIEVEMENT AWARDS GALA
- 28 / TORONTO, ON | WBE-CANADA ANNUAL CONFERENCE

## MEET THE TEAM



CHUCK HENDRIX | SENIOR MANAGER

Oversees the Manufacturing and Sales Divisions; Building of Toyota's Supplier Diversity Processes; Development of Diverse Companies



STEPHANIE BURTON | MANAGER

Internal Strategy Development; Development of Diverse Companies; Opportunity Exchange



MONETTA STEPHENS | MANAGER

Internal Strategy Development; Development of Diverse Companies; Power of Exchange



TIM YAMADA I MANAGER

Internal Strategy Development - Financial Services; Development of Diverse Companies; Organizations: NGLCC, WBCS, WBEC West



ERIN CAUDILL | ANALYST

Tier II Reporting & Activities; Opportunity Exchange; Organizations: NMSDC, Southern Region MSDC, BDR, and WBEC South



DANIEL ELLIS | ANALYST

Tier I Reporting & Activities; Opportunity Exchange; Organizations: CAMSC, Great Lakes - WBC, MHCC, MBCC, Michigan MSDC, WBE Canada



ADRINA WALKER | ANALYST

Marketing/Branding; Opportunity Exchange; Organizations: WBENC, Chicago MSDC, Mid-States MSDC, Ohio MSDC, ORV - WBC, TriState MSDC



ALYSSA KIRKOPOLOUS | ADMINISTRATOR

Executive Management Coordination; Opportunity Exchange; Power of Exchange; **Execution of the Team's Sponsored Events** 

### THANK YOU!



To say we appreciate Aaron's 15 years of service is an understatement. His diverse perspective and fresh ideas were great assets to our Supplier Diversity team. Aaron most certainly will be missed and we wish him continued success in his future endeavors.



A huge "thank you" to Devan for her time, service and commitment to Supplier Diversity. We wish her much success in her continued growth at Toyota as she rotates into her new role in **Supplier Relations!** 



We're extremely grateful for Laysha's attention to detail, organizational skills and most importantly, her positive impact both internally and externally. Best wishes in her future endeavors!